

LEASE

SMITHWAY ASSOCIATES, INC.,
a California corporation,

as Landlord,

and

ROCKLIN POLICE DEPARTMENT

as Tenant

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LEASE

This Lease (“Lease”) is entered into as of the “Effective Date” (as defined in Section 1.1 below) by and between “Landlord” and “Tenant” (each as defined in Sections 1.2 and 1.3 below).

ARTICLE 1. - BASIC LEASE PROVISIONS

1.1 Effective Date: December 1, 2022.

1.2 Landlord: SMITHWAY ASSOCIATES, INC., a California corporation.

1.3 Tenant: ROCKLIN POLICE DEPARTMENT.

1.4 Premises: That certain space within Building D, commonly known as Suite 101A, consisting of approximately 1310 square feet, as generally depicted on Exhibit A attached hereto. (Article 2)

1.5 Floor Area of Premises: Approximately one thousand three hundred and ten (1,310) square feet. (Article 2)

1.6 Project: The commercial project commonly known as 6815-6851 Lonetree Boulevard, situated in the City of Rocklin, County of Placer, State of California, which Project is legally described on Exhibit A-1 attached hereto and depicted on the site plan attached hereto as Exhibit A (the “Site Plan”). The Project is a shopping center comprised of multiple buildings commonly known as the “Rocklin West.”

1.7 Intentionally Omitted.

1.8 Term: Twelve (12) months. (Article 3)

1.9 Options to Extend: None. (Article 3)

1.10 Minimum Annual Rent: \$0 (Article 5)

1.11 Intentionally Omitted.

1.12 Use of Premises: Subject to the existing exclusives and use restrictions at the Project (which are listed on Exhibit E attached hereto), the Premises shall be used primarily for the operation of a police substation, but the Premises shall not be used to detain suspects of criminal activity, furnish holding cells or to store police vehicles. The Premises shall be used for no other purpose whatsoever. (Article 9)

1.13 Tenant’s Trade Name: Rocklin Police Department. (Article 9)

1.14 Broker(s): CBRE, Inc., representing Landlord. Tenant has no broker representation in this transaction. (Article 9)

1.15 Security Deposit: \$0

1.16 Intentionally Omitted

1.17 Intentionally Omitted.

1.18 Notices: To Landlord for Notices via regular mail: Smithway Associates, Inc., c/o Citadel Management Company, 1508 Eureka Rd., Suite 230, Roseville, CA 95661 and Smithway Associates, Inc., 1860 Bridgegate St., Suite 104, Westlake Village, CA 91361; **Landlord's Address for Payment of Rent:** Smithway Associates, Inc., c/o Citadel Management Company, 1508 Eureka Rd., Suite 230, Roseville, CA 95661. **To Tenant:** Chief Rustin Banks, City of Rocklin Police Department, 4080 Rocklin Road, Rocklin, CA 95677. (Article 19)

ARTICLE 2. - PREMISES

2.1 Premises. Landlord leases to Tenant and Tenant leases from Landlord, for the "Term" (as defined in Article 3) and upon the covenants and conditions set forth in this Lease, the premises described in Section 1.4 ("Premises"). The Premises shall specifically include the roof, floor slab and foundations, and structural and exterior walls which are a part of or immediately adjacent to the Premises.

2.2 Reservation. Landlord reserves the right to use the exterior walls, floor, roof and plenum in, above and below the Premises for the repair, maintenance, use and replacement of pipes, ducts, utility lines and systems, structural elements serving the Project and for such other purposes as Landlord deems necessary. In exercising its rights reserved herein, Landlord shall not unreasonably interfere with the operation of Tenant's business on the Premises.

2.3 Floor Area. "Floor Area", as used in this Lease, means all areas designated by Landlord for the exclusive use of a tenant measured from the exterior surface of exterior walls (and extensions, in the case of openings) and from the center of interior demising walls (specifically and expressly excluding the area of any enclosed patio and/or seating areas outside the demising walls of premises within the Project as set forth on Exhibit A attached hereto), and shall include, but not be limited to, restrooms, mezzanines, warehouse or storage areas, clerical or office areas and employee areas. The Premises contain approximately the number of square feet of Floor Area specified in Section 1.5. Landlord shall have the right, at Landlord's sole option, during the first ninety (90) days following the "Commencement Date" (as hereinafter defined) to cause the Floor Area of the Premises to be remeasured by a licensed architect. Upon determination of the actual Floor Area of the Premises in the manner set forth above, all charges payable by Tenant under this Lease which are determined with reference to the Floor Area of the Premises shall be adjusted accordingly.

ARTICLE 3. - TERM

3.1 Term. This Lease shall be effective from and after the Effective Date. The term of this Lease ("Term") shall commence on December 1, 2022 (the "Commencement Date"). The Term shall continue, unless sooner terminated in accordance with the provisions of this Lease, for the number of months specified in Section 1.8 from the first day of the month following the Commencement Date (unless the Commencement Date occurs on the first day of a calendar month,

in which event the number of months in the Term shall include the month in which the Commencement Date occurs).

ARTICLE 4. - POSSESSION AND CONSTRUCTION

4.1 Delivery of Possession. Tenant shall accept possession of the Premises from Landlord upon the Commencement Date. Tenant shall pay the estimated amount of Tenant's share of Taxes, insurance premiums, and Common Area Costs (estimated to be \$1,113.50) on the date Tenant signs this Lease. Landlord shall deliver the Premises to Tenant with the existing "as-is" condition. Tenant acknowledges that, except as otherwise expressly set forth in this Article 4 and the Lease, (i) neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, the Building, or the Project or their condition, or with respect to the suitability thereof for the conduct of Tenant's business, and Tenant shall accept the Premises in its then as-is condition on delivery by Landlord, and (ii) the acceptance of possession of the Premises by Tenant shall establish that the Premises, the Building, and the Project were at such time complete and in good, sanitary, and satisfactory condition and repair and without any obligation on Landlord's part to make any further alterations, upgrades, or improvements thereto.

4.2 Tenant's Certificate of Occupancy. Tenant shall be solely responsible for any and all improvements to the Premises are required for Tenant to obtain a certificate of occupancy for the Premises issued by the appropriate governmental agency and Tenant shall promptly provide Landlord with a copy of such certificate upon receipt.

ARTICLE 5. - RENTAL

5.1 Minimum Annual Rent. Tenant shall pay the sum specified in Section 1.10 ("Minimum Annual Rent") in the amount of \$0.

5.2 Intentionally Omitted.

5.3 Additional Rent. Tenant shall pay, as "Additional Rent", without offset, abatement or deduction, all sums required to be paid by Tenant to Landlord pursuant to this Lease on the first of each month. Landlord shall have the right to pursue all remedies for the nonpayment of Additional Rent as provided for in this Lease.

5.4 Late Payments. If Tenant fails to pay when the same is due any Additional Rent, the unpaid amounts shall bear interest at the Interest Rate, as defined in Section 19.9(d), from the date the unpaid amount was initially due, to and including the date of payment. In addition, if any installment of Additional Rent is not received by Landlord from Tenant within five (5) days after the date when due, Tenant shall immediately pay to Landlord a late charge equal to the greater of (i) ten percent (10%) of the delinquent amount, and (ii) Two Hundred Fifty and 00/100 Dollars (\$250.00). Landlord and Tenant agree that this late charge represents a reasonable estimate of the costs and expenses Landlord will incur and is fair compensation to Landlord for its loss suffered by reason of late payment by Tenant.

5.5 Place of Payment. Tenant shall pay Additional Rent to Landlord at the address specified in Section 1.18, or to such other address and/or person as Landlord may from time to time designate in writing to Tenant.

ARTICLE 6. - TENANT FINANCIAL DATA

INTENTIONALLY OMITTED

ARTICLE 7. - TAXES

7.1 Real Property Taxes.

(a) As used in this Lease, the term “Taxes” shall include any form of tax or assessment, license fee, license tax, possessory interest tax, tax or excise on rental, or any other levy, charge, expense or imposition imposed by any Federal, state, county or city authority having jurisdiction, or any political subdivision thereof, or any school, agricultural, lighting, drainage or other improvement or special assessment district on any interest of Landlord or Tenant in the Project. The term “Taxes” shall not include Landlord’s general income taxes, inheritance, estate or gift taxes.

(b) From and after the Commencement Date, Tenant shall pay to Landlord, as Additional Rent, a share of the Taxes pursuant to subparagraph (c) below. Taxes for any partial year shall be prorated. Landlord, at its option, may collect Tenant’s payment of its share of Taxes after the actual amount of Taxes are ascertained or in advance, monthly or quarterly, based upon estimated Taxes. If Landlord elects to collect Tenant’s share of Taxes based upon estimates, Tenant shall pay to Landlord from and after the Commencement Date, and thereafter on the first (1st) day of each month during the Term, an amount estimated by Landlord to be the monthly Taxes payable by Tenant. Landlord may periodically adjust the estimated amount. If Landlord collects Taxes based upon estimated amounts, then following the end of each calendar year or, at Landlord’s option, its fiscal year, Landlord shall furnish Tenant with a statement covering the year just expired showing the total Taxes for the Project for such year, the total Taxes payable by Tenant for such year, and the payments previously made by Tenant with respect to such year, as set forth above. If the actual Taxes payable for such year exceed Tenant’s prior payments, Tenant shall pay to Landlord the deficiency within ten (10) days after its receipt of the statement. If Tenant’s payments exceed the actual Taxes payable for that year, Tenant shall be entitled to offset the excess against the next payment(s) of Taxes and/or other Additional Rent that become due to Landlord; provided that Landlord shall refund to Tenant the amount of any overpayment for the last year of the Term.

(c) Tenant’s share of the Taxes shall be determined by multiplying all of the Taxes on the parcel in which the Premises resides (the “Tax Parcel”) (which shall include such Tax Parcel’s pro rata share of Taxes on the improvements and land within the Common Area as allocated and estimated by the county assessor’s office) by a fraction, the numerator of which shall be the Floor Area of the Premises and the denominator of which is the Floor Area on such Tax Parcel to the extent occupied and open for business from time to time as of the commencement of the applicable calendar or fiscal year (as the case may be), exclusive of the Floor Area of the “Other Stores” (as defined in Section 11.5 below) and exclusive of the “Joint Use Facilities” (as hereinafter defined); provided, however, in no event shall such denominator be less than eighty-five percent (85%) of the Floor Area located within such Tax Parcel as of the commencement of the applicable calendar or fiscal year (as the case may be), exclusive of the Floor Area of the Other Stores and exclusive of the Joint Use Facilities; provided further, however, if the Tax Parcel does

not include Tenant's equitable share of the Common Area, Tenant's share of Taxes shall also include Tenant's equitable share of the Taxes assessed against all or a portion of the Common Area, which equitable share shall be a fraction, the numerator of which shall be the Floor Area of the Premises and the denominator of which shall be the Floor Area of the tenants/occupants contributing to the Taxes on such Common Area to the extent occupied and open for business from time to time as of the commencement of the applicable calendar or fiscal year (as the case may be), exclusive of Joint Use Facilities (provided, however, in no event shall such denominator be less than eighty-five percent (85%) of the Floor Area of the tenants/occupants contributing to the Taxes on such Common Area as of the commencement of the applicable calendar or fiscal year (as the case may be), exclusive of the Floor Area of the Joint Use Facilities).

7.2 Other Property Taxes. Tenant shall pay, prior to delinquency, all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation, trade fixtures, merchandise and other personal property in, on or upon the Premises. If any such items of property are assessed with property of Landlord, then the assessment shall be equitably divided between Landlord and Tenant.

7.3 Contesting Taxes. If Landlord contests any Taxes levied or assessed during the Term, Tenant shall not be required to pay any portion of the costs or expenses incurred by Landlord in connection with such contest; however, if Landlord is successful in such contest, Landlord may deduct from the portion of any refund received which is payable to Tenant, Tenant's proportionate share of all such costs and expenses determined pursuant to the formula set forth in Section 7.1(c) for the allocation of Taxes. Landlord shall pay to Tenant that portion of the total refund remaining, if any, which is attributable to Tenant's proportionate share of Taxes prorated in the same manner as set forth in Section 7.1(c).

ARTICLE 8. - UTILITIES

Tenant agrees to pay directly to the appropriate utility company all charges for utility services supplied to Tenant for which there is a separate meter and/or submeter to the Premises. Tenant agrees to pay to Landlord its share of all charges for utility services supplied to the Premises for which there is no separate meter or submeter upon billing by Landlord of Tenant's share, as reasonably determined by Landlord based upon estimated actual usage. Regardless of the entity which supplies any of the utility services, Landlord shall not be liable in damages for any failure or interruption of any utility or service. No failure or interruption of any utility or service shall entitle Tenant to terminate this Lease or discontinue making payments of Additional Rent. Tenant shall be responsible for the payment of all utility meter connection and/or hook-up fees for utility services supplied to the Premises and any other charges imposed in connection with the commencement of said utilities. In the event Landlord enters into a fire monitoring alarm contract in connection with the Premises, Tenant agrees, upon the Commencement Date, to assume the terms of such contract. Upon Landlord's election, Tenant shall promptly enter into a written assignment and assumption agreement in a form reasonably acceptable to Landlord and Tenant reflecting Tenant's assumption of such fire monitoring alarm contract. Tenant shall be responsible at its cost to coordinate with the applicable utility companies for the installation of the electrical and gas meters as appropriate for Tenant's use of the Premises.

ARTICLE 9. - TENANT'S CONDUCT OF BUSINESS

9.1 Permitted Trade Name and Use. Tenant shall use the Premises solely under the trade name specified in Section 1.13 and shall not use the Premises under a different trade name without Landlord's prior written consent, which consent shall not be unreasonably withheld; provided, however, Tenant may, without seeking Landlord's prior written consent (but with prior written notice to Landlord), change the trade name under which its business in the Premises is operated to any trade name under which Tenant operates all or substantially all of its stores in California. Tenant shall use the Premises solely for the use specified in Section 1.12 and for no other use or purpose. Notwithstanding anything contained in this Lease to the contrary, in no event shall the Premises be used for any exclusive use or use restriction granted by Landlord to other tenants of the Project prior to or subsequent to the date of this Lease, all of which are set forth on Exhibit E attached hereto.

9.2 Covenant to Open and Operate. Tenant covenants to open for business with the Premises fully fixtured on or before the Commencement Date and thereafter, subject to temporary closures for emergencies, casualty, condemnation, remodel, or "Events of Force Majeure" (as hereinafter defined) which prevents Tenant from conducting its normal business operations in the Premises, and Tenant's right to cease operating in accordance with the further provisions of this Section 9.2, to operate continuously and uninterruptedly in the entirety of the Premises throughout the Term the business described in Section 1.12.

9.3 Tenant's Signs. Tenant shall be permitted to use the standard interior window signage used from time to time in its other Tenant substations, subject to all governmental requirements, the sign criteria established for the Project by Landlord from time to time (the "Sign Criteria") and Landlord's prior written approval, which approval shall not be unreasonably withheld; provided, however, such signage shall be professionally prepared and maintained in a neat manner and shall not, at any time, occupy more than twenty-five percent (25%) of the storefront windows or doors. Tenant shall not affix upon the exterior (or interior windows or doors) of the Premises any sign, advertising placard, name, insignia, trademark, descriptive material or other like item (collectively, the "Exterior Signs"), unless the Exterior Signs (i) comply with all governmental requirements, (ii) comply with the Sign Criteria, and (iii) are approved by Landlord, which approval shall not be unreasonably withheld. All of the Exterior Signs shall be erected by Tenant at its sole cost and expense, and Tenant shall maintain all of its Exterior Signs in good condition and repair during the Term.

9.4 Hours of Business. From and after the Commencement Date, Tenant shall keep the entire Premises continuously open for business during those days and hours as are customary and usual for the type of business operated by Tenant. Tenant shall have its exterior signs adequately illuminated continuously during those hours and days that the Premises are open.

9.5 Hours for Deliveries. All deliveries, (exclusive of United Parcel Service and U.S. Postal Service), loading, unloading and services to the Premises shall be completed between 6:00 a.m. and 10:00 a.m. each day. All deliveries, loading, unloading and services to the Premises shall be accomplished within the service areas of the Project.

ARTICLE 10. -USE PROTECTION. INTENTIONALLY OMITTED. MAINTENANCE, REPAIRS AND ALTERATIONS

10.1 Landlord's Maintenance Obligations. Intentionally omitted.

10.2 Landlord's Right of Entry. Landlord, its agents, contractors, servants and employees may enter the Premises following reasonable notice to Tenant and Landlord's good faith efforts to coordinate such entry with Tenant's on-site management so as to minimize interference with Tenant's business operations (except in a case of emergency): (a) to examine the Premises; (b) to perform any obligation or exercise any right or remedy of Landlord under this Lease or make repairs, alterations, improvements or additions to the Premises or to other portions of the Project; (c) to perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; and (d) to perform work that Landlord deems necessary to prevent waste or deterioration in connection with the Premises should Tenant fail to commence such work within ten (10) days after written notice from Landlord of the need for such work (or if more than ten (10) days shall be required because of the nature of the work, if Tenant shall fail to diligently proceed to commence to perform such work after written notice). If Landlord makes any repairs which Tenant is obligated to make pursuant to the terms of this Lease, Tenant shall pay the cost of such repairs to Landlord, as Additional Rent, promptly upon receipt of a bill from Landlord for same.

10.3 Tenant's Maintenance Obligations. Except for the portions and components of the Premises to be maintained by Landlord as set forth in Section 10.1, Tenant, at its expense, shall keep the Premises and all utility facilities and systems (including, but not limited to, the fire monitoring system) exclusively serving the Premises ("Tenant Utility Facilities") in first-class order, condition and repair and shall make replacements necessary to keep the Premises and Tenant Utility Facilities in such condition; provided, however, Tenant shall have no right to spray paint the exterior or interior of the windows or doors without Landlord's prior written consent. All replacements shall be of a quality equal to or exceeding that of the original. At the option of Landlord, (a) Tenant shall contract with a service company approved by Landlord for the regular (but not less frequently than quarterly) maintenance, repair and/or replacement (when necessary) of the heating, ventilating and air conditioning equipment serving the Premises (the "HVAC System") and shall provide Landlord with a copy of any service contract within ten (10) days following its execution, or (b) Landlord may contract with a service company of its own choosing (or provide such service itself) for the maintenance, repair and/or replacement of the HVAC System and bill Tenant periodically for the cost of same or based upon estimates in a manner similar to the way in which Common Area Costs are estimated and billed. Landlord shall be entitled to obtain an administration fee of fifteen percent (15%) on all of the HVAC System expense billed to Tenant. Throughout the Term, at Tenant's sole expense, Tenant shall maintain the Premises in a clean, sanitary and quiet manner and shall take such steps as may be reasonably necessary to keep the Premises and/or contiguous other tenant-occupied premises and the Project free of nuisances, odors and loud sounds, including music associated with Tenant's business or from the operation of any instrument, apparatus, equipment, radio, television or amplification system.

10.4 Alterations. After initially opening the Premises for business, Tenant shall not make or cause to be made to the Premises or the Tenant Utility Facilities any addition, renovation,

alteration, reconstruction or change (collectively, “Alterations”) (i) costing in excess of Twenty-Five Thousand Dollars (\$25,000.00), (ii) affecting the exterior storefront, fire sprinkler systems, exterior walls, floor slab, or roof of the Premises, (iii) requiring or resulting in any penetration of the roof, demising walls or floor slab of the Premises or (iv) involving structural changes or additions, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall provide Landlord with not less than ten (10) days prior written notice of the commencement of any Alterations in the Premises and Landlord shall have the right to enter upon the Premises to post customary notices of non-responsibility with respect thereto. Subject to Section 19.6, all improvements to the Premises by Tenant including, but not limited to, light fixtures, floor coverings and partitions and other items comprising Tenant’s Work pursuant to Exhibit C, but excluding trade fixtures and signs, shall be deemed to be the property of Landlord upon installation thereof. Within thirty (30) days after the completion of any Alterations, Tenant shall deliver to Landlord a set of “as built” plans depicting the Alterations as actually constructed or installed. If Tenant shall make any permitted Alterations, Tenant shall carry “Special Form Causes of Loss” or “Builder’s All Risk” insurance in an amount reasonably determined by Landlord covering the construction of such Alterations and such other insurance as Landlord may reasonably require. Any Alterations to the Premises or the Tenant Utility Facilities which are required by reason of any present or future law, ordinance, rule, regulation or order of any governmental authority having jurisdiction over the Premises or the Project or of any insurance company insuring the Premises, and regardless of whether or not such Alteration pertains to the nature, construction or structure of the Premises or to the use made thereof by Tenant, shall be at the sole cost of Tenant regardless of whether the work is performed by Landlord or Tenant.

ARTICLE 11. -COMMON AREA

11.1 Definition of Common Area. The term “Common Area”, as used in this Lease, shall mean all areas within the exterior boundaries of the Project (or areas immediately adjacent to the Project such as, but not limited to, landscaped medians), now or later made available for the general use of Landlord and other persons entitled to occupy Floor Area in the Project.

11.2 Use of Common Area. Subject to Section 11.6, the use and occupancy by Tenant of the Premises shall include the non-exclusive use of the Common Area (except those portions of the Common Area on which have been constructed or placed permanent or temporary kiosks, displays, carts and stands and except areas used in the maintenance or operation of the Project) in common with Landlord and the other tenants of the Project and their customers and invitees, subject to reasonable and nondiscriminatorily enforced rules and regulations concerning the use of the Common Area established by Landlord from time to time.

11.3 Control of and Changes to Common Area. Landlord shall have the sole and exclusive control of the Common Area, and the right to make changes to the Common Area. Landlord’s rights shall include, but not be limited to, the right to (a) utilize from time to time any portion of the Common Area for promotional, entertainment and related matters; (b) place permanent or temporary kiosks, displays, carts and stands in the Common Area and to lease same to tenants; (c) restrain the use of the Common Area by unauthorized persons; (d) temporarily close any portion of the Common Area for repairs, improvements or Alterations, to discourage non-customer use, to prevent dedication or an easement by prescription or for any other reason deemed sufficient in Landlord’s reasonable judgment; and (e) renovate, upgrade or change the shape and

size of the Common Area or add, eliminate or change the location of improvements to the Common Area including, without limitation, buildings, parking areas, roadways and curb cuts, and to construct buildings on the Common Area. Landlord, at any time, may change the shape, size, location, number and extent of the improvements shown on Exhibit A and eliminate, add or relocate any improvements to any portion of the Project, and may add land to and/or withdraw land from the Project.

11.4 Common Area Costs. The term “Common Area Costs”, as used in this Lease, shall mean all costs and expenses incurred by Landlord in (a) operating, managing, policing, insuring, repairing and maintaining the Common Area and the on-site management and/or security offices, nonprofit community buildings and child care centers as may be located in the Project from time to time (which offices, buildings and center shall hereinafter be referred to as the “Joint Use Facilities”), (b) maintaining, repairing and replacing the exterior surface of exterior walls (and storefronts and storefront awnings if Landlord has elected to include the cleaning of same as part of Common Area maintenance) and maintaining, repairing and replacing roofs of the buildings from time to time constituting the Project, and (c) operating, insuring, repairing, replacing and maintaining all utility facilities and systems including, without limitation, sanitary sewer lines and systems, fire protection lines and systems, security lines and systems and storm drainage lines and systems not exclusively serving the premises of any tenant or store (“Common Utility Facilities”), mall furniture and equipment, seasonal and holiday decorations, Common Area lighting fixtures, Project sign monuments or pylons (but not the tenant identification signs thereon) and directional signage. Common Area Costs shall include the actual costs incurred by Landlord for personnel (whether employees of Landlord or third party contractors) employed in the management and operation of the Project. Common Area Costs shall include, without limitation, the following: Expenses for maintenance, repaving, resurfacing (including, but not limited to, an overlay, slurry coating or re-stripping), landscaping, repairs, replacements, lighting, cleaning, painting, Common Area trash removal, management offices, security, non-refundable contributions toward reserves for replacements, maintenance and/or repairs such as, but not limited to, major parking lot repairs and repainting of buildings, fire protection and similar items; depreciation or rental on equipment; charges, surcharges and other levies related to the requirements of any Federal, state or local governmental agency; comprehensive or commercial general liability insurance on the Common Area; standard “special form causes of loss insurance” or “all risks” fire and extended coverage insurance with, at Landlord’s option, an earthquake damage or “terrorism” endorsement covering the Common Areas; flood insurance; environmental insurance, in a form and issued by a carrier acceptable to Landlord in its sole and absolute discretion; the cost of any deductibles or self-insured retentions relating to the insurance maintained by Landlord pursuant hereto; costs of management of the Project (whether such management services are provided by Landlord or a third party contractor); expenses related to the Common Utility Facilities; and a sum (the “Supervision Fee”) payable to Landlord for administration and overhead in an amount equal to fifteen percent (15%) of the Common Area Costs excluding Tenant’s share of Taxes pursuant to Section 7.1 and Tenant’s share of insurance premiums pursuant to Section 12.4. Common Area Costs shall specifically include capital expenditures for the repair or replacement of Common Areas; provided, however, Tenant shall only be obligated to pay for the cost of capital expenditures for repairing or replacing Common Areas based on the cost of such repair or replacement amortized over the useful life of the Common Area item being replaced as Landlord shall reasonably determine (including interest on the unamortized cost).

11.5 Proration of Common Area Costs. The Common Area Costs shall be prorated in the following manner:

(a) From and after the Commencement Date, Tenant shall pay to Landlord, on the first (1st) day of each calendar month, an amount estimated by Landlord to be the monthly amount of Tenant's share of the Common Area Costs relating to the Project. The estimated monthly charge may be adjusted periodically by Landlord on the basis of Landlord's reasonably anticipated costs.

(b) Following the end of each calendar year or, at Landlord's option, its fiscal year, Landlord shall furnish to Tenant a statement covering the calendar or fiscal year (as the case may be) just expired, showing by cost category the actual Common Area Costs for that year for the Project, the total Floor Area of the Project, the amount of Tenant's share of the Common Area Costs for that year for the Project, and the monthly payments made by Tenant during that year for the Common Area Costs. If Tenant's share of the Common Area Costs exceeds Tenant's prior payments, Tenant shall pay to Landlord the deficiency within ten (10) days after receipt of such annual statement. If Tenant's payments for the calendar year exceed Tenant's actual share of the Common Area Costs, and provided Tenant is not in arrears as to the payment of any Minimum Annual Rent or Additional Rent, Tenant may offset the excess against payments of Common Area Costs next due Landlord. An appropriate proration of Tenant's share of the Common Area Costs as of the Commencement Date and the expiration date of the Term shall be made.

(c) Portions of the Project are, or may be, owned or leased from time to time by various persons or entities occupying freestanding facilities or other facilities containing in excess of ten thousand (10,000) square feet of Floor Area which maintain, repair and replace their own facilities and, therefore, contribute to the Common Area Costs on a basis other than that described herein (collectively, "Other Stores"). The contributions received from the Other Stores towards the Common Area Costs for the Project shall be credited against the total Common Area Costs for the Project, and the balance thereof shall be prorated in the following manner: Tenant's share of the Common Area Costs for the Project shall be determined by multiplying the Common Area Costs for the Project that remain after applying the contributions paid by the Other Stores towards the Common Area Costs for the Project by a fraction, the numerator of which is the number of square feet of Floor Area in the Premises and the denominator of which is the Floor Area in the Project, to the extent occupied and open for business from time to time as of the commencement of the applicable calendar or fiscal year (as the case may be), exclusive of the Floor Area of the Other Stores located within the Project, and exclusive of the Joint Use Facilities located within the Project; provided, however, in no event shall such denominator be less than eighty-five percent (85%) of the Floor Area of the Project as of the commencement of the applicable calendar or fiscal year (as the case may be), exclusive of the Floor Area of the Other Stores and exclusive of the Joint Use Facilities located within the Project. Notwithstanding the foregoing, if any owner or tenant of a portion of the Project separately maintains its own Common Area, Common Area Costs in the Project shall not include costs relating to the Common Area so maintained by such owner or tenant, and the Floor Area on such owner's or tenant's parcel shall not be included in the denominator for purposes of calculation of Tenant's share of Common Area Costs for the Project.

(d) Notwithstanding anything contained in this Section 11.5 to the contrary, at Landlord's option: (i) Landlord shall have the right to allocate certain Common Area Costs to less than all of the occupants in the Project, in which event Tenant's share of such costs (the "Cost Pool") shall be as follows: (A) in the event Tenant is one of the occupants participating in such Cost Pool, its share of such Common Area Costs shall be calculated in the manner set forth in Section 11.5(c), but the denominator used to determine such share shall exclude those occupants not participating in such Cost Pool; or (B) in the event Tenant is not one of the occupants participating in such Cost Pool, it shall not be required to pay a share of the Common Area Costs relating to such Cost Pool, but its share of Common Area Costs shall exclude the Common Area Costs included within such Cost Pool; or (ii) Landlord shall have the right to cause Tenant to directly pay for any extraordinary expenses resulting from Tenant's operations from the Premises (e.g., a restaurant user with an outdoor patio may be directly responsible for the extraordinary costs incurred by Landlord in cleaning the Common Area directly adjacent to such outdoor patio area).

11.6 Parking. Tenant and its employees shall only park their marked police vehicles in the parking areas, in an amount of no more than seven (7) vehicles at any one time, in a manner that does not overburden or unreasonably interfere with the parking availability of other tenants and invitees of the Project. If Tenant's employees park their personal vehicles in violation of these provisions or other parking rules and regulations implemented by Landlord with respect to the Project, and such violations are not cured in a reasonable time period, Landlord shall have the right to terminate this Lease.

ARTICLE 12. -INSURANCE

12.1 Tenant's Insurance. Tenant, at its sole cost and expense, commencing on the date Tenant is given access to the Premises, and continuing during the Term, shall procure, pay for and keep in full force and effect the following types of insurance, in at least the amounts and in the forms specified below:

(a) Comprehensive or commercial general liability insurance with coverage limits of not less than Three Million Dollars (\$3,000,000.00) for combined single limit for bodily injury, personal injury, death and property damage liability per occurrence or the limit carried by Tenant, whichever is greater, insuring against any and all liability of the insureds with respect to the Premises or arising out of the maintenance, use or occupancy of the Premises or related to the exercise of any rights of Tenant pursuant to this Lease, subject to increases in amount as Landlord may reasonably require from time to time. All such liability insurance shall specifically insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and injury or damage to property set forth in Section 12.5. Further, all such liability insurance shall include, but not be limited to, personal injury, blanket contractual, cross-liability and severability of interest clauses, broad form property damage, independent contractors, owned, non-owned and hired vehicles and, if alcoholic beverages are served, sold, consumed or obtained in the Premises, liquor law liability. In addition to the coverage referenced above, Tenant shall be required to maintain not less than Five Million Dollars (\$5,000,000.00) in umbrella/excess liability insurance covering the risks set forth above in this Section 12.1(a).

(b) Worker's compensation coverage in an amount adequate to comply with law, and employer's liability coverage with a limit of not less than One Million Dollars

(\$1,000,000.00). Tenant, on its own behalf and on behalf of its insurers and other providers of coverage, waives any and all right of recovery and right to subrogation in connection with matters to which such insurance applies.

(c) Plate glass insurance covering all plate glass on the Premises at full replacement value. Tenant shall have the option either to insure this risk or to self-insure.

(d) Insurance covering all of Tenant's Work, Tenant's leasehold improvements and Alterations permitted under Article 10 and all furniture, fixtures, equipment and other personal property located in or at the Premises, in an amount not less than their full replacement value from time to time, including replacement cost endorsement, providing protection against any peril included within the classification Fire and Extended Coverage, sprinkler damage, vandalism, theft, burglary, malicious mischief, earthquake and such other additional perils as covered in a "special form causes of loss" or an "all risks" standard insurance policy or as Landlord may reasonably require. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease and terminate under the provisions of Article 13.

12.2 Policy Form. All policies of insurance required of Tenant herein shall be issued by insurance companies with a general policy holder's rating of not less than "A" and a financial rating of not less than Class "X", as rated in the most current available "Best's Key Rating Guide", and which are qualified to do business in the State of California. All such policies, except for the Workers' Compensation coverage, shall name and shall be for the mutual and joint benefit and protection of Landlord, Tenant and Landlord's agents and mortgagee(s) or beneficiary(ies) as additional insureds. The policies described in subparagraphs (c) and (d) of Section 12.1 shall also name Landlord and Landlord's mortgagee(s) or beneficiary(ies) as loss payees, and Landlord shall furnish to Tenant the names and addresses of such mortgagee(s) and beneficiary(ies). Executed copies of the policies of insurance or certificates thereof shall be delivered to Landlord prior to Tenant, its agents or employees entering the Premises for any purpose. Thereafter, executed copies of renewal policies or certificates thereof shall be delivered to Landlord within thirty (30) days prior to the expiration of the term of each policy. All policies of insurance delivered to Landlord must contain a provision that the company writing the policy will give to Landlord thirty (30) days' prior written notice of any cancellation or lapse or the effective date of any reduction in the amounts of insurance. All policies required of Tenant herein shall be endorsed to read that such policies are primary policies and any insurance carried by Landlord or Landlord's property manager shall be noncontributing with such policies. No policy required to be maintained by Tenant shall have a deductible greater than Twenty-Five Thousand Dollars (\$25,000.00) unless approved in writing by Landlord.

12.3 Blanket Policies. Notwithstanding anything to the contrary contained in this Article 12, Tenant's obligation to carry insurance may be satisfied by coverage under a so-called blanket policy or policies of insurance; provided, however, that the coverage afforded Landlord will not be reduced or diminished and the requirements set forth in this Lease are otherwise satisfied by such blanket policy or policies.

12.4 Reimbursement of Insurance Premiums by Tenant. Landlord, at all times from and after the Effective Date, shall maintain in effect during the Term a policy or policies of insurance covering the building of which the Premises are a part (including boiler and machinery)

in an amount not less than eighty percent (80%) of the full replacement cost (exclusive of the cost of excavations, foundations and footings) or the amount of insurance Landlord's mortgagee(s) or beneficiary(ies) may require Landlord to maintain, whichever is the greater, providing protection against any peril generally included in the classification "Special Form Causes of Loss" or "Fire and Extended Coverage", loss of rental income insurance and such other additional insurance as covered in a "special form causes of loss" or an "all risks" standard insurance policy, with earthquake coverage insurance, flood insurance, terrorism insurance and/or environmental insurance if deemed necessary by Landlord in Landlord's sole judgment or if required by Landlord's mortgagee(s) or beneficiary(ies) or by any Federal, state, county, city or local authority. Landlord's obligation to carry this insurance may be brought within the coverage of any so-called blanket policy or policies of insurance carried and maintained by Landlord. From and after the Commencement Date, Tenant agrees to pay to Landlord, as Additional Rent, its share of the cost to Landlord of this insurance. The cost of such insurance for any partial year of the Term shall be prorated. Payment shall be made in the same manner set forth for payment of Taxes in Section 7.1(b). Tenant's share of the premiums for this insurance shall be a fractional portion of the premiums, the numerator of which shall be the Floor Area of the Premises and the denominator of which is the Floor Area covered by this insurance to the extent occupied and open for business from time to time as of the commencement of the applicable calendar or fiscal year (as the case may be), exclusive of the Floor Area of the Other Stores and exclusive of the Joint Use Facilities; provided, however, in no event shall such denominator be less than eighty-five percent (85%) of the Floor Area covered by this insurance as of the commencement of the applicable calendar or fiscal year (as the case may be), exclusive of the Floor Area of the Other Stores and exclusive of the Joint Use Facilities. Tenant acknowledges that Landlord shall have the right to maintain commercially reasonable deductibles and/or self-insured retentions in connection with any insurance carried by Landlord pursuant to this Lease, as determined by Landlord in its reasonable business judgment. In the event of an insurance loss covered by the insurance carried by Landlord pursuant to this Lease, Tenant shall be required to pay its share of such deductibles or self-insured retentions, as determined pursuant to this Section 12.4 or Section 11.5, as applicable.

12.5 Indemnity. "Landlord" for the purposes of this section shall mean and include Landlord and Landlord's directors, officers, shareholders, agents and employees. To the fullest extent permitted by law, Tenant covenants with Landlord that Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Tenant or any other person occurring from and after the date Tenant is given access to the Premises from any cause whatsoever related to the use, occupancy or enjoyment of the Premises by Tenant or any person thereon or holding under Tenant. Tenant shall pay for, defend (with an attorney approved by Landlord), indemnify, and save Landlord harmless against and from any real or alleged damage or injury and from all claims, judgments, liabilities, costs and expenses, including attorney's fees and costs, arising out of or connected with Tenant's use of the Premises and its facilities, or any repairs, Alterations or improvements (including original improvements and fixtures specified as Tenant's Work) which Tenant may make or cause to be made upon the Premises, any breach of this Lease by Tenant and any loss or interruption of business or loss of rental income resulting from any of the foregoing; provided, however (and though Tenant shall in all cases accept any tender of defense of any action or proceeding in which Landlord is named or made a party and shall, notwithstanding any allegations of negligence or misconduct on the part of Landlord, defend Landlord as provided herein), Tenant shall not be liable for such damage or injury to the extent and in the proportion that the same is ultimately determined to be attributable

to the negligence or misconduct of Landlord, and Landlord shall pay for, defend, indemnify, and save Tenant harmless against and from any and all claims, judgments, liabilities, costs and expenses, including attorneys' fees and costs, resulting from any such damage or injury. The obligations to indemnify set forth in this section shall include all attorneys' fees, litigation costs, investigation costs and court costs and all other costs, expenses and liabilities incurred by the indemnified party from the first notice that any claim or demand is to be made or may be made. All indemnity obligations under this section shall survive the expiration or termination of this Lease.

12.6 Waiver of Subrogation. Landlord and Tenant each waive any rights each may have against the other on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, their respective property, the Premises or its contents, or to other portions of the Project arising from any liability, loss, damage or injury caused by fire or other casualty for which property insurance is carried or required to be carried pursuant to this Lease. The insurance policies obtained by Landlord and Tenant pursuant to this Lease shall contain endorsements waiving any right of subrogation which the insurer may otherwise have against the non-insuring party. If Landlord has contracted with a third party for the management of the Project, the waiver of subrogation by Tenant herein shall also run in favor of such third party.

12.7 Failure by Tenant to Maintain Insurance. If Tenant refuses or neglects to secure and maintain insurance policies complying with the provisions of this Article 12, or to provide copies of policies or certificates or copies of renewal policies or certificates within the time provided in Section 12.2, Landlord may, after providing written notice to Tenant of its intention to do so, secure the appropriate insurance policies and Tenant shall pay, upon thirty (30) days following demand, the cost of same to Landlord, as Additional Rent.

ARTICLE 13. - DAMAGE

13.1 Insured Casualty. In the case of damage by fire or other perils covered by the insurance specified in Section 12.4, the following provisions shall apply:

(a) Within a period of sixty (60) days after all applicable permits have been obtained (which permits Landlord shall promptly apply for and diligently seek), Landlord shall commence such repair, reconstruction and restoration of the Premises as Landlord, in its reasonable business judgment, deems necessary, and shall diligently prosecute the same to completion; provided, however, that Tenant, at its cost, shall repair and restore all items of Tenant's Work and replace its stock in trade, trade fixtures, furniture, furnishings and equipment. Tenant shall commence this work promptly upon delivery of possession of the Premises to Tenant and shall diligently prosecute same to completion.

(b) Notwithstanding the foregoing, if the Premises is totally destroyed, or if the Project is destroyed to an extent of at least fifty percent (50%) of the then full replacement cost thereof as of the date of destruction, then (i) if the destruction occurs during the last two (2) years of the Term, or at any time if it is reasonably estimated that repair or restoration after a casualty which Landlord is obligated under the Lease to undertake will take more than two hundred seventy (270) days after the issuance of the building permit for such work to complete, Landlord and Tenant shall each have the right to terminate this Lease, and (ii) if the destruction occurs prior to

the last two (2) years of the Term, regardless of the estimated repair or restoration time, Landlord shall have the right to terminate this Lease. In each case, the termination right shall be exercised by the terminating party giving written notice to the other party within thirty (30) days after the date of destruction. If Landlord terminates this Lease pursuant to (ii) above, then Landlord shall be entitled to retain any insurance proceeds payable by reason of such destruction.

13.2 Uninsured Casualty. If the Premises or the Project are damaged as a result of any casualty not covered by the insurance specified in Section 12.4, Landlord, within ninety (90) days following the date of such damage, shall commence repair, reconstruction or restoration of the Premises to the extent provided herein and shall diligently prosecute the same to completion, or Landlord may elect within said ninety (90) days not to so repair, reconstruct or restore the damaged property, in which event, at Landlord's option, this Lease shall cease and terminate upon the expiration of such ninety (90) day period. In the event Landlord elects to restore the Premises, Tenant shall have the same repair, restoration and replacement obligations it has pursuant to Section 13.1(a).

13.3 Distribution of Proceeds. In the event of the termination of this Lease pursuant to this Article 13, all proceeds from the Fire and Extended Coverage insurance carried pursuant to Article 12 and all insurance covering Tenant's Work and Tenant's leasehold improvements, but excluding proceeds for trade fixtures, merchandise, signs and other personal property, shall be disbursed and paid to Landlord.

13.4 Abatement. In the event of repair, reconstruction and restoration, as provided in this Article 13, the Minimum Annual Rent and Additional Rent payable hereunder shall be thereafter abated proportionately with the degree to which Tenant's use of the Premises is impaired during the remainder of the period of repair, reconstruction and restoration; provided, however, the amount of Minimum Annual Rent and Additional Rent abated pursuant to this Section 13.4 shall in no event exceed the amount of loss of rental income insurance proceeds actually received by Landlord. Tenant shall continue the operation of its business on the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises or the building of which the Premises are a part, Tenant's personal property or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

ARTICLE 14. -EMINENT DOMAIN

14.1 Taking. The term "Taking", as used in this Article 14, shall mean an appropriation or taking under the power of eminent domain by any public or quasi-public authority or a voluntary sale or conveyance in lieu of condemnation but under threat of condemnation.

14.2 Total Taking. In the event of a Taking of the entire Premises or the entire Common Area, this Lease shall terminate and expire as of the date possession is delivered to the condemning authority and Landlord and Tenant shall each be released from any liability accruing pursuant to this Lease after the date of such termination.

14.3 Partial Taking. If there is a Taking of a material portion of the Premises or the Common Area and, regardless of the amount taken, the Premises is not, in Tenant's sole but reasonable business judgment, suitable for the continued operation of Tenant's business, either Landlord or Tenant may terminate this Lease, upon giving notice in writing of such election to the other party within thirty (30) days after receipt by Tenant from Landlord of written notice that a portion of the Premises and/or the Common Area has been so appropriated or taken. In each case, the termination of this Lease shall be effective as of the date Tenant is required to vacate all or a portion of the Premises and/or the Common Area.

14.4 Award. The entire award or compensation in any such condemnation proceeding, whether for a total or partial Taking, or for diminution in the value of the leasehold or for the fee, shall belong to and be the property of Landlord. Without derogating the rights of Landlord under the preceding sentence, Tenant shall be entitled to recover from the condemning authority such compensation as may be separately awarded by the condemning authority to Tenant or recoverable from the condemning authority by Tenant in its own right for the taking of trade fixtures and equipment owned by Tenant and for the expense of removing and relocating its trade fixtures and equipment.

14.5 Continuation of Lease. In the event of a Taking, if Landlord and Tenant elect not to terminate this Lease as provided above (or have no right to so terminate), Landlord agrees, at Landlord's cost and expense as soon as reasonably possible after the Taking, to restore the Premises and/or the Common Area necessary for Tenant to reasonably operate from the Premises (to the extent of the condemnation proceeds) on the land remaining to a complete unit of like quality and character as existed prior to the Taking and, thereafter, Minimum Annual Rent and Additional Rent payable by Tenant hereunder shall be reduced on an equitable basis, taking into account the relative value of the portion taken as compared to the portion remaining, and Landlord shall be entitled to receive the total award or compensation in such proceedings.

ARTICLE 15. -ASSIGNMENT AND SUBLETTING

15.1 Prohibition of Assignment or Sublease. Tenant shall not assign, sublet, enter into franchise, license or concession agreements, change ownership or voting control, mortgage, encumber, pledge, hypothecate or otherwise transfer (including any transfer by operation of law) all or any part of this Lease or Tenant's interest in the Premises (collectively "Transfer").

ARTICLE 16. -DEFAULTS BY TENANT

16.1 Events of Default. Should Tenant at any time be in default with respect to any payment of Additional Rent or any other charge payable by Tenant pursuant to this Lease, or the delivery of an estoppel certificate pursuant to the terms of Section 17.3 of this Lease, for a period of ten (10) days after written notice from Landlord to Tenant, or should Tenant be in default in the prompt and full performance of any other of its promises, covenants or agreements herein contained for more than thirty (30) days (provided, however, if the default cannot be rectified or cured within such thirty (30) day period, the default shall be deemed to be rectified or cured if Tenant, within such thirty (30) day period, shall have commenced to rectify or cure the default and shall thereafter diligently and continuously prosecute same to completion) after written notice thereof from Landlord to Tenant specifying the particulars of the default, then Landlord may treat

the occurrence of any one (1) or more of the foregoing events as a breach of this Lease and, in addition to any or all other rights or remedies of Landlord by law provided, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to Tenant or any other person, (a) to declare the Term ended and to re-enter and take possession of the Premises and remove all persons therefrom, or (b) without declaring this Lease terminated and without terminating Tenant's right to possession, to re-enter the Premises and occupy the whole or any part for and on account of Tenant and to collect any unpaid rentals and other charges which have become payable or which may thereafter become payable, or (c) even though it may have re-entered the Premises as provided in clause (b) above, to thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises. Any notice required to be given by Landlord above shall be in lieu of, and not in addition to, any notice required under Section 1161 of the Code of Civil Procedure of California or any similar, superseding statute.

16.2 Landlord Remedies. Landlord may treat the occurrence of any one (1) or more of the foregoing events as a breach of this Lease and, in which event Landlord shall have the right to exercise all or any of the rights and remedies afforded Landlord by California law including, but not limited to, the remedies provided under California Civil Code Sections 1951.2 or 1951.4. Pursuant to California Civil Code Section 1951.2, the damages Landlord may recover against Tenant include, but are not limited to, 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 for the same period that the Tenant proves could be reasonably avoided. Pursuant to California Civil Code Section 1951.4, Landlord may continue this Lease in effect after Tenant's breach of this Lease and abandonment of the Premises and recover rent as it becomes due, if Tenant has the right to sublet the Premises or assign this Lease, subject only to reasonable limitations.

ARTICLE 17. - SUBORDINATION, ATTORNMENT AND TENANT'S CERTIFICATE

17.1 Subordination. Upon written request of Landlord, Landlord's mortgagee, the beneficiary of a deed of trust of Landlord or a lessor of Landlord, Tenant will subordinate its rights pursuant to this Lease in writing to the lien of any mortgage, deed of trust or the interest of any lease in which Landlord is the lessee (or, at Landlord's option, cause the lien of said mortgage, deed of trust or the interest of any lease in which Landlord is the lessee to be subordinated to this Lease) and to all advances made or hereafter to be made upon the security thereof, any such subordination being subject to the condition that such mortgagee or beneficiary enters into a written agreement with Tenant, by the terms of which such mortgagee or beneficiary agrees: (a) not to disturb the possession and other right of Tenant pursuant to and for the Term of this Lease (as this Lease may be amended and/or renewed) so long as Tenant continues to perform its obligations hereunder; and (b) in the event of acquisition of title, or coming into possession, by said mortgagee or beneficiary, through foreclosure proceedings or otherwise, to accept Tenant as tenant of the Premises under the terms and conditions of this Lease during the Term of this Lease (as this Lease may be amended and/or renewed).

17.2 Attornment. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord encumbering the Premises, or should a lease in which Landlord is the lessee be terminated, Tenant shall attorn to the purchaser or lessor under such lease upon any foreclosure, sale or lease

termination and recognize the purchaser or lessor as Landlord under this Lease, provided that the purchaser or lessor shall acquire and accept the Premises subject to this Lease.

17.3 Estoppel Certificates. Tenant agrees, upon not less than ten (10) days prior notice by Landlord, to execute, acknowledge and deliver to Landlord, a statement in writing in such form as may reasonably be required by Landlord or Landlord's beneficiary or transferee ("Tenant's Certificate").

ARTICLE 18. - MATTERS OF RECORD

Tenant agrees that (a) as to its leasehold estate, it and all persons in possession or holding under it will conform to and will not violate the terms of any covenants, conditions, restrictions, easements, ground leases, mortgages or deeds of trust currently of record (collectively, "Agreements"), and (b) this Lease is subordinate to the Agreements and any amendments or modifications thereto; provided, however, if the Agreements are not of record as of the date of this Lease, then this Lease shall automatically become subordinate to the Agreements upon recordation so long as the Agreements do not materially interfere with or prevent Tenant from using the Premises for the use set forth in Section 1.12, and do not materially diminish the rights or materially increase the obligations of Tenant under this Lease. Tenant further agrees to execute and return to Landlord, within twenty (20) days of written demand by Landlord, an agreement in recordable form subordinating this Lease to the Agreements.

ARTICLE 19. - MISCELLANEOUS

19.1 Notices. Every notice, demand or request (collectively "Notice") required hereunder or by law to be given by either party to the other shall be in writing. Notices shall be given by personal service or by United States certified or registered mail, postage prepaid, return receipt requested, or by same-day or overnight private courier, addressed to the party to be served at the address indicated in Section 1.18 or such other address as the party to be served may from time to time designate in a Notice to the other party. Copies of any Notice shall be sent to the addresses, if any, designated for service of copies of Notices in Section 1.18.

19.2 Security Deposit. Intentionally Omitted.

19.3 Hazardous Materials. Tenant, at its sole cost and expense, shall comply with all laws relating to the storage, use, handling and disposal of hazardous, toxic or radioactive matter including, without limitation, those materials identified in Sections 66680 and 66685 of Title 22 of the California Administrative Code, Division 4, Chapter 30 ("Title 22"), as amended from time to time (collectively, "Hazardous Materials"). Tenant shall notify Landlord and provide to Landlord a copy or copies of any environmental entitlements or inquiries related to the Premises. The clean-up and disposal of any Hazardous Materials located or released onto or about the Project by Tenant or its agents, contractors or employees shall be performed by Tenant at Tenant's sole cost and expense and shall be performed in accordance with all applicable laws, rules, regulations and ordinances, pursuant to a site assessment and removal/remediation plan prepared by a licensed and qualified geotechnical engineer and submitted to and approved in writing by Landlord prior to the commencement of any work. The foregoing notwithstanding, Landlord in Landlord's sole

and absolute discretion may elect, by written notice to Tenant, to perform the clean-up and disposal of such Hazardous Materials from the Premises and/or the Project. In such event, Tenant shall pay to Landlord the actual cost of same upon receipt from Landlord of Landlord's written invoice therefor. Notwithstanding any other term or provision of this Lease, Tenant shall permit Landlord or Landlord's agents or employees to enter the Premises at any time, upon reasonable notice, to inspect, monitor and/or take emergency or long-term remedial action with respect to Hazardous Materials on or affecting the Premises or to discharge Tenant's obligations hereunder with respect to such Hazardous Materials when Tenant has failed, after demand by Landlord, to do so. All costs and expenses incurred by Landlord in connection with performing Tenant's obligations hereunder shall be reimbursed by Tenant to Landlord within thirty (30) days of Tenant's receipt of written request therefor.

19.4 Relocation. Intentionally Omitted.

19.5 Force Majeure. Intentionally Omitted.

19.6 Termination and Holding Over. Upon the expiration or earlier termination of the Term, Tenant shall peaceably and quietly surrender the Premises broom-clean and in the same condition (including, at Landlord's option, the demolition and removal of any Alterations made by Tenant to the Premises, unless at the time Landlord gave its consent to such Alterations Landlord agreed in writing that Tenant would not have to demolish and remove such Alterations upon the termination of this Lease) as the Premises were in upon delivery of possession of same to Tenant by Landlord, reasonable wear and tear and any damage to the Premises which Tenant is not required to repair pursuant to Article 13 or Article 14 excepted. Subject to the foregoing, Tenant shall remove from the Premises all of Tenant's trade fixtures, furniture, equipment, signs, improvements, additions and Alterations to the extent such items are not permanently affixed to the Premises, and immediately repair any damage occasioned to the Premises by reason of such removal so as to leave the Premises in a neat and clean condition. Should Tenant hold over in the Premises beyond the expiration or earlier termination of this Lease, the holding over shall not constitute a renewal or extension of this Lease or give Tenant any rights under this Lease. In such event, Landlord may, in its sole discretion, treat Tenant as a tenant at will, subject to all of the terms and conditions in this Lease.

19.7 Project Remodeling. Landlord shall have the right, at any time and from time to time during the Term, upon not less than ninety (90) days' prior written notice to Tenant, to remodel, renovate or expand the Project or a portion thereof. If such remodel, renovation or expansion will materially and adversely affect Tenant's operations from the Premises, as reasonably determined by Landlord, or if Landlord shall need to utilize the Premises in connection with the remodel, renovation or expansion, Landlord shall have the following options: (a) cause Tenant to vacate the Premises during the period necessary for Landlord to effect the remodel, renovation or expansion, or during the Period during which Tenant will be unable to reasonably operate from the Premises, during which period Tenant shall have no obligation to pay Additional Rent, or (b) terminate this Lease, in which event Tenant shall vacate the Premises within sixty (60) days of receiving notice from Landlord.

19.8 Site Plan Depiction. Notwithstanding anything contained in this Lease to the contrary, the Site Plan depicted on Exhibit A generally shows the approximate layout and locations

of the current buildings, parking structures and related facilities in the Project, but nothing contained therein shall be deemed to be a warranty, representation or agreement on the part of Landlord that the Project will remain as depicted on Exhibit A, or that the tenants depicted therein (if any) are now in occupancy or will remain in occupancy at any time during the Term. The Site Plan shown on Exhibit A may not be to scale.

19.9 Miscellaneous Provisions.

(a) It is understood that there are no oral or written agreements or representations between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, agreements and understandings, if any, between Landlord and Tenant. No provision of this Lease may be amended except by an agreement in writing signed by Landlord and Tenant.

(b) Subject to the terms of this Lease, all rights and obligations of Landlord and Tenant under this Lease shall extend to and bind the respective heirs, executors, administrators and the permitted concessionaires, successors, subtenants and assignees of the parties. If there is more than one (1) Tenant hereunder, each shall be bound jointly and severally by the terms, covenants and agreements contained in this Lease.

(c) Any waiver by either party of a breach by the other party of a covenant of this Lease shall not be construed as a waiver of a subsequent breach of the same covenant.

(d) Except where another rate of interest is specifically provided for in this Lease, any amount due from either party to the other under this Lease which is not paid when due, shall bear interest at the rate per annum ("Interest Rate") equal to the prime interest rate published from time to time by the Wall Street Journal plus four (4) percentage points (but in no event to exceed the maximum lawful rate) from the date such amount was originally due to and including the date of payment.

(e) If Tenant or Landlord is a corporation, partnership or limited liability company, each individual executing this Lease on behalf of the corporation, partnership or limited liability company (in his/her representative capacity only) represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the corporation, partnership or limited liability company and that this Lease is binding upon the corporation, partnership or limited liability company.

(f) This Lease shall be governed by and construed in accordance with the laws of the State of California without giving effect to the choice of law provisions thereof.

(g) Tenant waives any and all rights of redemption granted under any present and future laws in the event Landlord obtains the right to possession of the Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise.

(h) In the event that, at any time after the date of this Lease, either Landlord or Tenant shall institute any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, the party not prevailing in such action or proceeding shall reimburse the prevailing party for its actual attorneys' fees, and all fees, costs and expenses

incurred in connection with such action or proceeding, including, without limitation, any post-judgment fees, costs or expenses incurred on any appeal or in collection of any judgment.

(i) Tenant shall observe faithfully and comply with, and shall cause its employees and invitees to observe faithfully and comply with, reasonable and nondiscriminatory rules and regulations governing the Project as may from time to time be promulgated by Landlord.

(j) Neither this Lease nor any memorandum hereof shall be recorded by either party hereto.

(k) Should Landlord sell, exchange or assign this Lease (other than a conditional assignment as security for a loan), then Landlord, as transferor, shall be relieved of any and all obligations on the part of Landlord accruing under this Lease from and after the date of such transfer and Landlord's successor in interest shall assume such obligations from and after such date.

(l) Notwithstanding anything contained in this Lease to the contrary, it is expressly understood and agreed that any judgment against Landlord resulting from any default or other claim under this Lease shall be satisfied only out of the net rents, issues, profits and other income actually received from the operation of the Project, and Tenant shall have no claim against Landlord (as Landlord is defined in Section 12.5) or any of Landlord's personal assets for satisfaction of any judgment with respect to this Lease.

(m) If any part of the Premises is at any time subject to a first mortgage or a first deed of trust, and this Lease or the rentals due from Tenant hereunder are assigned by Landlord to a mortgagee, trustee or beneficiary ("Assignee" for purposes of this clause (m) only) and Tenant is given written notice of the assignment including the post office address of Assignee, then Tenant shall also give written notice of any default by Landlord to Assignee, specifying the default in reasonable detail and affording Assignee a reasonable opportunity to make performance for and on behalf of Landlord. If and when Assignee has made performance on behalf of Landlord, the default shall be deemed cured.

(n) Tenant shall pay all costs for work performed by or on account of it and shall keep the Premises and the Project free and clear of mechanics' liens or any other liens. Tenant shall give Landlord immediate notice of any lien filed against the Premises or the Project as a result of any work of improvement performed by or on behalf of Tenant. Tenant shall immediately cause any lien to be discharged or removed of record by either paying the amount thereof or recording a statutory lien release bond in an amount equal to one hundred fifty percent (150%) of the amount of said lien, or such other amount as may be adequate to cause the lien to be released as an encumbrance against the Premises and the Project.

(o) Tenant shall be required to utilize Landlord's roofing contractor in the event Tenant or Tenant's Agents desire to penetrate the roof of the Premises for any repairs, alterations or improvements permitted to be made to the Premises by Tenant pursuant to the terms of this Lease, to the extent permitted by state and local law; provided, however, if Landlord and Tenant reasonably determine that Landlord's roofing contractor's rates are not reasonably competitive or

if required by state and/or local law, Tenant shall have the right to utilize any other licensed and reputable roofing contractor

(p) Tenant represents and warrants that it has not had any dealings with any realtors, brokers or agents in connection with the negotiation of this Lease, except as may be specifically set forth in Section 1.14, and agrees to pay any realtors, brokers or agents not referenced in Section 1.14 and to hold Landlord harmless from the failure to pay any realtors, brokers or agents and from any cost, expense or liability for any compensation, commission or charges claimed by any other realtors, brokers or agents claiming by, through or on behalf of Tenant with respect to this Lease and/or the negotiation hereof.

(q) All of the exhibits referenced in this Lease are incorporated herein by this reference.

(r) As used in this Lease, the term "Index" shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics (the "Bureau") "All Items" for All Urban Consumers in the San Francisco-Oakland-San Jose, California, (1982-84=100). Should the Bureau discontinue the publication of the Index, publish the same less frequently or alter the same in some other manner, the most nearly comparable index or procedure as determined by Landlord shall be substituted therefor.

(s) Tenant agrees, at its sole cost and expense, to be responsible for the removal of trash generated by the use of the Premises; provided, however, at Landlord's option by notice to Tenant, Landlord shall have the right to arrange for such trash removal and bill Tenant monthly in advance (based on estimates) for the cost of such removal, plus an administrative fee equal to fifteen percent (15%) of such costs, subject to an annual reconciliation based upon the actual costs of such trash removal. In the event Tenant shares a trash receptacle with other occupants at the Project, Landlord shall reasonable allocate the costs of such trash removal to Tenant.

(t) Notwithstanding anything contained in this Lease to the contrary, any expenses incurred by Landlord for the benefit of Tenant pursuant to the terms of this Lease which relate to the operation, maintenance or repair of the building in which the Premises is located or to the Premises (even if categorized under this Lease as Common Area Costs) may be separately billed by Landlord to Tenant and shall not be considered Common Area Costs; provided, however, the billing of such expenses by Landlord shall be accomplished in the same manner as Common Area Costs are billed to Tenant (and shall be subject to the Supervision Fee but shall not be subject to any "cap" or "ceiling" on Common Area Costs).

(u) Tenant acknowledges that Tenant's failure to submit any required document, certificate, report, insurance policy or certificate as and when required in this Lease will cause Landlord to incur additional costs of administration, and agrees that in the event Tenant fails to submit any required document, certificate, report, insurance policy or certificate as and when required in this Lease, Tenant shall pay to Landlord a "Service Charge" in the amount of One Hundred Dollars (\$100.00) for each week or portion thereof that said failure continues. Tenant agrees that such Service Charge shall not constitute damages, and that neither Tenant's payment of such Service Charge nor Landlord's acceptance of such payment shall result in a cure of any default under this Lease, or waiver of any default under this Lease by Landlord.

(v) Tenant agrees to reasonably cooperate with all present or future programs intended to manage parking, transportation or traffic in and around the Project or Premises (but, shall fully comply with all such programs which are imposed by any governmental entity or authority), and Tenant shall use reasonable efforts and take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other related committees or entities. In the event Landlord requires Tenant's employees to park their vehicles off the Project, Landlord shall provide such employees with transportation both to and from their vehicles at no charge to Tenant.

(w) Tenant acknowledges and agrees that the name of the Project and all variations thereof, are proprietary to Landlord. Tenant shall not use any such name or any variation thereof or identify Landlord in any promotional advertising or other promotional materials to be disseminated to the public or any portion thereof or use any trademark, service mark, trade name or symbol of Landlord or that is associated with it, without Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion. Notwithstanding the foregoing, Tenant may use the name of the Project to identify the location of the Premises.

(x) In the event Landlord sells a pad or parcel within the Project after the date of this Lease, following the date of such transfer, Landlord shall not be obligated to enforce the terms of this Lease against such transferred pad or parcel owner (the "Parcel Owner"), which rights must be enforced by Tenant against the Parcel Owner, and Landlord shall not be in default under this Lease for the failure of the Parcel Owner to comply with the terms of this Lease following the date of such transfer to the Parcel Owner.

(y) Pursuant to Section 1938 of the California Civil Code, Landlord hereby advises Tenant that as of the Effective Date of this Lease, the Premises has not undergone inspection by a Certified Access Specialist (a "CASp") during the Landlord's ownership of the Project, nor, to Landlord's actual knowledge (without any duty of inquiry, as of the Effective Date), prior to Landlord's ownership of the Project. Further, pursuant to Section 1938 of the California Civil Code, Landlord notifies Tenant of the following: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Therefore and notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant agree that (a) Tenant may, at its option and at its sole cost, cause a CASp to inspect the Premises and determine whether the Premises complies with all of the applicable construction-related accessibility standards under California law, (b) the parties shall mutually coordinate and reasonably approve of the timing of any such CASp inspection so that Landlord may, at its option, have a representative present during such inspection, (c) Tenant shall be solely responsible for the cost of any repairs necessary to correct violations of construction-related accessibility standards within the Premises, any and all such alterations and repairs to be performed

in accordance with Article 10 of this Lease, and (d) if anything done by or for Tenant in its use or occupancy of the Premises shall require repairs to the Building or Project (outside the Premises) to correct violations of construction-related accessibility standards, then Tenant shall reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such repairs.

(z) Tenant agrees to reasonably cooperate with Landlord to the extent required by Landlord to comply with California Public Resources Code Section 25402.10 including, without limitation, providing or consenting to any utility company providing Tenant's energy consumption information for the Premises to Landlord.

(aa) Tenant shall be allowed to terminate the lease for convenience, upon 90 days written notice to Landlord.

33.16 Landlord, Tenant and Guarantor, if applicable, agree that electronic signatures, including those delivered by PDF or signed through the electronic signature system known as "DocuSign", shall have the same effect as originals. All parties to this Lease waive any and all rights to object to the enforceability of this Lease based on the form or delivery of signature.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease on the day and year first above written.

LANDLORD:

SMITHWAY ASSOCIATES, INC.,
a California corporation

By: _____
Name: _____
Its: _____

TENANT:

ROCKLIN POLICE DEPARTMENT

By: _____
Name: _____
Its: _____

EXHIBIT A

SITE PLAN

[see attached]

EXHIBIT A-1

LEGAL DESCRIPTION OF PROJECT

All that certain real property situated in the City of Rocklin, County of Placer, State of California, and being more particularly described as follows:

PARCELS 1-7 AS SHOWN AND DESIGNATED ON THE MAP ENTITLED “PARCEL MAP OF BLUE OAKS MARKETPLACE (ROCKLIN WEST)” FILED IN THE OFFICE OF THE COUNTY RECORDER OF PLACER COUNTY, CALIFORNIA ON JUNE 1, 2021 IN BOOK 36 OF PARCEL MAPS, AT PAGE 53.

EXHIBIT B
INTENTIONALLY OMITTED
[see attached]

EXHIBIT C

CONSTRUCTION PROVISIONS

1. Description of Tenant's Work.

All work to be done in the Premises shall be provided by Tenant at Tenant's sole cost and expense (the "Tenant's Work").

2. Provisions For Completion of Plans and Specifications and Construction of Premises.

(a) The procedure for approval of Tenant's plans and specifications is as follows:

(i) Within twenty (20) days of the execution of this Lease, Tenant shall submit to Landlord four (4) sets of fully-dimensioned one-quarter inch (1/4") scale drawings and specifications prepared by Tenant's licensed architect at Tenant's expense, which drawings shall indicate clearly and in detail all specific changes and alterations to the Premises including, but not limited to, the storefront, interior partitions, fixture plans, plumbing, lighting, electrical outlets and all of Tenant's Work, as described above. Any and all such plans shall be subject to Landlord's prior written approval. Landlord shall have ten (10) business days within which to approve or disapprove Tenant's proposed plans. In the event Landlord shall disapprove Tenant's plans, Landlord shall provide Tenant with written objections, and Tenant shall have five (5) business days within which to amend its proposed plans and incorporate Landlord's required changes.

(ii) Upon Landlord's approval of Tenant's proposed plans, Tenant shall promptly submit such approved plans to the appropriate governmental authority for plan checking and the issuance of a building permit. In the event such governmental authority requires any changes to such approved plans prior to the issuance of a building permit, Tenant shall, at its sole cost and expense, promptly change such plans pursuant to such governmental request and submit such changed plans to Landlord for its approval. Landlord shall have five (5) business days within which to approve or disapprove such changed plans. In the event Landlord shall disapprove such changed plans, Landlord shall provide Tenant with written objections, and Tenant shall have five (5) business days within which to amend such plans and incorporate Landlord's required changes. Upon Landlord's approval of the changed plans, Tenant shall promptly resubmit such plans to the appropriate governmental authority for plan checking and the issuance of a building permit as previously set forth in this Subparagraph (ii). Upon Tenant's receipt of a building permit and any other necessary governmental approvals for Tenant's Work based upon plans approved by Landlord (the "Final Approved Plans"), Tenant shall immediately commence construction of Tenant's Work and shall diligently pursue such construction to completion in accordance with the Final Approved Plans.

(iii) No changes, modifications or alterations to the Final Approved Plans may be made without the prior written consent of Landlord. Any additional costs and expenses including, without limitation, increased fees which Landlord may be required to pay for architectural, engineering and other similar services arising by reason of any change, modification or alteration to the Final Approved Plans, any additional construction costs including costs of

change orders charged by Landlord's contractor and any and all other costs, expenses and/or damages incurred or suffered by Landlord by reason of the changes, modifications or alterations to the Final Approved Plans and any delays directly or indirectly caused by such damages, modifications or alterations to the Final Approved Plans shall be at the sole cost and expense of Tenant and shall be paid by Tenant to Landlord before the performance of the work requested by Tenant.

(b) Tenant shall not commence any work in the Premises unless and until the following conditions have been met: (i) Final Approved Plans shall have been achieved; (ii) Landlord shall have reasonably approved Tenant's contractor; (iii) Tenant shall have obtained all permits and approvals from all appropriate governmental authorities for the Tenant's Work and shall furnish Landlord with copies of all such permits; (iv) Tenant, its contractor and subcontractors (collectively, "Tenant's Agents") shall have procured all insurance required under the provisions of this Lease and shall have furnished Landlord with certificates of such insurance in accordance with the provisions of this Lease; and (v) Landlord shall have consented to the commencement of Tenant's Work.

(c) In addition, Tenant shall submit to Landlord, by certified or registered mail at least five (5) days prior to the commencement of construction within the Premises, the following information:

(1) The names, addresses and license class and number of all contractors and subcontractors Tenant intends to engage in the construction of the Premises;

(2) The date on which Tenant's construction work will commence, together with the estimated date of completion of Tenant's construction work and fixturing, and the date on which Tenant expects to be ready to open for business in the Premises;

(3) An itemized statement of estimated construction costs, including architectural, engineering and contractors' fees;

(4) Tenant's contractors' performance and/or labor and material bonds, if so required by Landlord, or any other bond to be furnished by Tenant as may be required by Landlord to insure the faithful performance of the work in accordance with the approved Tenant's Plans; and

(5) Copies of all required building and other permits.

(d) All contractors engaged by Tenant shall be bondable, licensed contractors, possessing good labor relations, capable of performing quality workmanship and working in harmony with Landlord's contractors and other contractors on the job. All work shall be coordinated with the general project work of the Project.

(e) Construction shall comply in all respect with applicable Federal, State, County and City statutes, ordinances, regulations, laws and codes.

(f) Tenant shall apply and pay for all utility meters, hook-up fees and services.

(g) Tenant's Work shall be subject to the inspection of Landlord and its supervisory personnel.

(h) (i) The Tenant's Work shall be constructed in accordance with the Final Approved Plans in a good and workmanlike manner and in compliance with all applicable Laws. Neither Tenant nor Tenant's Agents shall interfere with, obstruct, or delay, any other work in the Premises. Tenant and Tenant's Agents shall abide by all reasonable rules made by Landlord's contractor with respect to the storage of materials and coordination of work with other work being performed in the Project. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant's Work for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors and (ii) the Lease Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant's Work, and/or the Premises and/or Common Areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant's Work shall be written such that such guarantees or warranties shall inure to the benefit of Landlord and Tenant, as their respective interests may appear, and can be directly enforced by any of them. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement. Tenant will use Landlord's subcontractor for mechanical, electrical, plumbing, roofing and roofing consultant provided such subcontractors' rates are competitive.

(ii) All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry commercial general liability insurance, including property damage, all with limits, in form and with companies as are reasonably required by Landlord, and the policies therefor shall insure to the benefit of Tenant and Landlord, as their interests may appear. In addition, during the course of performance of the Tenant's Work, Tenant shall carry "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of the Tenant's Work. Certificates for all insurance carried pursuant hereto shall be delivered to Landlord before the commencement of construction of the Tenant's Work and all such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant's Work is damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant and Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant's Work is completed. All insurance required hereunder (except Workers' Compensation) shall preclude subrogation claims by the insurer against anyone insured thereunder and shall provide that it is primary insurance as respects Landlord and that any other insurance maintained by Landlord and/or Master Landlord is excess and noncontributing with the insurance required hereunder.

(iii) Within ten (10) days after completion of construction of the Tenant's Work, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Project is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. Within thirty (30) days following the completion of the Tenant's Work, Tenant shall deliver to Landlord (i) a set of as-built drawings for the Premises, and (ii) a copy of all warranties, guaranties and operating manuals and information relating to the improvements, equipment, and systems in the Premises. Tenant shall obtain a certificate of occupancy for the Premises promptly following completion of the Tenant's Work.

(i) Designation of Representatives. With respect to the construction of the Tenant's Work, Landlord hereby designates Allison Levy, as "Landlord's Representative", and Tenant hereby designates Scott Horrillo, as "Tenant's Representative". Tenant hereby confirms that Tenant's Representative has full authority to act on behalf of and to bind Tenant with respect to all matters pertaining to the construction of Tenant's Work. Landlord hereby confirms that Landlord's Representative has limited authority to act on behalf of Landlord with respect to matters pertaining to the construction of Tenant's Work. Either party may change its designated representative upon five (5) days prior written notice to the other party.

EXHIBIT D
INTENTIONALLY OMITTED

EXHIBIT E

EXCLUSIVES AND USE RESTRICTIONS

<u>Applebees:</u>	Any of the following: Chili's®, Ruby Tuesday's®, Islands®, Red Robin®, TGI Friday's®, Bennigan's®, Panera Bread®, Houlihan's®, BJ's®, Buffalo Wild Wings®, Ninety Nine® and O'Charley's® restaurants.
<u>Arby's:</u>	Any party that operates as a national deli sandwich quick-service restaurant, including without limitation, Subway, Quizno's, Schlotzsky's, Jason's Deli, Firehouse Subs, Potbelly, Which 'Wich, Jimmy John's, Jersey Mike's and McAlister's.
<u>Burn Boot Camp:</u>	Any party that operates instructor-led group cardio workouts, boot camps, personal training, or any other similar group fitness classes
<u>Back in Action Chiropractic:</u>	The primary business of providing chiropractic services.
<u>Chef's Table:</u>	None.
<u>China Villa:</u>	Any party that is a sit down restaurant whose menu consists of greater than twenty percent Chinese food.
<u>Elm Dry Cleaning:</u>	None.
<u>Envy Salon for Hair and Skin:</u>	None.
<u>Family Tree Dental:</u>	None.
<u>First US Community Credit Union:</u>	None.
<u>Icing on the Cupcake:</u>	Any party whose primary business consists of an on-site bakery.
<u>Ivy Nails:</u>	None.
<u>Jaime's Martial Arts & Black Belt Academy:</u>	Any party whose primary business consists of a Taekwondo Martial Arts Studio.
<u>Kineret Orthodontist:</u>	None.
<u>Marco's Pizza:</u>	The sale of dine-in, carry-out, and delivery of pizza.
<u>Pearl Nails:</u>	Nail salon.
<u>Phenix Salon Suites:</u>	Any party whose primary business consists of a hair salon or salon suites concept. "Primary business" shall mean a business that generates more than twenty percent (20%) of its gross receipts from the providing of such competing services.
<u>Pho Saigon Vietnamese Restaurant:</u>	None.
<u>Planet Fitness:</u>	Any party whose principal permitted use is either (i) a full service center for health and physical fitness; or (ii) an ultra violet tanning salon.

Royal Siam:

Any party whose menu consists of twenty percent (20%) or more of Thai cuisine.

Sleep First:

The sale of mattresses and waterbeds.

The Popcorn Store, LLC:

Popcorn cooking and sales business.