

Pacific View Charter School

A California Public School and Nonprofit 501 (c) (3) Corporation

3670 Ocean Ranch Blvd., Oceanside, California 92056

Phone # (760) 757-0161

AGENDA

Board of Trustees' Meeting – Tuesday, August 18, 2015

5:00pm

- | | | |
|-----|--|-------------|
| 1.0 | <u>Call to Order/Roll Call</u> | |
| 2.0 | <u>Approval of Agenda</u> | Action |
| 3.0 | <u>Pledge of Allegiance</u> | |
| 4.0 | <u>Public Comment</u> | |
| 5.0 | <u>Introductions</u> | |
| 6.0 | <u>Executive Director's Report</u> | Information |
| 7.0 | <u>Treasurer's Report Ending July 31, 2015</u> | Information |
| 8.0 | <u>Consent Calendar</u> | |
- These agenda items are considered routine and will be approved in one action without discussion. If a Board Trustee requests that an item be removed from the consent calendar or a citizen wishes to speak to an item, the item will be considered under Action Items.
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|------|--|--------|
| 8.1 | Minutes from Board Meeting of June 16, 2015 | |
| | Minutes from Special Board Meeting June 29, 2015 | Action |
| 9.0 | <u>Action/Discussion Items</u> | |
| 9.1 | Annual Organizational Meeting | |
| | Day | |
| | Time | |
| | Location | Action |
| 9.2 | SDCOE 4 th Qtr Uniform Complaint Report | Action |
| 9.3 | Moreno Valley Lease/Option to Purchase | Action |
| 9.4 | Billboards in San Diego | Action |
| 10.0 | <u>Curriculum</u> | |
| 10.1 | Work Experience 1,2 & 3 Course Outlines | Action |

11.0 Personnel

11.1 Certificated and Classified Salary Schedules

 This item reflects the 5% increase approved by the Board

Action

11.2 High School Site Supervisor Salary Schedule

Action

12.0 Board/Staff Discussion

13.0 Adjournment

7.0

PACIFIC VIEW CHARTER SCHOOL
BOARD OF TRUSTEES' MEETING
August 18, 2015

2015/16 TREASURER'S REPORT
FOR PERIOD ENDING July 31, 2015

PACIFIC VIEW CHARTER SCHOOL

Treasurer's Report

August 18, 2015 Board Meeting

2015/16 - Charter Schools Enterprise Fund 62-00 & Capital Outlay Fund 62-01

Statement of Activities for the Period Ending July 31, 2015

Revenues			2015/16	2015/16	#	Year-to-Date	Remaining	%
<u>Object</u>	<u>Resource</u>	<u>Description</u>	<u>Adopted</u>	<u>Revised</u>		<u>7/1-31/15</u>	<u>Budget</u>	<u>Budget</u>
			<u>Budget</u>	<u>Budget</u>		<u>Transactions</u>		<u>Remaining</u>
8011	0000	Local Control Funding Formula	2,957,910	2,957,910		112,059	2,845,851	96%
8011	0000	Education Protection Act	744,988	744,988		0	744,988	100%
8096	0000	Transfer to Charter School Revenue Limit	910,734	910,734		66,807	843,927	93%
8550	0000	Mandated Cost Reimbursement	27,035	27,035		0	0	0%
8560	1100	Lottery	57,486	57,486		0	57,486	100%
8560	6300	Restricted Lottery	15,270	15,270		0	15,270	100%
8590	0000	Categorical Block Grant/Other State Funding	840	840		0	840	100%
8590	7405	Common Core Standards	0	0		0	0	0%
8660	0000	Interest	5,000	5,000		0	5,000	100%
8699	0000	All Other Local Revenue	5,600	5,600		0	5,600	100%
8919	0000	Other Authorized Interfund Transfers	0	0		0	0	0%
Grand Total All Revenues:			<u>4,724,863</u>	<u>4,724,863</u>		<u>178,866</u>	<u>4,518,962</u>	<u>96%</u>

Expenditures

<u>Object</u>	<u>Certificated Personnel Salaries</u>						
1100	Teacher	1,771,618	1,403,244	85,697	1,317,547	94%	
1300	Supervisors and Administrators	0	437,101	36,194	400,907	92%	
1900	Other Certificated	0	0	1,057	-1,057	0%	
Total Certificated Personnel Salaries:		<u>1,771,618</u>	<u>1,840,345</u>	<u>122,948</u>	<u>1,717,397</u>	<u>93%</u>	

PACIFIC VIEW CHARTER SCHOOL

Treasurer's Report August 18, 2015 Board Meeting

2015/16 - Charter Schools Enterprise Fund 62-00 & Capital Outlay Fund 62-01 Statement of Activities for the Period Ending July 31, 2015

<u>Object</u>	<u>Description</u>	2015/16 Adopted Budget	2015/16 Revised Budget	Year-to-Date 7/1-31/15 Transactions	Remaining Budget	% Budget Remaining
	<u>Classified Personnel Salaries</u>					
2100	Instructional Aides	29,656	28,789	2,399	26,390	92%
2300	Supervisors and Administrators	71,810	79,172	6,598	72,574	92%
2400	Clerical, Technical and Office	239,370	251,338	20,945	230,393	92%
2900	Other Classified Salaries	0	37,589	3,132	34,457	0%
	Total Classified Personnel Salaries:	340,836	396,888	33,074	363,814	92%
	<u>Total Employee Benefits:</u>	525,534	565,087	38,063	527,024	93%
	<u>Books and Supplies</u>					
4100	Textbooks	19,050	19,050	40	19,010	100%
4200	Books and Other Reference Materials	0	0	0	0	0%
4300	Materials and Supplies	230,508	230,508	2,214	228,294	99%
4400	Non Capitalized Equipment	32,137	32,137	0	32,137	0%
	Total Books and Supplies:	281,695	281,695	2,253	279,442	99%
	<u>Services and Other Operating Expenditures</u>					
5200	Travel and Conferences	95,044	95,044	0	95,044	100%
5300	Dues and Memberships	10,069	10,069	1,085	8,984	89%
5500	Operations and Housekeeping Services	50,799	50,799	1,814	48,985	96%
5600	Rentals, Leases, Repairs, and Non capitalized Improvements	0	0	0	0	0%
5800	Professional Consulting Services & Operating Expenses	1,494,016	1,588,094	214,905	1,373,189	86%

PACIFIC VIEW CHARTER SCHOOL

Treasurer's Report

August 18, 2015 Board Meeting

2015/16 - Charter Schools Enterprise Fund 62-00 & Capital Outlay Fund 62-01 Statement of Activities for the Period Ending July 31, 2015

<u>Description</u>		2015/16 Adopted Budget	2015/16 Revised Budget	Year-to-Date 7/1-31/15 Transactions	Remaining Budget	% Budget Remaining
Object	<u>Services & Other Operating Expenses (con't)</u>					
5900	Communications	21,358	21,385	626	20,759	97%
	Total Services & Other Operating Expenses:	1,671,286	1,765,391	218,430	1,546,961	88%
6XXX	<u>Capital Outlay</u>	0	0	0	0	0%
7XXX	<u>Other Outgo and Transfers Out</u>					
	Grand Total All Expenditures:	<u>4,590,969</u>	<u>4,849,406</u>	<u>414,769</u>	<u>4,434,637</u>	<u>91%</u>
	Beginning Fund Balance	2,349,019	2,618,807			
	Increase/Decrease	133,894	-124,543			
	Ending Fund Balance	2,482,913	2,494,264			
9711	000 Reserve for Revolving Cash	200	200			
9770	000 Designated for Economic Uncertainties	137,729	145,482			
9780	009 Deferred Maintenance Reserve	50,000	50,000			
9780	008 Erate/100 Laptops/Laptop Cart	14,848	14,848			
9780	007 Facilities Reserve	150,000	150,000			
9780	000 Land/Bldg/Deprec/Comp Absence/Growth	1,908,424	1,912,021			
9780	012 Long Term Debt Reserve (Building)	217,571	217,571			
9780	013 Long Term Debt Reserve (Automobile)	4,141	4,141			

8.1

Pacific View Charter School

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3670 Ocean Ranch Blvd., Oceanside, California 92056

Phone# (760) 757-0161

Board of Trustees' Meeting – Tuesday, June 16, 2015

Board Minutes

1.0 Call to Order/Roll Call

President Walters called the meeting to order at 5:00 pm with all Trustees present.

2.0 Approval of Agenda

Moved by Trustee Deegan and seconded by President Walters to approve the agenda.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

3.0 Pledge of Allegiance

The Pledge of allegiance was led by Trustee Deegan

4.0 Public Comment Closed Session

No Public Comment

5.0 Closed Session

The Board convened to Closed Session at 5:06pm

5.1 Consideration of expelled student #22250 to attend PVCS.

Moved by President Walters and seconded by Trustee Deegan to allow student #22250 to attend PVCS

6.0 Report Out to Public Action Taken In Closed Session

The Board reconvened to Open Session at 5:18pm

5.1 The Board voted to allow student #22250 to attend Pacific View Charter School.

7.0 Public Comment

None

8.0 Introductions

Erin Gorence, Director of Curriculum; Gayl Johnson, Director of Student Services; Lori Bentley, Human Resources & Business Specialist; Sandra Benson, Business Consultant and John Sturm, Technology Technician

9.0 Executive Director's Report

- ✚ The Executive Director's Report will be tabled due to the Executive Director's End of Year Report agenda item

10.0 Treasurer's Report for Period Ending May 31, 2015

- ✚ No changes in the budget
- ✚ 11% of revenue is remaining
- ✚ 16% of budget open for expenditures

11.0 Consent Calendar

These agenda items are considered routine and will be approved in one action without discussion. If a Board Trustee requests that an item be removed from the consent calendar or a citizen wishes to speak to an item, the item will be considered under Action Items.

11.1 Minutes from Board Meeting of May 19, 2015

Moved by Trustee Deegan and seconded by President Walters to approve the minutes as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.0 Action/Discussion Items

12.1 Moved by Trustee Deegan and seconded by President Walters to approve the Working Adopted Budget as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.2 Moved by President Walters and seconded by Trustee Deegan to approve the School Services Agreement as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.3 Moved by Trustee Deegan and seconded by President Walters to approve the Charter School Business Consultant Agreement as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.4 EXECUTIVE DIRECTOR'S 2014-15 END OF YEAR REPORT

Leadership

Replicate PVCS's exceptional learning model to a second location outside of San Diego County

- Administration is in the process of purchasing a building in Moreno Valley. The building will house the school's first Learning Center.
- Moreno Valley site will serve 9-12 students.
- Estimated opening enrollment is 100 students.
- Conditional Use Permit has been submitted to City of Moreno Valley.
- Learning Center staff positions have been posted on Edjoin.
- Instructional material, computers, furniture will be purchased upon close of escrow.
- Learning Center is still on track to open on August 1st.

Prepare for WASC visit in Fall 2015

- Hired a consultant to assist in the WASC process.
- Meetings will continue with the WASC consultant through July, which is the target date for the completion of the report. WASC visit has been scheduled for November 16-18, 2015. Focus group work will continue through August. Expected completion of the report is early September.

Warehouse to classroom conversion construction projects and e-occupancy reclassification of upper room in Suite 3664

- Reclassification of upper Suite 3664 will require architectural plan preparation. Changes will be submitted during the warehouse-to-classroom conversion.
- 3678 and 3680 warehouse conversion is underway as Design/Build Project.
- Suite 3682 investigating tutoring/counseling room with private entrance.

Maintain sound fiscal policies and a balanced budget in alignment with Local Control Accountability Plan annual goals, actions and services

- Budget sustains generally accepted minimum of 3% reserve, deferred maintenance funds for building and a positive ending balance for the 2014/15 school year and 2 subsequent years.
- 2014/15 budget was prepared with specific sub-resource account strings to isolate LCAP/LCFF Supplemental and Concentration grant funds.
- 2014/15 budget and expenditures are specific to the school's developed LCAP annual goals, actions and services.
- Based on funds spent for warehouse/classroom conversion & Learning Center preparation, the 2014/15 Unaudited Actuals budget will be negative. Funds will be taken from reserves. 2014/15 revenue versus expense is still positive.

Investigate availability and qualifications for state, local and community grants, entitlements and donations

- Pacific View Charter School was not successful in acquiring the 2015 Chargers Champions Grant.
- Education Technology K-12 Voucher Program were issues. Funds have been allocated and will be expended by September 2015.
- ArtSplash Grant application has been submitted to supply students with more guitars.

Review and update Website and multiple Social Media marketing options, including but not limited to, Facebook, YouTube, Google+, Instagram, Twitter, and YELP to reach a larger population and increase parent/student participation.

- Our website undergoes continuous updates throughout the school year. Currently, our video is in production; we anticipate a mid-July release date.
- The website was updated to maintain compatibility with all accessible devices - tablets, smart phones, laptops and desktop formats.
- Our website is reviewed on a weekly basis to assure content is current and accurate.
- We maintain an active presence in Social Media - Facebook, Instagram, Twitter, YouTube, Google+ and Yelp.
- Social Media and Constant Contact is used to distribute all student activity information.
- Our website presence on the both Oceanside and San Marcos Chamber of Commerce sites has been upgraded and now also contains all our Social Media links. We, continue to have website portals through both the Carlsbad and Vista Chambers of Commerce.
- We will be joining the Moreno Valley Chamber of Commerce and will link our social media sites to their website.
- We continue to use Google Adworks to increase our enrollment marketing.

Goal 1: Students have access to standards aligned instructional resources and materials needed for learning.

- 100% of students will have access to credentialed, highly qualified teacher (HQT). All of our teachers possess current, valid credentials and are highly qualified teachers (HQT) in their credential subject area.

100% of students will have access to standards aligned curriculum & instructional materials.

- English courses have been aligned to CCSS for ELA.
- Math courses are CCSS aligned with a shift to the integrated math pathway in the 2015-2016 school year.

- Science courses are being reviewed and aligned to NGSS with an eye on the future. Science courses and labs are aligned to NGSS. This process will remain ongoing until state assessments are developed.
- Social Science courses have incorporated the CCSS for reading and writing across the curriculum
- All courses have incorporated onsite workshops or technology tools for learning, student production, and collaboration.
- Switched online curriculum provider from Fuel Education to Edgenuity because Edgenuity is more closely aligned to CCSS and NGSS and provides extensive supports for struggling students.

All students will receive instruction in facilities that are safe, secure, clean and well maintained

- Lockdown, earthquake, and fire drills are routinely performed on our campus
- Our Comprehensive Safety Plan undergoes an annual revision and update
- Painting of the exterior of the entire facility is currently underway
- Parking lots were resurfaced and restriped
- New classroom furniture was installed in computer lab and 3672
- 1st phase of our three year carpet replacement project has been completed.
- Annual hazard assessment and roof inspections were conducted.
- HVAC and Fire Alarm systems are inspected and serviced on a quarterly basis.
- Warehouse to classroom conversion of 3678 and 3680 warehouses is underway as Design/Build Project.
- E-occupancy reclassification of upper classroom in Suite 3664 will be completed by end of 2015.
- Suite 3682 investigating tutoring/counseling room with private entrance.

Goal 2: Professional Development focused on Common Core State Standards ELA and ELD Standards.

Students will receive instructional access by teachers who are participating in CCSS ELA/ELD Framework training.

- Teachers who received the training are no longer with the school. All ELA teachers will be sent to these trainings for the 2015-2016 school year.

Provide additional academic intervention course and web based resources for EL students as needed .

- Additional course designed for LTELs (English 3D) was researched and will be implemented for the 2015-2016 school year.
- All teachers are receiving training from SDCOE Digital Solutions to embed digital supports into the curriculum to assist students with reading comprehension and vocabulary. All teachers received training from Digital Solutions.

EL students will improve by one performance level annually as identified via CELDT

- Data analysis is in progress.
- The CELDT test was administered in November and continues to be administered to new enrollees.
- Results from 2012-2013 assessments will be compared with those of 2013-2014. Report was created for students who were enrolled at PVCS for 2 consecutive years and had 2 CELDT results to compare:

CELDT progress from Fall 2012-Fall 2013

5/14 36% increased

9/14 64% maintained same level

CELDT progress from Fall 2013-Fall 2014

5/12 students (42%) increased by one proficiency level

6/12 students (50%) improved scaled score, but stayed within same proficiency level

1/12 students (8%) dropped one level

Continue to reclassify English Learners

- Reclassification process is in place and results of 2014-2015 assessments are being evaluated to determine which students are eligible for reclassification.
- 15 of 33 students (45%) met the state requirements for reclassification

Goal 3: All teachers will participate in Professional Development to enhance their instructional practice and focus on 21st century instruction and learning.

Students are instructed by teachers, who engage in a variety of Professional Development trainings to enhance 21st century instruction and core content.

- One teacher has completed the Leading Edge Certification program at SDCOE, and another teacher has just begun the program. 2 teachers have completed the Leading Edge Certification program.
- All staff members are participating in the Digital Solutions trainings. We have completed two trainings to date and have two more scheduled. All staff members participated in the Digital Solutions training.
- Teachers participated in various off site professional developments on Technology, STEM, and the Common Core curriculum and instruction, and shared information in PLCs.

- In the 2015-2016 school year teachers will begin participating in the HQT certification program, VPSS (verification process for special settings).

Using RTI, identify low performing students for academic intervention. Provide every student with an individualized learning plan with growth targets and monitor for progress

- 100% of incoming students are assessed in Math and Reading. 100% of students are assessed upon enrollment and throughout the year.
- Placement in appropriate curriculum and intervention courses occurs upon completion of the intro packet. Each student receives curriculum and instruction appropriate to levels in Math and Reading. Placement Guides are utilized by Supervisory teachers to guide decisions.
- Supervisory teachers continue to work one-on-one with students to develop goals. A Star Enterprise goal is calculated for each student receiving direct instruction in Math and Reading.
- Instruction is modified to meet the needs of each student. Alternative assessments as well as AGS curriculum is provided to students who demonstrate a reading level which is below and far below their grade level.

Students with disabilities will meet annual IEP Goals

- All students with an IEP meet annually to review goals and establish new goals.

Goal 4: Students will meet or exceed expectations by the Common Core State Standards.

- English courses have been aligned to CCSS for ELA
- Math courses are CCSS aligned with a shift to the integrated math pathway in the 2015-2016 school year.
- Science courses are being reviewed and aligned to NGSS with an eye on the future
- Social Science courses have incorporated the CCSS for reading and writing across the curriculum
- 2014-15 CAASPP (ELA & Math) assessment results will serve to establish a baseline.

Implement Common Core Aligned benchmark assessments for all students in ELA & Math.

- All students in grades 3-8, 11 will take the SBAC in Math and ELA in Spring 2015. 100 % of students grade 3-8 participated in SBAC testing. 95% of 11th grade students participated in SBAC testing. The majority of students who did not attend SBAC testing suffered from anxiety disorders and school phobias that prevented them from coming on campus and were opted out by their parents/guardians.

Goal 5: Increase supplemental resources, and technology to support academic success.

Students will have increased access to supplemental materials such as non-fiction texts and computer-based instructional programs

- New computer programming class to launch in HS 2015-2016. New computer programming class completed
- Students in grades K-5 participate in computer coding activities using curriculum from Code.org in enrichment classes
- New courses in career technology were researched and will be implemented the 2015-2016 school year.

Implement 1:1 laptops for Grades 6-8

- All students in grades 6-8 have been issued laptops and bring them to class
- Program will be expanded to 9th grade students for 2015-16 school year

Goal 6: Students will graduate on time and ready for College and Career.

75% of 10th grade students will pass CAHSEE ELA & Math.

- 84% of 10th grade students passed CAHSEE Math
- 75% of 10th grade students passed CAHSEE ELA

Summary Report Grade 10 Reading Fall 2013

Percentile	students	percent
Below 25th percentile	27	40.3
25th-49th	21	31.3
50th-74th	16	23.9
75th-above	3	4.5

Summary Report Grade 10 Reading Fall 2014

Percentile	students	percent
Below 25th percentile	40	39.6
25th-49th	29	28.7
50th-74th	23	22.8

75th-above	9	8.9
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Summary Report Grade 10 Math 2013

Percentile	students	percent
Below 25th percentile	14	20.9
25th-49th	14	20.9
50th-74th	23	34.3
75th-above	16	23.9

Summary Report Grade 10 Math 2014

Percentile	students	percent
Below 25th percentile	16	16.5
25th-49th	28	28.9
50th-74th	36	37.1
75th-above	17	17.5

Increase passing rate for credit deficient students by 5%

- Results have not been received as of this date
- CAHSEE Passing rate in Math increased by 8% and ELA decreased by 3%.
A Math intervention course was added to Pacific View for the 2013-2014 school year.

100% of 11th grade students will take the SBAC ELA/Math for EAP

- All of these testing goals are ongoing
- 95% of grade 11 students participated in the SBAC. The majority of students who did not attend SBAC testing suffered from anxiety disorders and school phobias that prevented them from coming on campus and were opted out by their parents/guardians.

Host annual College Application & Financial Aid Workshop

- February 4, 2015
- A position of College Liaison has been created for the 2015-2016 school year.

Goal 7: Continue to implement the systematic operation tool to support data-driven decision making.

Collect, disaggregate, analyze and develop longitudinal student /data reports

- Supervisory teachers are collecting and recording Star Enterprise results in Math and Reading onto their RTI charts and monitoring student progress. Each Supervisory teacher created an RTI report and shared results with Lead Teacher, Executive Director, and Director of Student Services for analysis.
- Schoolwide reports will then be created at the end of the year for analysis.
- An end of year report was created to analyze school-wide progress in Math and Reading.

(See Report Below)

Student Progress in Math Workshops 2014-2015

Session 2:	Aug. 18-Oct 3				
Workshop	Teacher	Total # of students enrolled (for full 7 weeks)	# of students who reached targetted goal	# of students who did not reach goal	% of students who reached goal
Algebra A	Tomor	9	7	2	78%
Geometry A	Pak	18	13	5	72%
Session 3:	Oct 6-Nov 21				
Workshop	Teacher	Total # of students enrolled (for full 7 weeks)	# of students who reached targetted goal	# of students who did not reach goal	% of students who reached goal
Algebra B	Tomor	17	14	3	82%
Geometry B	Pak	8	4	3	57%
Session 4:	Dec 1-Jan 30				
Workshop	Teacher	Total # of students enrolled for full 7 weeks	# of students who reached targetted goal	# of students who did not reach goal	% of students who reached goal
Algebra A	Tomor	12	11	1	92%
Geometry A	Pak	15	11	4	73%
Session 5:	Feb 2 - March 20				
Workshop	Teacher	Total # of students enrolled (for full 7 weeks)	# of students who reached targetted goal	# of students who did not reach goal	% of students who reached goal
Algebra B	Tomor	19	9	10	47%

Geometry B	Pak	20	16	4	80%

Student Progress in ELA workshops:

Session 2 August 18- October 3					
Workshop class	Teacher	# of students enrolled (for full 7 week session)	# of students who reached targetted goal	# of students who did not reach goal	% of students who reached goal
English 10A	Winick	17	13	4	76%
English 11A	Detavernier	14	7	7	50%
English 12A	Detavernier	25	15	10	60%
Session 3: Oct. 6-Nov. 21					
Workshop	Teacher	Total # of students enrolled (for full 7 weeks)	# of students who reached targetted goal	# of students who did not reach goal	% of students who reached goal
English 9A	Detavernier	13	7	6	54%
English 10B	Winick	15	5	10	33%
English 11A	Detavernier	23	16	6	70%
English 11B	Clark	20	11	9	55%
English 12A	Clark	17	10	5	67%
English 12B	Clark	22	14	8	64%
Session 4: Dec 1-Jan. 30					
Workshop	Teacher	Total # of	# of students	# of students	% of students

		students enrolled (for full 7 weeks)	who reached targetted goal	who did not reach goal	who reached goal
English 9 B	Detavernier	17	13	4	76%
English 10 A	Winick	18	8	10	44%
English 11 A	Detavernier	15	4	8	27%
English 11 B	Clark	11	9	6	60%
English 12 A	Clark		7	3	70%
English 12 B	Clark	12	2	10	20%
Session 5: Feb 2-March 20					
Workshop	Teacher	Total # of students enrolled (for full 7 weeks)	# of students who reached targetted goal	# of students who did not reach goal	% of students who reached goal
English 9 A	Detavernier	10	8	2	80%
English 10 B	Winick	12	6	6	50%
English 11 A	Detavernier	12	7	4	58%
English 11 B	Clark	16	11	5	69%
English 12 A	Clark	9	5	3	63%
English 12 B	Clark	14	5	7	42%
Session 6 March 23-May 15					
Workshop	Teacher	Total # of students enrolled for full 7 weeks	# of students who reached targetted goal	# of students who did not reach goal	% of students who reached goal
English 9 B	Detavernier	18	11	7	61%
English 10 B	Winick	16	8	8	50%
English 11 B	Clark	22	10	12	45%

Goal 8: Increase resources and services to students and parents to ensure student engagement, school connectedness and positive school culture.

Students will have access to an increased number of counselors & mental health providers who will support individualized student needs.

- Two counselors from Palomar Family Counseling are providing onsite therapy to students who have been identified by their teachers as needing assistance.
- Workshops were offered in most subject areas to offer opportunities for engagement and collaborative learning.
- A study hall was created to allow students to work collaboratively while also receiving assistance from Instructional Aides.
- Sports and Recreation was offered at lunch time.
- Enrichment courses in grades K-5 were provided weekly
- A support room was provided to grades 6-8
- A peer mentoring group was offered to grades 6-8
- Onsite college and career presentations were offered to students each month.
- Field trip opportunities offered each month.
- Students were surveyed for interest in student clubs for the 2015-2016 school year and the most popular will be implemented for the 2015-2016 school year
- A trial yoga class was offered and will be implemented for the 2015-2016 school year.

Increase prevention programs to address behavioral concerns

- Behavioral concerns continue to be addressed in IEP or SST team meetings where student, parent, teacher, and administration can develop strategies to encourage positive behaviors.

Maintain ADA at 96%

- Achieved a 98% ADA at the end of P1
- Achieved a 98.16 % ADA at the end of P2

Students & parents will provide feedback on school safety, connectedness and motivation

- Safety Committee to create survey questions and forward to Director of Student Services for inclusion in Student Survey.

Goal 9: Increase parent involvement workshops, activities, and parent input in decision making.

Develop parent engagement opportunities through a variety of input opportunities

- Parents are invited to attend school-wide events such as Winter Festival and Science Fair

- Parents are invited to sit on school board
- Parents are required to attend weekly or biweekly student/teacher meetings, where they discuss their child's learning and can voice concerns and suggestions about the school progress.

12.5 Moved by President Walters and seconded by Trustee Deegan to approve the Website Privacy Policy as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.6 RTI Presentation

- Goal is to identify the students who are likely to struggle and provide the appropriate level of curriculum
- Every student is assessed when entering into our program
- Supervisory teacher reviews the scaled score, grade equivalency & percentile ranking with the parent and student
- The Tier is explained to the parent and student along with the level of instruction the student will receive
- The Supervisory Teacher sets the goals for the students within the STAR Enterprise software
- Students are assessed every 6-7 weeks, and progress toward the goals is shared with the parent and student
- Depending on the response to the intervention, adjustments are made to the instructional support
- Overall, our students have showed significant growth in this program

12.7 Moved by Trustee Deegan and seconded by President Walters to approve the Injury & Illness Prevention Program Annual Update as presented

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.8 Moved by President Walters and seconded by Trustee Deegan to approve the revision of the By-laws as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.9 Moved by Trustee Deegan and seconded by President Walters to approve the Charter Element #4 revision as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.10 Moved by Trustee Deegan and seconded by President Walters to approve the US Mailing House estimate as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

12.11 Moved by Trustee Deegan and seconded by President Walters to approve the appointment of Martha Brown to the Board.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

13. Curriculum

13.1 Moved by Trustee Deegan and seconded by President Walters to approve the Graduation Requirements as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

13.2 Moved by Trustee Deegan and seconded by President Walters to approve the Driver's Education Course as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

14.0 Personnel

14.1 Moved by Trustee Deegan and seconded by President Walters to approve the College Liaison Job Description and Salary Schedule as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

14.2 Moved by Trustee Deegan and seconded by President Walters to approve the Site Supervisor Job Description as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

15. Closed Session

The board convened to Closed Session at 6:23pm

15.2 Conference with labor negotiators

15.3 Employee Performance Evaluation- Executive Director

16. Report Out To Public Action Taken In Closed Session

The board reconvened into Open Session at 6:48pm

15.2 Moved by Trustee Deegan and seconded by President Walters to approve the salary increase as presented.

15.3 Moved by Trustee Deegan and seconded by President Walters to approve the excellent evaluation of the Executive Director as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

17. Board/Staff Discussion

The board and staff discussed the Local Control Accountability Plan (LCAP)

18. Adjournment

President Walters adjourned the meeting at 7:05pm

Pacific View Charter School

A California Public School and Nonprofit 501 (c) (3) Corporation

3670 Ocean Ranch Blvd., Oceanside, California 92056

Phone # (760) 757-0161

Board of Trustees' Special Meeting Minutes

Monday, June 29, 2015

9:30am

1. **Call to Order/Roll Call**
President Jon Walters called the meeting to order at 9:30am with all Trustees present.
2. **Approval of Agenda**
Moved by Trustee Deegan and seconded by President Walters to approve the agenda.

AYES: Walters, Deegan
NOES: None
ABSTAIN: None
3. **Pledge of Allegiance**
The Pledge of Allegiance was dispensed
4. **Public Comment - None**
5. **Introductions –** Gayl Johnson, Director of Student Services; Erin Gorence, Director of Curriculum; Lori Bentley, Human Resource & Business Specialist
6. **Consent Calendar - None**
7. **Action/Discussion Items**
7.1 Moved by Trustee Deegan and seconded by President Walters to approve the 2015-16 Local Control Accountability Plan (LCAP) as presented.

AYES: Walters, Deegan
NOES: None
ABSTAIN: None

8.0 Personnel

8.1 Moved by Trustee Deegan and seconded by President Walters to approve the amended Classified Salary Schedule for the College Liaison as presented.

AYES: Walters, Deegan

NOES: None

ABSTAIN: None

9.0 Adjournment

President Walters adjourned the meeting at 10:51am

9.2

SDCOE Uniform Complaint Quarterly Reports Database

Williams and Valenzuela Settlements

Change a Quarter Record

Select Another Date Back to Main Menu

Record
ID : 2193

District : 3731221

Quarter : 2014-15 4th Qtr Apr-Jun

Number of Complaints for Quarter			
	Received	Resolved	Unresolved
Valenzuela	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>

Submitted
By:

Kira J. Fox

Title:

Director of Central Office & Finance

Change Record

9.3



FORM STN-21-03/15E

Incorporated herein; and Lessee agrees to comply fully therewith.

2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. Note: Lessee is advised to verify the actual size prior to executing this Lease.

2.2 Condition. Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "Building") shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with said warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Building. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 Compliance. Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 50), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:


(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the first 5 years of the Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease under Lessee's notice. Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and an amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 60 days hereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay each month during the remainder of the term of the Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessor shall pay interest on the balance of any property's obligation at any time, if, however, such Capital Expenditure is required during the last 5 years of this Lease and Lessor reasonably determines that it is not economically feasible to pay in three phases thereof, Lessor shall have the option to terminate this Lease upon 60 days prior written notice to Lessee unless Lessee notifies Lessor in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same with interest from Rent until Lessor's share of such costs have been fully paid. If Lessor is unable to finance Lessor's share and the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee or an offset base, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not, however, have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to


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investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. **Rent.**

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent, Insurance and Real Property Taxes, and any remaining amount to any other outstanding charges or costs.

4.3 **Association Fees.** ~~Lessor shall pay any owner's association or condominium fees levied or assessed against the Premises. In addition to the Base Rent, Lessee shall pay to Lessor each month an amount equal to any owner's association or condominium fees levied or assessed against the Premises. Said monies shall be paid at the same time and in the same manner as the Base Rent.~~

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 30 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. **Use.**

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use, ~~or any other legal use which is reasonably compatible thereto~~, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee


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shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not reasonably withhold or delay its consent to any written request for modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30


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days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of a written request therefor. In addition, Lessee shall provide Lessor with copies of its business license, certificate of occupancy and/or any similar document within 10 days of the receipt of a written request therefor.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of a written request therefor.

7. Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, roof drainage systems, floors, windows, doors, plate glass, skylights, landscaping, driveway, parking lot, fences, retaining walls, signs, sidewalks and pathways located in, on, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all Improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, and (vi) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) becomes damaged or requires replacement at a cost which in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessee, and the cost thereof shall be provided between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one and the denominator of which is 144 (i.e. 1/144th of the cost per month). Lessee shall pay interest on the unpaid balance but may prepay its obligation at any time.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation) and except as otherwise provided herein, it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. Lessor shall arrange through the Master Association, and pay all assessments, for the maintenance of the grounds, landscaping, paving, striping, sidewalks, curbs, gutters, street lighting, underground utilities, backflow preventers and site improvements. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on


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the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Lien; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialman's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 **Payment For Insurance.** Lessee shall pay for all insurance required under Paragraph 8 except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of \$2,000,000 per occurrence. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within 10 days following receipt of an invoice.

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of,


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the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** Lessor ~~The Insuring Party~~ shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss.

(b) **Rental Value.** Lessor ~~The Insuring Party~~ shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period. Lessee shall be liable for any deductible amount in the event of such loss.

(c) **Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.


8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor and Its Agents from Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required


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herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9 Damage or Destruction.

9.1 Definitions.

(a) "Premises Partial Damage" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "Premises Total Destruction" shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "Insured Loss" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "Hazardous Substance Condition" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires remediation.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter unless Lessee exercises its option to purchase the Premises by providing written notice to Lessor on or before the earlier of (i) 10 days after receipt of Lessor's written termination notice, or (ii) the day prior to expiration of the option, and otherwise subject to the terms of the Option to Purchase attached hereto, in which event this Lease shall remain in full force and effect; provided, however, that Lessee shall remain responsible for any shortage in insurance proceeds necessary to repair the Premises. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage unless Lessee exercises its option to purchase the Premises by providing written notice to Lessor on or before the earlier of (i) 10 days after receipt of Lessor's written termination notice, or (ii) the day prior to expiration of the option, and otherwise subject to the terms of the Option to Purchase attached hereto, in which event this Lease shall remain in full force and effect; provided, however, that Lessee shall be responsible for paying for all repairs to the Premises. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by,


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(a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value Insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definition. As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises or the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises are located. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. Lessor shall pay all Real Property Taxes levied against the Premises. In addition to Base Rent, Lessee shall pay to Lessor an amount equal to the Real Property Tax installment due at least 20 days prior to the applicable delinquency date. If any such installment shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such installment shall be prorated. In the event Lessee must advance payment on any Rent payment, Lessor may estimate the current Real Property Taxes and require that such taxes be paid in advance to Lessor by Lessee monthly in advance with the payment of the Base Rent. Such monthly payments shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sum as may be necessary. Advance payments may be commingled with other moneys of Lessor and shall not bear interest. In the event of a breach by Lessee in the performance of its obligations under this Lease, then any such advance payments may be treated by Lessor as an additional Security Deposit. Notwithstanding anything herein to the contrary, the Base Rent payable by Lessee each month shall be reduced by an amount equal to the amount of any monthly abatement in real property taxes allotted to Lessee in the previous month on account of its non-payment status, as proven to Lessor with verifiable evidence submitted by Lessee no later than five (5) days prior to the payment due date of the monthly Base Rent, subject to abatement hereunder.

10.3 Intentionally Omitted Joint Assessment. If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 Personal Property Taxes. Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services. Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal, janitorial service and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered or billed. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.


12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee


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shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations fifty percent (50%) of any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to atton to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.


(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the


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failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under


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any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure. ~~provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset.~~ Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the Building, or more than 25% of that portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.9 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.9, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder


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or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by


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Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) **Lessor's Agent.** A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) **Lessee's Agent.** An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) **Agent Representing Both Lessor and Lessee.** A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to Twenty Thousand Dollars (\$20,000) per month NNN for the 12-month period through June 30, 2017, beginning July 1, 2017 and on every anniversary thereof, the Base Rent shall increase to one hundred two and one-half percent (102.5%) of the Base Rent applicable immediately preceding such increase. 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of


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ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor; (c) be bound by prepayment of more than one month's rent; or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "for sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall use commercially reasonable efforts to furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association, and each such Guarantor shall have the same obligations as Lessee under this Lease.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.


38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted any Option, as defined below, then the following provisions shall apply:

39.1 **Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if


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requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will abide by and conform to all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessee also agrees to pay its fair share of common expenses incurred in connection with such rules and regulations.

41. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. **Reservations.** Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" with 6 months shall be deemed to have waived its right to protest such payment.

44. **Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

45. **Conflict.** Any conflict between the printed provisions of this Lease and typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. **Offer.** Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.


49. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☒ is ☐ is not attached to this Lease.

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

(a) The Premises: ☒ have not undergone an inspection by a Certified Access Specialist (CASp). ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

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

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.


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ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED.

51. Option to Purchase ("Option") and Purchase and Sale Agreement and Joint Escrow Instructions ("Purchase Agreement"). See attached.

52. Operating Expenses:

Lessee - In addition to Lessee's other obligations provided in this Lease, Lessee shall be responsible for paying for all utilities and janitorial service serving the Premises and liability/content insurance as provided herein.

Lessor - Except as otherwise provided herein, Lessor shall be responsible for paying real property taxes, property insurance (as specifically stipulated herein), all building CAMS, COA dues and building maintenance (except as otherwise provided herein).

~~53. Property Tax Reimbursement. Any costs savings generated by Lessee's non-profit status shall be applicable to the purchase price (on a pro-rata basis).~~

54. Prepaid Rent. \$30,000.00 (first and last month's Base Rent) (rent for August 2015 and June 2016).

55. Applicable to Purchase Price. All Prepaid Rent, the Security Deposit and Five Thousand Dollars (\$5,000) per month of Base Rent received by Lessor shall be credited towards the Purchase Price (as defined in the Purchase Agreement).

56. Holdover Rent. Beginning July 1, 2016 and ending June 30, 2017, Base Rent shall be increased to \$20,000.00 per month NNN. Beginning July 1, 2017 and every anniversary thereof, Base Rent shall increase to one hundred two and one-half percent (102.5%) of the Base Rent applicable immediately prior to each increase.

57. Escrow Deposit. The current escrow (#36785-1 shall be terminated and Buyer's \$25,000.00 shall be refunded.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: Morrison, CO
On: 8.6.2015

Executed at: Oceanside, CA
On: 8/7/2015

By LESSOR:

Moreno Valley Health LLC, a California
limited liability company

By: Richard E. Butler

Name Printed: Richard Butler

Title: Manager

By: _____

Name Printed: _____

Title: _____

Address: 8286 S. Deer Creek Canyon Road

Morrison, CO 80465

Telephone: (303) 945-7517

Facsimile: (303) 697-8804 (call first)

Email: rick@rickeb.com

Email: _____

Federal ID No. _____

By LESSEE:

Pacific View Charter School, a California
non-profit public benefit corporation

operating a California public charter school

By: Gina Campbell

Name Printed: Gina Campbell

Title: Executive Director

By: _____

Name Printed: _____

Title: _____

Address: 3670 Ocean Ranch Blvd.

Oceanside, California 92056

Telephone: (760) 757-0161

Facsimile: (760) 435-2666

Email: gcampbell@pacificview.org

Email: _____

Federal ID No. _____

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BROKER:Lee & Associates®-OntarioLee & Associates-RiversideAttn: Greg Martin / Rocky MoranTitle: Sr. Vice President / Vice PresidentAddress: 3535 Inland Empire Blvd., Ontario,
California, 917643240 Mission Inn AvenueRiverside, California 92507Telephone:(909) 989-7771 / 951-276-3681Facsimile:(909) 944-8250 / 951-276-3600Email: gmartin@lee-assoc.com /rmoran@lee-associates.comFederal ID No. 33-0263082 / 01048055Broker/Agent BRE License #: 01001749 / 1841701**BROKER:**Colliers InternationalAttn: Mike PappasTitle:Address: 5901 Priestly DriveCarlsbad, California 92008Telephone:(760) 930-7931Facsimile:()Email:Federal ID No.Broker/Agent BRE License #: 00981543

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777, Fax No.: (213) 687-8616.

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ARBITRATION AGREEMENT

Standard Lease Addendum

Dated July 23, 2015

By and Between (Lessor) Moreno Valley Health, LLC, a California limited liability company

(Lessee) Pacific View Charter School, a California non-profit public benefit corporation operating as a California public charter school

Address of Premises: 22695 Alessandro Blvd.

Moreno Valley, CA 92553

Paragraph 49

A. ARBITRATION OF DISPUTES:

Except as provided in Paragraph B below, the Parties agree to resolve any and all claims, disputes or disagreements arising under this Lease, including, but not limited to any matter relating to Lessor's failure to approve an assignment, sublease or other transfer of Lessee's interest in the Lease under Paragraph 12 of this Lease, any other defaults by Lessor, or any defaults by Lessee by and through arbitration as provided below and irrevocably waive any and all rights to the contrary. The Parties agree to at all times conduct themselves in strict, full, complete and timely accordance with the terms hereof and that any attempt to circumvent the terms of this Arbitration Agreement shall be absolutely null and void and of no force or effect whatsoever.

B. DISPUTES EXCLUDED FROM ARBITRATION:

The following claims, disputes or disagreements under this Lease are expressly excluded from the arbitration procedures set forth herein: 1. Disputes for which a different resolution determination is specifically set forth in this Lease. 2. All claims by either party which (a) seek anything other than enforcement or determination of rights under this Lease, or (b) are primarily founded upon matters of fraud, willful misconduct, bad faith or any other allegations of tortious action, and seek the award of punitive or exemplary damages. 3. Claims relating to (a) Lessor's exercise of any unlawful detainer rights pursuant to applicable law or (b) rights or remedies used by Lessor to gain possession of the Premises or terminate Lessee's right of possession to the Premises, all of which disputes shall be resolved by suit filed in the applicable court of jurisdiction, the decision of which court shall be subject to appeal pursuant to applicable law. 4. Any claim or dispute that is within the jurisdiction of the Small Claims Court and 5. All claims arising under Paragraph 39 of this Lease.

C. APPOINTMENT OF AN ARBITRATOR:

All disputes subject to this Arbitration Agreement, shall be determined by binding arbitration before: ☐ a retired judge of the applicable court of jurisdiction (e.g., the Superior Court of the State of California) affiliated with Judicial Arbitration & Mediation Services, Inc. ("JAMS") ☒ the American Arbitration Association ("AAA") under its commercial arbitration rules, ☐

or as may be otherwise mutually agreed by Lessor and Lessee (the "Arbitrator"). Such arbitration shall be initiated by the Parties, or either of them, within ten (10) days after either party sends written notice (the "Arbitration Notice") of a demand to arbitrate by registered or certified mail to the other party and to the Arbitrator. The Arbitration Notice shall contain a description of the subject matter of the arbitration, the dispute with respect thereto, the amount involved, if any, and the remedy or determination sought. If the Parties have agreed to use JAMS they may agree on a retired judge from the JAMS panel. If they are unable to agree within ten days, JAMS will provide a list of three available judges and each party may strike one. The remaining judge (or if there are two, the one selected by JAMS) will serve as the Arbitrator. If the Parties have elected to utilize AAA or some other organization, the Arbitrator shall be selected in accordance with said organization's rules. In the event the Arbitrator is not selected as provided for above for any reason, the party initiating arbitration shall apply to the appropriate Court for the appointment of a qualified retired judge to act as the Arbitrator.

D. ARBITRATION PROCEDURE:

1. **PRE-HEARING ACTIONS.** The Arbitrator shall schedule a pre-hearing conference to resolve procedural matters, arrange for the exchange of information, obtain stipulations, and narrow the issues. The Parties will submit proposed discovery schedules to the Arbitrator at the pre-hearing conference. The scope and duration of discovery will be within the sole discretion of the Arbitrator. The Arbitrator shall have the discretion to order a pre-hearing exchange of information by the Parties, including, without limitation, production of requested documents, exchange of summaries of testimony of proposed witnesses, and examination by deposition of parties and third-party witnesses. This discretion shall be exercised in favor of discovery reasonable under the circumstances. The Arbitrator shall issue subpoenas and subpoenas duces tecum as provided for in the applicable statutory or case law (e.g., in California Code of Civil Procedure Section 1282.6).

2. **THE DECISION.** The arbitration shall be conducted in the city or county within which the Premises are located at a reasonably convenient site. Any Party may be represented by counsel or other authorized representative. In rendering a decision(s), the Arbitrator shall determine the rights and obligations of the Parties according to the substantive laws and the terms and provisions of this Lease. The Arbitrator's decision shall be based on the evidence introduced at the hearing, including all logical and reasonable inferences therefrom. The Arbitrator may make any determination and/or grant any remedy or relief that is just and equitable. The decision must be based on, and accompanied by, a written statement of decision explaining the factual and legal basis for the decision as to each of the principal controverted issues. The decision shall be conclusive and binding, and it may thereafter be confirmed as a judgment by the court of applicable jurisdiction, subject only to challenge on the grounds set forth in the applicable statutory or case law (e.g., in California Code of Civil Procedure Section 1286.2). The validity and enforceability of the Arbitrator's decision is to be determined exclusively by the court of appropriate jurisdiction pursuant to the provisions of this Lease. The Arbitrator may award costs, including without limitation, Arbitrator's fees and costs, attorneys' fees, and expert and witness costs, to the prevailing party, if any, as determined by the Arbitrator in his discretion.

Whenever a matter which has been submitted to arbitration involves a dispute as to whether or not a particular act or omission (other than a failure to pay money) constitutes a Default, the time to commence or cease such action shall be tolled from the date that the Notice of Arbitration is served through and until the date the Arbitrator renders his or her decision. Provided, however, that this provision shall NOT apply in the event that the Arbitrator determines that the Arbitration Notice was prepared in bad faith.

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Whenever a dispute arises between the Parties concerning whether or not the failure to make a payment of money constitutes a default, the service of an Arbitration Notice shall NOT toll the time period in which to pay the money. The Party allegedly obligated to pay the money may, however, elect to pay the money "under protest" by accompanying said payment with a written statement setting forth the reasons for such protest. If thereafter, the Arbitrator determines that the Party who received said money was not entitled to such payment, said money shall be promptly returned to the Party who paid such money under protest together with interest thereon as defined in Paragraph 13.5. If a Party makes a payment "under protest" but no Notice of Arbitration is filed within thirty days, then such protest shall be deemed waived. (See also Paragraph 42 or 43)

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.
Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(Non-Residential)

AIR Commercial Real Estate Association

July 23, 2015

(Date for Reference Purposes)

1. Buyer.

1.1 Pacific View Charter School, a California non-profit public benefit ("Buyer")
corporation operating a California public charter school hereby offers to purchase the real property, hereinafter described, from the owner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close 30 or 40 days after Buyer's exercise of its Option to Purchase the Property (as herein defined), as attached to this Agreement and no later than June 30, 2016 ~~the waiver or expiration of the Buyer's Contingencies~~ ("Expected Closing Date") to be held by First American Title Company - Judee Heineman ("Escrow Holder") whose address is 777 South Figueroa Street, 4th Floor, Los Angeles, CA 90017

, Phone No. (213) 271-1693, Facsimile No. _____
upon the terms and conditions set forth in this agreement ("Agreement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.

1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. Property.

2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical description) a single-story, approximately 12,500 square-foot building and associated land

is located in the City of Moreno Valley, County of Riverside,
State of California, is commonly known by the street address of 22695 Alessandro Blvd.

and is legally described as: [See attached.]

(APN: 297-140-052-8).

2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of First American Title Company ("Title Company"), which shall issue the title policy hereinafter described.

2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines, jacks and connections only); space heaters; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler systems; security and fire detection systems; carpets; window coverings; wall coverings; and _____

(collectively, the "Improvements").

2.4 The fire sprinkler monitor: ☐ is owned by Seller and included in the Purchase Price, ☐ is leased by Seller, and Buyer will need to negotiate a new lease with the fire monitoring company, ☒ ownership will be determined during Escrow, or ☐ there is no fire sprinkler monitor.

2.5 Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and _____ all of

which shall be removed by Seller prior to Closing.

3. Purchase Price.

3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$2,300,000.00, payable as follows:

- (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transaction, the Purchase Price): \$See Par. 4
- (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: \$ _____
- (c) Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust ("Existing Deed(s) of Trust") securing the existing promissory note(s) ("Existing Note(s)");
- (i) An Existing Note ("First Note") with an unpaid principal balance as of the _____ Closing of approximately: \$ _____
Said First Note is payable at \$ _____ per month,
(Strike if not applicable) including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____)
- (ii) An Existing Note ("Second Note") with an unpaid principal balance as of the _____ Closing of approximately: \$ _____
Said Second Note is payable at \$ _____ per month,
including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____)
- (Strike if not applicable) (d) Buyer shall give Seller a deed of trust ("Purchase Money Deed of Trust") on the property, to secure the promissory note of Buyer to Seller described in paragraph 6 -- ("Purchase Money Note") in the amount of: \$ _____

Total Purchase Price:

\$2,300,000.00

3.2 If Buyer is taking title to the Property subject to or assuming an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, agent, processing fee, and appraisal fee as a condition to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Existing Note.

4. Deposits.

4.1 ☐ Buyer has delivered to Broker a check in the sum of \$_____, payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or ☒ within 2 or _____ the same business day business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder. Buyer shall deliver to Escrow Holder a cashier's check in the sum of \$50,000.00. If said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither Party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check in the amount of Fifty Thousand Dollars (\$50,000.00) or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Additional deposits:

(a) All unaccrued Prepaid Rent (as described in that certain Lease of even date herewith between Buyer and Seller) pursuant to which Buyer is leasing the Property (the "Lease"), if any, the Security Deposit, to the extent not applied in accordance with the terms of the Lease, and Five Thousand Dollars (\$5,000.00) per month of the monthly Base Rent actually received by Seller under the Lease ("Option Rent") shall be applied to the Purchase Price at the Closing. Such unaccrued Prepaid Rent, Security Deposit and Option Rent has been paid directly to, and shall be retained by, Seller and shall be non-refundable to Buyer (except as otherwise provided in the Lease) but shall be credited to the Purchase Price in the event the purchase of the Property is completed. Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of \$_____ to be applied to the Purchase Price at the Closing.

(b) Within 5 business days after the contingencies discussed in paragraph 9.1 (a) through (k) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of \$_____ to be applied to the Purchase Price at the Closing.

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is _____. NOTE: Such interest bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

4.4 Notwithstanding the foregoing, within 5 days after Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release \$100 of said monies to Seller as and for independent consideration for Seller's execution of this Agreement and the granting of the contingency period to Buyer as herein provided. Such independent consideration is non-refundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

5. Financing Contingency (Strike if not applicable)

5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least _____% of the Purchase Price, on terms reasonably acceptable to Buyer. Such loan ("New Loan") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days from receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days, it shall be conclusively presumed that Seller has approved the terms of the New Loan.

5.2 Buyer hereby agrees to diligently pursue obtaining the New Loan. If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within _____ days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.

5.3 If, after due diligence, Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.

6. Seller Financing (Purchase Money Note) (Strike if not applicable)

6.1 If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of _____% per annum, with principal and interest paid as follows: _____

The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the New Loan expressly called for by this Agreement.

6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see paragraph 10.3 (b)):

(a) Prepayment: Principal may be prepaid in whole or in part at any time without penalty, at the option of the Buyer.

(b) Late Charge: A late charge of 5% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days after it is due.

(c) Due On Sale: In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.

6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense, prepare and record on Seller's behalf a request for notice of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.

6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.

6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of the contingency within said time period, it shall be conclusively presumed that Seller has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation then Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 10 days of the receipt of such notice, to either terminate the transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.

7. Real Estate Brokers.

7.1 The following real estate broker(s) ("Brokers") and brokerage relationships exist in this transaction and are consented to by the Parties (check the applicable boxes):

☒ Lee & Associates, Greg Martin _____ represents Seller exclusively ("Seller's Broker");

☒ Colliers International, Mike Pappas _____ represents Buyer exclusively ("Buyer's Broker"); or

☐ _____ represents both Seller and Buyer ("Dual Agency").

The Parties acknowledge that Brokers are the procuring cause of this Agreement. See paragraph 24 regarding the nature of a real estate agency

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relationship. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named in paragraph 7.1, and no broker or other person, firm or entity, other than said Brokers is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions.

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "Closing") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

8.5 Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 11)

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1-subparagraphs (b)-(d), (e)-(g), (h)-(i), and (j), 9.4, 9.5, 12, 13, 14, 18, 19, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then neither of the Parties shall thereafter have any liability to the other under the Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of the Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions. Notwithstanding anything herein to the contrary, the Closing must occur no later than June 30, 2016.

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations, agreements, covenants or warranties contained therein.

8.10 If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Seller's request, and as a condition to any obligation to return Buyer's deposit (see paragraph 21), Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

9. Contingencies to Closing.

9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT. Buyer's conditional approval shall constitute disapproval, unless provision is made by the Seller within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a) through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.

(a) *Disclosure.* Seller has previously made/shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR Commercial Real Estate Association ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement") and has provided Buyer with a completed Property Information Sheet ("Property Information Sheet") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR, and Buyer hereby acknowledges that it has approved and accepted Seller's Mandatory Disclosure Statement and the Property Information Sheet in every respect, within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of said disclosures to approve or disapprove the matters disclosed.

(b) *Physical Inspection.* Buyer has 10 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property.

(c) *Hazardous Substance Conditions Report.* Buyer has 30 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "Hazardous Substance" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substance Condition" for purposes of this Agreement is defined as the existence on, under or reasonably adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.

(d) *Soil Inspection.* Buyer has 30 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days of the Date of Agreement.

(e) *Governmental Approvals.* Buyer has 30 or _____ days from the Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or desirable in connection with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.

(f) *Conditions of Title.* Escrow Holder shall cause a current commitment for title insurance ("Title Commitment") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("Underlying Documents"), and a scaled and dimensioned plot showing the location of any easements to be delivered to Buyer within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan to satisfy itself with regard to the condition of title. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.

(g) *Survey.* Buyer has 30 or _____ days from the receipt of the Title Commitment and Underlying Documents to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("ALTA") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an


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ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.

(h) **Existing Leases and Tenancy Statements.** Seller shall within 10 or _____ days of the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "Existing Leases") affecting the Property, and with a tenancy statement ("Estoppel Certificate") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and custodian of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate then Seller shall complete and execute an Estoppel Certificate for that tenant. Buyer has 10 days from the receipt of said Existing Leases and Estoppel Certificates to satisfy itself with regard to the Existing Leases and any other tenancy issues.

(i) **Owners Association.** Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with a statement and transfer package from any owners association serving the Property. Such transfer package shall at a minimum include copies of the association's bylaws, articles of incorporation, current budget and financial statement. Buyer has 10 days from the receipt of such documents to satisfy itself with regard to the association.

(j) **Other Agreements.** Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with legible copies of all other agreements ("Other Agreements") known to Seller that will affect the Property after Closing. Buyer has 10 days from the receipt of said Other Agreements to satisfy itself with regard to such Agreements.

(k) **Financing.** If paragraph 5 hereof dealing with a financing contingency has not been struck, the satisfaction or waiver of such New Loan contingency.

(l) **Existing Notes.** If paragraph 3.4(c) has not been struck, Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "Loan Documents") to which the Property will remain subject after the Closing. Escrow Holder shall promptly request from the holders of the Existing Notes a beneficiary statement ("Beneficiary Statement") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid; and (2) the nature and amount of any payments held by the beneficiary in connection with such loan. Buyer has 10 or _____ days from the receipt of the Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to close is conditioned upon Buyer being able to purchase the Property without acceleration or change in the terms of any Existing Notes or changes to Buyer except as otherwise provided in the Agreement or approved by Buyer; provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise, if Seller is to carry back a Purchase Money Note from Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 10 or _____ days from the receipt of such documents to satisfy itself with regard to the form and content thereof.

(m) **Personal Property.** In the event that any personal property is included in the Purchase Price, Buyer has 10 or _____ days from the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 10 or _____ days of the Date of Agreement.

(n) **Destruction, Damage or Loss.** There shall not have occurred prior to the Closing, a destruction of, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$10,000.00 to repair or cure. If the cost of repair or cure is \$10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing more than \$10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.

(o) **Material Change.** Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "Material Change" shall mean a substantial adverse change in the use, occupancy, tenancy, title, or condition of the Property. To the extent not caused by or on behalf of Buyer or its agent, that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

(p) **Seller's Performance.** The delivery of all documents and the successful performance by Seller of each and every undertaking and agreement to be performed by Seller under the Agreement.

(q) **Brokerage Fee.** Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("Brokerage Fee"). It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Brokers.

9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "Buyer's Contingencies."

9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as provided for herein in a timely manner ("Disapproved Item"), Seller shall have the right within 10 days following the receipt of notice of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("Seller's Election"). Seller's failure to give to Buyer within such period, written notice of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Election not to cure such Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapproved Item, Buyer shall have the right, within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to notify Seller in writing of Buyer's election to accept title to the Property subject to the Disapproved Item without deduction or offset shall constitute Buyer's election to terminate this Agreement. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to the Financing Contingency. Unless the Parties mutually instruct (otherwise, if the time periods for the satisfaction of contingencies or for Seller's and Buyer's elections would expire on a date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expiration of: (a) the applicable contingency period; (b) the period within which the Seller may elect to cure the Disapproved Item; or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transaction, whichever is later provided, however, this Closing must occur no later than June 30, 2014).

9.4 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.

10. Documents Required at or Before Closing:

10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.

10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:

(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.

(b) If applicable, the Beneficiary Statements concerning Existing Note(s).

(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.

(d) If applicable, Estoppel Certificates executed by Seller and/or the tenant(s) of the Property.

(e) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

(f) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(g) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.

(h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.

10.3 Buyer shall deliver to Seller through Escrow:


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(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be required to deposit such monies into Escrow if at the time set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obligations hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required monies were available.

~~(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.~~

(c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.

~~(e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.~~

(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing. Issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to the exceptions approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

11.1 **Taxes.** Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 **Insurance.** WARNING: Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

11.3 **Rentals, Interest and Expenses.** Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 **Security Deposits.** Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 **Post Closing Matters.** Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.

~~11.6 **Variations in Existing Note Balances.** In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("Existing Note Variation"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.~~

11.7 **Variations in New Loan Balance.** In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 **Owner's Association Fees.** Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers.

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Seller's warranties and representations are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

(a) **Authority of Seller.** Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

~~(b) **Maintenance During Escrow and Equipment Condition At Closing.** Except as otherwise provided in paragraph 9.1(n), hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.~~

(c) **Hazardous Substances/Storage Tanks.** As of the date of Buyer's possession of the Property pursuant to the terms of that certain lease between Seller and Buyer dated for reference purposes only as of July 23, 2015 (the "Lease"), Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) **Compliance.** As of the date of Buyer's possession of the Property pursuant to the Lease, Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(e) **Changes in Agreements.** Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

(f) **Possessory Rights.** As of the date of Buyer's possession of the Property pursuant to the Lease, Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) **Mechanics' Liens.** There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(h) **Actions, Suits or Proceedings.** Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) **Notice of Changes.** Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.

(j) **No Tenant Bankruptcy Proceedings.** As of the date of Buyer's possession of the Property pursuant to the Lease, Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) **No Seller Bankruptcy Proceedings.** Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

~~(l) **Personal Property.** Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.~~

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have made all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

14. Buyer's Entry.

At any time during the Escrow period, Buyer and its agents and representatives shall have the right at reasonable times and subject to rights of tenants to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be



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concluded, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the reinstallation or removal of any disrupted cut or material as Seller may reasonably direct. All such inspections and tests and any other work completed or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

17.1 This Agreement, the Lease and the addenda to the Lease supersede any and all prior agreements between Seller and Buyer regarding the Property.

17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages.

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger or by mail, postage prepaid, to the address set forth in this Agreement or by facsimile transmission.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. Communications transmitted by facsimile transmission shall be deemed delivered upon telephonic confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of

Moreno Valley, California

on the date of May 15, 2016

it shall be deemed automatically revoked.

20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the last outstanding offer or counteroffer.

21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initialed by both Parties).

THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$50,000.00. UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, PROVIDED THAT ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY BUYER/SELLER.

Buyer Initials

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Seller Initials

22. ARBITRATION OF DISPUTES. (This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)

22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, A RETIRED JUDGE OF THE APPLICABLE COURT OF JURISDICTION AFFILIATED WITH JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("JAMS"), AND UNDER THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. ANY SUCH CONTROVERSY SHALL BE ARBITRATED BY 3 ARBITRATORS WHO SHALL BE IMPARTIAL REAL ESTATE BROKERS WITH AT LEAST 5 YEARS OF FULL-TIME EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THEY SHALL BE APPOINTED UNDER THE COMMERCIAL RULES. THE ARBITRATORS SHALL HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE EXECUTED BY AT LEAST 2 OF THE 3 ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.

22.3 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A

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COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Buyer Initials

Seller Initials

23. Miscellaneous.

23.1 Binding Effect. This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is executed.

23.2 Applicable Law. This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located. Any litigation or arbitration between the Parties hereto concerning this Agreement shall be initiated in the county in which the Property is located.

23.3 Time of Essence. Time is of the essence of this Agreement.

23.4 Counterparts. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

23.6 Conflict. Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

23.7 1031 Exchange. Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange.

23.8 Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days.

24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) **Seller's Agent.** A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) *To the Seller:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) **Buyer's Agent.** A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations: (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) **Agent Representing Both Seller and Buyer.** A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective Party, disclose to the other Party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(d) **Further Disclosures.** Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.


24.3 Confidential Information: Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.


25. Construction of Agreement. In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26. Additional Provisions:

Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum consisting of paragraphs _____

through _____. (If there are no additional provisions write "NONE".)


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ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

NOTE:

1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
2. IF EITHER PARTY IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.
BROKER: BUYER:

Colliers International

Pacific View Charter School, a California
public benefit corporation

Attn: Mike Pappas

Title:

Address: 5901 Priestly Dr.

Carlsbad, CA 92008

Telephone: (760) 930-7931

Facsimile: ()

Email:

Federal ID No.

Broker/Agent BRE License #: 00981543

By: Gina Campbell

Date: 8-7-15

Name Printed: Gina Campbell

Title: Executive Director

Telephone: (760) 757-0161

Facsimile: (760) 435-2666

Email: gcampbell@pacificview.org

By:

Date:

Name Printed:

Title:

Address: 3670 Ocean Ranch Blvd.

Oceanside, CA 92056

Telephone: ()

Facsimile: ()

Email:

Federal ID No.

27. Acceptance.

27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.

27.2 Seller acknowledges that Brokers have been retained to locate a Buyer and are the procuring cause of the purchase and sale of the Property set forth in this Agreement. In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to 5% of the Purchase Price to be divided between the Brokers as follows: Seller's Broker 2.5% and Buyer's Broker 2.5%. Notwithstanding the foregoing, an amount equal to any commission paid to the Brokers pursuant to the Lease, calculated on the basis of rent not paid to Seller, shall be deducted in full from Brokers' commissions payable hereunder. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the Closing.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

BROKER:

Lee & Associates-Ontario
Lee & Associates- Riverside

Attn: Greg Martin

Title: Senior Vice President

Address: 3535 Inland Empire Blvd.

Ontario, CA 91764

Telephone: (909) 989-7771

Facsimile: (909) 949-8250

Email: gmartin@lee-assoc.com

Federal ID No.: 33-0263082

Broker/Agent BRE License #: 01001749

SELLER:

Moreno Valley Health LLC, a California
limited liability company

By: Richard Butler

Date: 8-6-2015

Name Printed: Richard Butler

Title: Manager

Telephone: (303) 945-7547

Facsimile: (303) 697-8804

Email: rick@rickeb.com

By:

Date:

RM
INITIALS

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RB
INITIALS

Name Printed: _____

Title: _____

Address: 8286 S. Deer Creek Canyon Rd.

Morrison, CO 80465

Telephone: () _____

Facsimile: () _____

Email: _____

Federal ID No.: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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**AIR COMMERCIAL REAL ESTATE ASSOCIATION
OPTION TO PURCHASE
Standard Lease Addendum**

Dated July 23, 2015, for reference purposes only

By and Between (Lessor) Moreno Valley Health LLC, a California limited liability company

(Lessee) Pacific View Charter School, a California non-profit public benefit corporation operating a California public charter school

Address of Premises: 22695 Alessandro Blvd.
Moreno Valley, CA 92553

Paragraph 19

(a) Lessor hereby grants to Lessee an option to purchase the Premises upon the terms and conditions herein set forth.

(b) In order to exercise this option to purchase, Lessee must give written notice of the exercise of the option to Lessor during the period from August 1, 2015 to May 15, 2016 (the "Option Period"), time being of the essence. If such notice is not so given, this option shall automatically expire. At the same time the option is exercised, Lessee must deliver to the Escrow Holder (as described in the Purchase Agreement (as herein defined)) Lessee a cashier's check in the amount of \$50,000.00 payable to Escrow Holder, as and for the Deposit referred to in paragraph 4.1 of the Standard Offer, Agreement and Escrow Instructions for the Purchase of Real Estate (the "Purchase Agreement") and a counterpart of the Purchase Agreement executed by Lessee.

(c) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease are conditions of this Option.

(d) If Lessee elects to exercise this option to purchase as provided above, the transfer of title to Lessee shall occur on the close of escrow and until that time the terms of this Lease shall remain in full force and effect.

(e) If Lessee elects to exercise this option to purchase, the purchase price to be paid by Lessee shall be \$2,300,000.00

(f) Within 10 days after this option to purchase is exercised, Lessor and Lessee shall give instructions to consummate the sale to First American Title Company - Judee Heineman, located at 777 South Figueroa Street, 4th Floor, Los Angeles, CA 90017, who shall act as escrow holder, on the normal and usual escrow forms then used by such escrow holder, as follows:

(i) Escrow shall close 40 or _____ days after the exercise of the option to purchase by Lessee and no later than June 30, 2016;

(ii) Lessor shall deposit the check referred to in paragraph (b) into escrow upon opening thereof, with the balance of the purchase price to be deposited into escrow no later than 2:00 P.M. on the last business day prior to the expected closing date;

(iii) The parties agree to execute any additional instructions as are normal and usual;

(iv) The balance of the terms and conditions of sale shall be as set forth in the AIR Commercial Real Estate Association "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR THE PURCHASE OF REAL ESTATE", a copy of which is attached hereto, except for the following any term or provision stricken from the Purchase Agreement

and paragraphs 4.2, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, which do not apply.

(g) Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees applicable thereto.

(h) In the event that this option to purchase is not exercised by Lessee in a timely fashion, the Lessee shall, upon request of Lessor, execute, acknowledge and deliver to Lessor a quit claim deed releasing Lessee's interest in such option. Lessor shall be responsible for the preparation of such deed and the payment of any fees applicable to the recording thereof.

WARNING:

LESSEE SHOULD NOT EXERCISE THIS OPTION UNTIL LESSEE HAS COMPLETED SUCH INVESTIGATION AS MAY BE APPROPRIATE, OBTAINED ANY NECESSARY FINANCING, AND IS OTHERWISE IN A POSITION TO COMPLETE SUCH PURCHASE.

REB
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LS
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NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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JK
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9.4



Billboards in San Diego

5010 Codorniz Way, #10
Oceanside, CA 92057

Invoice

Date	Invoice #
8/13/2015	1404

Bill To

Pacific View Charter School
3670 Ocean Ranch Blvd
Oceanside, CA 92056

Terms

Due on receipt

Quantity	Description	Rate	Amount
1	Billboard # K1-970462 West side of I-215 - 0.6 miles south of 60 freeway - South facing, viewed by Northbound traffic 8 weeks starting the week of 9/15/2015	13,500.00	13,500.00
1	Production : Vinyl Printing of 14' tall x 32' wide	600.00	600.00
Thank you for your business!		Total	\$14,100.00
Phone # (760) 305-7725			

10.1

Pacific View Charter School Course Outline

Course Title: Work Experience 1

Course #: 1099

Elective

Credits: 5

none

Department:

Pre-Requisites:

Course Description:

This course is an elective class which combines supervised paid employment in any occupational field with related classroom instruction in employability skills. Students will develop work habits, attitudes, self-confidence, and job skills which can be used to locate, secure, and retain employment in the community. Related classroom instruction is divided into five primary areas as derived from the California State Frameworks for Work Experience Education and this course deals with one: Career Development. Note: There are three courses in the Work Experience series. Each course runs for a six-week session and earned credits will be determined by a combination of hours worked, workshop attendance and assignments.

Student Outcomes:

The students will be able to:

- Understand how personal skill development affects their employability.
- Understand key concepts in group dynamics, conflict resolution, and negotiation.
- Exhibit critical and creative thinking skills, logical reasoning, and problem solving.
- Understand principles of effective communication.
- Understand occupational safety issues including the avoidance of physical hazards in the work environment.
- Understand career paths and strategies for obtaining employment within their chosen field
- Understand and adapt to changing technology by identifying learning, and applying new skills to improve job performance.

Assessment:

Assessment of student outcomes will be based on weekly class attendance, weekly time sheets, homework and assessments.

Instructional Materials:

Material from state and federal labor departments: (www.dlr.ca.gov, www.dol.gov, www.edd.gov) and CAWEE (California Work Experience Education) website: www.cawee.org.

Board Approval Date: 11/14/06

Amended:

Pacific View Charter School Course Outline

Course Title: Work Experience 2

Course #: 1100

Credits: 5

Department: Elective

Pre-Requisites: none

Course Description:

This course is an elective class which combines supervised paid employment in any occupational field with related classroom instruction in employability skills. Students will develop work habits, attitudes, self-confidence, and job skills which can be used to locate, secure, and retain employment in the community. Related classroom instruction is divided into five primary areas as derived from the California State Frameworks for Work Experience Education. Note: There are three courses in the Work Experience series. Each course runs for a six-week session and earned credits will be determined by a combination of hours worked, workshop attendance and assignments.

Student Outcomes:

The students will be able to:

- Understand how personal skill development affects their employability.
- Understand key concepts in group dynamics, conflict resolution, and negotiation.
- Exhibit critical and creative thinking skills, logical reasoning, and problem solving.
- Understand principles of effective communication.
- Understand occupational safety issues including the avoidance of physical hazards in the work environment.
- Understand career paths and strategies for obtaining employment within their chosen field
- Understand and adapt to changing technology by identifying learning, and applying new skills to improve job performance.

Assessment:

Assessment of student outcomes will be based on weekly class attendance, weekly time sheets, homework and assessments.

Instructional Materials:

Material from state and federal labor departments: (www.dlr.ca.gov, www.dol.gov, www.edd.gov) and CAWEE (California Work Experience Education) website: www.cawee.org.

Board Approval Date: 11/14/06

Amended:

Pacific View Charter School Course Outline

Course Title: Work Experience 3

Course #: 1101

Credits: 5

Department: Elective

Pre-Requisites: none

Course Description:

This course is an elective class which combines supervised paid employment in any occupational field with related classroom instruction in employability skills. Students will develop work habits, attitudes, self-confidence, and job skills which can be used to locate, secure, and retain employment in the community. Related classroom instruction is divided into five primary areas as derived from the California State Frameworks for Work Experience Education. Note: There are three courses in the Work Experience series. Each course runs for a six-week session and earned credits will be determined by a combination of hours worked, workshop attendance and assignments.

Student Outcomes:

The students will be able to:

- Understand how personal skill development affects their employability.
- Understand key concepts in group dynamics, conflict resolution, and negotiation.
- Exhibit critical and creative thinking skills, logical reasoning, and problem solving.
- Understand principles of effective communication.
- Understand occupational safety issues including the avoidance of physical hazards in the work environment.
- Understand career paths and strategies for obtaining employment within their chosen field
- Understand and adapt to changing technology by identifying learning, and applying new skills to improve job performance.

Assessment:

Assessment of student outcomes will be based on weekly class attendance, weekly time sheets, homework and assessments.

Instructional Materials:

Material from state and federal labor departments: (www.dlr.ca.gov, www.dol.gov, www.edd.gov) and CAWEE (California Work Experience Education) website: www.cawee.org.

Board Approval Date: 11/14/06

Amended:

11.1

**PACIFIC VIEW CHARTER SCHOOL
2015-16 CERTIFICATED SALARY SCHEDULE
SUPERVISORY TEACHER ~ GRADES 9 -12**

**Work Year
223 Days**

	I				II				III				IV		
	B.A.	Per Diem	Hourly		B.A. +20*	Per Diem	Hourly		B.A. +40*	Per Diem	Hourly		B.A. +60*	Per Diem	Hourly
1	50,077	224.56	28.07		52,581	235.79	29.47		55,210	247.58	30.95		57,970	259.96	32.49
2	52,080	233.54	29.19		54,684	245.22	30.65		57,418	257.48	32.19		60,289	270.36	33.79
3	54,163	242.88	30.36		56,871	255.03	31.88		59,715	267.78	33.47		62,701	281.17	35.15
4	56,330	252.60	31.58		59,146	265.23	33.15		62,104	278.49	34.81		65,209	292.42	36.55
5	58,583	262.70	32.84		61,512	275.84	34.48		64,588	289.63	36.20		67,817	304.11	38.01
6	60,926	273.21	34.15		63,973	286.87	35.86		67,171	301.22	37.65		70,530	316.28	39.53
7	63,363	284.14	35.52		66,532	298.35	37.29		69,858	313.27	39.16		73,351	328.93	41.12
8	65,898	295.51	36.94		69,193	310.28	38.79		72,652	325.80	40.72		76,285	342.09	42.76
9	68,534	307.33	38.42		71,961	322.69	40.34		75,559	338.83	42.35		79,336	355.77	44.47
10	71,275	319.62	39.95		74,839	335.60	41.95		78,581	352.38	44.05		82,510	370.00	46.25
11	74,839	335.60	41.95		78,581	352.38	44.05		82,510	370.00	46.25		86,635	388.50	48.56
16	78,581	352.38	44.05		82,510	370.00	46.25		86,635	388.50	48.56		90,967	407.92	50.99
21	80,938	362.95	45.37		84,985	381.10	47.64		89,234	400.15	50.02		93,696	420.16	52.52

Hourly Certificated Positions

PT/FT Temporary Supervisory Teacher - \$25.00 per hour

Curriculum Writers - \$26.06 per hour

Curriculum Data Entry - \$20.00 per hour

Stipends

Masters \$2,000.00 annual

Doctorate \$3,500.00 annual

WASC Accreditation \$5,000.00 annual

Stipends for Longevity

11th Year 5%

16th Year 5%

21st Year 3%

***Column Advancement Criteria**

Upper division/graduate college semester units
earned from an accredited college or university

Board Approved: June 19, 2007

Board Amended: August 17, 2010

Board Amended: February 18, 2014

Board Amended: April 15, 2014

Board Amended: April 21, 2015

Board Amended: June 16, 2015

**PACIFIC VIEW CHARTER SCHOOL
2015-16 CERTIFICATED SALARY SCHEDULE
SUPERVISORY TEACHER ~ GRADES K - 8**

**Work Year
192 Days**

	I				II				III				IV		
	B.A.	Per Diem	Hourly		B.A. +20*	Per Diem	Hourly		B.A. +40*	Per Diem	Hourly		B.A. +60*	Per Diem	Hourly
1	43,115	224.56	28.07		45,271	235.79	29.47		47,534	247.57	30.95		49,911	259.95	32.49
2	44,840	222.42	27.80		47,082	245.22	30.65		49,436	257.48	32.18		51,907	270.35	33.79
3	46,633	231.32	28.92		48,965	255.03	31.88		51,413	267.78	33.47		53,984	281.17	35.15
4	48,499	240.57	30.07		50,923	265.23	33.15		53,470	278.49	34.81		56,143	292.41	36.55
5	50,438	250.19	31.27		52,960	275.84	34.48		55,608	289.63	36.20		58,389	304.11	38.01
6	52,456	260.20	32.53		55,079	286.87	35.86		57,833	301.21	37.65		60,724	316.27	39.53
7	54,554	270.61	33.83		57,282	298.34	37.29		60,146	313.26	39.16		63,153	328.92	41.12
8	56,736	281.49	35.19		59,573	310.28	38.78		62,552	325.79	40.72		65,679	342.08	42.76
9	59,006	292.69	36.59		61,956	322.69	40.34		65,054	338.82	42.35		68,307	355.76	44.47
10	61,366	304.40	38.05		64,434	335.60	41.95		67,656	352.38	44.05		71,039	369.99	46.25
11	64,434	319.62	39.95		67,656	352.38	44.05		71,039	369.99	46.25		74,591	388.49	48.56
16	67,656	335.60	41.95		71,039	369.99	46.25		74,591	388.49	48.56		78,320	407.92	50.99
21	69,686	345.67	43.21		73,170	381.09	47.64		76,829	400.15	50.02		80,670	420.16	52.52

Hourly Certificated Positions

PT/FT Temporary Supervisory Teacher - \$25.00 per hour

Curriculum Writers - \$26.06 per hour

Curriculum Data Entry \$20.00 per hour

Stipends

Masters \$2,000.00 annual

Doctorate \$3,500.00 annual

WASC Accreditation \$5,000.00 annual

Stipends for Longevity

11th Year 5%

16th Year 5%

21st Year 3%

***Column Advancement Criteria**

Upper division/graduate college semester units
earned from an accredited college or university

Board Approved June 19, 2007

Board Amended: August 17, 2010

Board Amended: February 18, 2014

Board Amended: April 15, 2014

Board Amended: April 21, 2015

Board Amended: June 16, 2015

**PACIFIC VIEW CHARTER SCHOOL
2015-16 CLASSIFIED SALARY SCHEDULE**

MONTHLY

POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
College Liaison	\$ 3,132.45	\$ 3,257.75	\$ 3,388.06	\$ 3,523.58	\$ 3,664.52	\$ 3,811.10	\$ 3,963.55
	\$ 37,589.40	\$ 39,092.98	\$ 40,656.70	\$ 42,282.96	\$ 43,974.28	\$ 45,733.25	\$ 47,562.58
Instructional Aide	\$ 2,132.81	\$ 2,218.12	\$ 2,306.85	\$ 2,399.12	\$ 2,495.09	\$ 2,594.89	\$ 2,698.69
	\$ 25,593.72	\$ 26,617.47	\$ 27,682.17	\$ 28,789.45	\$ 29,941.03	\$ 31,138.67	\$ 32,384.22
Lead Instructional Aide	\$ 2,399.12	\$ 2,495.08	\$ 2,594.89	\$ 2,698.68	\$ 2,806.63	\$ 2,918.90	\$ 3,035.65
	\$ 28,789.44	\$ 29,941.02	\$ 31,138.66	\$ 32,384.20	\$ 33,679.57	\$ 35,026.76	\$ 36,427.83
Office Clerk	\$ 2,398.81	\$ 2,494.76	\$ 2,594.55	\$ 2,698.34	\$ 2,806.27	\$ 2,918.52	\$ 3,035.26
	\$ 28,785.72	\$ 29,937.15	\$ 31,134.63	\$ 32,380.02	\$ 33,675.22	\$ 35,022.23	\$ 36,423.12
Office Clerk - Bilingual	\$ 2,713.81	\$ 2,822.36	\$ 2,935.26	\$ 3,052.67	\$ 3,174.77	\$ 3,301.76	\$ 3,433.84
	\$ 32,565.72	\$ 33,868.35	\$ 35,223.08	\$ 36,632.01	\$ 38,097.29	\$ 39,621.18	\$ 41,206.02
Receptionist	\$ 1,955.10	\$ 2,033.30	\$ 2,114.64	\$ 2,199.22	\$ 2,287.19	\$ 2,378.68	\$ 2,473.83
	\$ 23,461.20	\$ 24,399.65	\$ 25,375.63	\$ 26,390.66	\$ 27,446.29	\$ 28,544.14	\$ 29,685.90

**Work Year
233 Days**

HOURLY

POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
Instructional Aide	13.73	14.28	14.85	15.44	16.06	16.70	17.37

Improvements to Prior Year Salary Schedule

Cost of Living Allowance 0.00%

Stipends for Longevity

8th Year 5%
13th Year 5%
18th Year 3%

Board Approved: June 21, 2011
Board Amended: May 20, 2014
Board Amended: June 16, 2015
Board Amended: June 29, 2015

**PACIFIC VIEW CHARTER SCHOOL
2015-16 CONFIDENTIAL CLASSIFIED SALARY SCHEDULE**

ANNUAL

POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
Human Resources & Business Specialist (237)	62,869	65,384	67,999	70,719	73,548	76,490	79,549
Technology Technician (248)	56,753	59,023	61,384	63,839	66,393	69,049	71,811

Stipends for Longevity

8th Year	5%
13th Year	5%
18th Year	3%

Board Amended: June 21, 2011
July 19, 2011
Feb. 18, 2014
June 16, 2015

Board Approved: August 17, 2010

**PACIFIC VIEW CHARTER SCHOOL
2015-16 EXECUTIVE LEADERSHIP SALARY SCHEDULE**

CERTIFICATED

POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
Executive Director	154,799	160,991	167,430	174,128	181,093	188,337	-
Director of Student Services*	84,838	88,231	91,761	95,431	99,248	103,218	107,347
Director of Curriculum*	81,575	84,837	88,231	91,760	95,431	99,248	103,218
High School Site Supervisor*	74,582	77,565	80,668	83,895	87,250	90,740	94,370

CLASSIFIED

POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
Director of Central Office and Finance*	95,996	99,836	103,830	107,983	112,302	116,794	121,466

Stipends for advanced degrees

Masters	\$ 2,000.00
Doctorate	\$ 3,500.00
WASC	\$ 5,000.00

***Stipend for Longevity**

8th Year	5%
13th Year	5%
18th Year	3%

Director of Student Services/ Director of Curriculum

High School Site Supervisor

Student Caseload to be determined by Executive Director

Board Approved: May 17, 2011

Board Amended: July 19, 2011 Feb. 18, 2014

May 15, 2012 May 20, 2014

June 19, 2012 April 21, 2015

June 24, 2013 June 16, 2015

Aug. 20, 2013

**PACIFIC VIEW CHARTER SCHOOL
2015-16 CERTIFICATED SALARY SCHEDULE
LEAD TEACHER ~ GRADES 9 -12**

**Work Year
223 Days**

	I				II				III				IV		
	B.A.	Per Diem	Hourly		B.A. +20*	Per Diem	Hourly		B.A. +40*	Per Diem	Hourly		B.A. +60*	Per Diem	Hourly
1	53,752	241.04	30.13		56,440	253.09	31.64		59,262	265.75	33.22		62,225	279.03	34.88
2	55,902	250.68	31.34		58,697	263.22	32.90		61,632	276.38	34.55		64,714	290.20	36.27
3	58,138	260.71	32.59		61,045	273.74	34.22		64,097	287.43	35.93		67,302	301.80	37.73
4	60,464	271.14	33.89		63,487	284.69	35.59		66,661	298.93	37.37		69,994	313.88	39.23
5	62,882	281.98	35.25		66,026	296.08	37.01		69,328	310.89	38.86		72,794	326.43	40.80
6	65,398	293.26	36.66		68,667	307.93	38.49		72,101	323.32	40.42		75,706	339.49	42.44
7	68,013	304.99	38.12		71,414	320.24	40.03		74,985	336.25	42.03		78,734	353.07	44.13
8	70,734	317.19	39.65		74,271	333.05	41.63		77,984	349.70	43.71		81,883	367.19	45.90
9	73,563	329.88	41.24		77,241	346.37	43.30		81,104	363.69	45.46		85,159	381.88	47.73
10	76,506	343.08	42.88		80,331	360.23	45.03		84,348	378.24	47.28		88,565	397.15	49.64
11	80,331	360.23	45.03		84,348	378.24	47.28		88,565	397.15	49.64		92,993	417.01	52.13
16	84,348	378.24	47.28		88,565	397.15	49.64		92,993	417.01	52.13		97,643	437.86	54.73
21	86,878	389.59	48.70		91,222	409.07	51.13		95,783	429.52	53.69		100,572	451.00	56.37

Stipends for Advanced Degrees

Masters	2,000
Doctorate	3,500

Extra Duty Pay

Curriculum Writers - \$26.06 per hour

Stipends for Longevity

11th	Year	5%
16th	Year	5%
21st	Year	3%

***Column Advancement Criteria**

Upper division/graduate college semester units
earned from an accredited college or university

Board Approved May 15, 2012

Board Amended: June 16, 2015

**PACIFIC VIEW CHARTER SCHOOL
2015-16 CERTIFICATED SALARY SCHEDULE
LEAD TEACHER ~ GRADES K - 8**

**Work Year
192 Days**

	I				II				III				IV		
	B.A.	Per Diem	Hourly		B.A. +20*	Per Diem	Hourly		B.A. +40*	Per Diem	Hourly		B.A. +60*	Per Diem	Hourly
1	46,790	243.70	30.46		49,130	255.88	31.99		51,586	268.68	33.58		54,165	282.11	35.26
2	48,662	253.45	31.68		51,095	266.12	33.26		53,649	279.42	34.93		56,332	293.40	36.67
3	50,608	263.58	32.95		53,138	276.76	34.60		55,795	290.60	36.33		58,585	305.13	38.14
4	52,632	274.13	34.27		55,264	287.83	35.98		58,027	302.23	37.78		60,929	317.34	39.67
5	54,738	285.09	35.64		57,475	299.35	37.42		60,348	314.31	39.29		63,366	330.03	41.25
6	56,927	296.50	37.06		59,774	311.32	38.92		62,762	326.89	40.86		65,900	343.23	42.90
7	59,204	308.36	38.54		62,164	323.77	40.47		65,273	339.96	42.50		68,536	356.96	44.62
8	61,572	320.69	40.09		64,651	336.72	42.09		67,884	353.56	44.20		71,278	371.24	46.40
9	64,035	333.52	41.69		67,237	350.19	43.77		70,599	367.70	45.96		74,129	386.09	48.26
10	66,597	346.86	43.36		69,927	364.20	45.53		73,423	382.41	47.80		77,094	401.53	50.19
11	69,927	364.20	45.53		73,423	382.41	47.80		77,094	401.53	50.19		80,949	421.61	52.70
16	73,423	382.41	47.80		77,094	401.53	50.19		80,949	421.61	52.70		84,996	442.69	55.34
21	75,626	393.88	49.24		79,407	413.58	51.70		83,377	434.26	54.28		87,546	455.97	57.00

Stipends for Advanced Degrees

Masters	2,000
Doctorate	3,500

Extra Duty Pay

Curriculum Writers - \$26.06 per hour

Stipends for Longevity

11th	Year	5%
16th	Year	5%
21st	Year	3%

***Column Advancement Criteria**

Upper division/graduate college semester units
earned from an accredited college or university

Board Approved May 15, 2012

Board Amended: June 16, 2016

11.2

**PACIFIC VIEW CHARTER SCHOOL
2015-16 CERTIFICATED SALARY SCALE
HIGH SCHOOL SITE SUPERVISOR**

**Work Year
223 days**

POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
High School Site Supervisor*	74,582	77,565	80,668	83,895	87,250	90,740	94,370

Stipends for advanced degrees

Masters	2,000
Doctorate	3,500

High School Site Supervisor

Student Caseload to be determined by Executive Director

Board Approved:

***Stipend for Longevity**

8th Year	5%
13th Year	5%
18th Year	3%