

**SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS**

THIS SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made effective this 7th day of April, 2026 (the "Effective Date"), by and between the County of Fresno, a political subdivision of the State of California ("Buyer"), and 7355 N. Palm Avenue, LLC, a California limited liability company, as to an undivided 77% interest and Assemi Investments, LLC, a California limited liability company, as to an undivided 23% (collectively, "Seller"). Seller and Buyer are sometimes collectively referred to herein as the "Parties" and singularly as a "Party."

**RECITALS:**

This Agreement is made and entered into by the Parties with respect to the following facts and circumstances:

- A. Seller represents to Buyer that Seller is the sole legal and equitable owner in fee simple title of approximately 5.93 acres of improved real property located at 650 O Street and 705 P Street, Fresno, CA 93721 in the County of Fresno, State of California, and more particularly described in Exhibit A to this Agreement, attached and incorporated by this reference (collectively, the "Real Property"). Seller represents that the Real Property is composed of two legal parcels (APNs 468-183-18U and 468-191-19U), which, together total approximately 5.93 acres, as set forth in Exhibit A to this Agreement. The improvements to the Real Property include facilities on the Real Property, consisting of two, three-story buildings, with approximately 102,580 square feet of finished office space, and a paved parking lot consisting of approximately 189,195 square feet. The Real Property also includes any and all other improvements to such Real Property, and all other personal property in which Seller may have any interest, that is affixed to the Real Property at the time of the Closing Date (as defined in Section 6.05 hereof), and as are all more particularly described in Exhibit A to this Agreement.
- B. Buyer desires to purchase the Real Property from Seller, and Seller desires to sell the Real Property to Buyer, pursuant to the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of their mutual covenants herein contained, and for other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

**ARTICLE I**

**AGREEMENT TO PURCHASE THE REAL PROPERTY**

- 1.01 The Real Property.** Subject to all of the terms, covenants, conditions, and provisions of this Agreement, and for the consideration herein set forth, Seller agrees to sell the Real Property to Buyer, and Buyer agrees to buy the Real Property from Seller at the Closing Date (as defined in Section 6.05, hereof).
- 1.02 Purchase Price.** The purchase price ("Purchase Price") shall be **Twenty-Five Million Dollars (\$25,000,000.00)** for the Real Property in "AS-IS" condition (as defined in Section 2.05, hereof).
- 1.03 Buyer's Deposit.** No later than fifteen (15) business days following the Effective Date of this Sale/Purchase Agreement and Escrow Instructions, the Buyer shall deposit into Escrow a good faith deposit of One Hundred Thousand Dollars (\$100,000.00) ("Buyer's Deposit"), at Fidelity National Title (Attn: Valerie Budzik, Escrow Officer), 7475 N. Palm Avenue, Fresno, CA 93711, or such other title company mutually agreeable to the Parties if such title company is not available or is replaced ("Escrow Holder"). The full amount of the Buyer's Deposit, together with interest thereon (if any), shall be fully credited to the Purchase Price of the Real Property at the Closing Date (as defined in Section 6.05, hereof). If Buyer has not terminated by end of Buyer's Due Diligence Period (as defined in Section 2.04, hereof), the Deposit shall be increased to \$500,000.00 and become non-refundable and released to Seller on the next business day immediately following expiration of the Buyer's Due Diligence Period.

If, however, Buyer, in its sole and absolute discretion, decides to terminate and cancel the Agreement by timely delivering a termination and cancellation notice to the Escrow Holder on or before expiration of the Buyer's Due Diligence Period, then the entire amount of the Buyer's Deposit, and any accrued interest thereon, shall be immediately refunded to Buyer by Escrow Holder without the need for further instructions, notice or demand from or to Seller, less Buyer's share of any accrued or actually incurred Closing Costs (as defined in Section 6.04, hereof) as set forth in Section 6.07, hereof.

- 1.04 Payment of the Purchase Price.** The Purchase Price for the Real Property shall be paid by Buyer to Seller as follows:

Unless Buyer terminates this Agreement prior to the expiration of Buyer's Due Diligence Period (as defined in Section 2.04, hereof), Buyer shall keep and maintain the full Buyer's Deposit in Escrow through closing of the sale pursuant to the terms of this Agreement. In addition, Buyer shall

deposit into Escrow with Escrow Holder at least two (2) business days before the Closing Date (as defined in Section 6.05, hereof), immediately available cash funds equal to Buyer's share of closing costs and the remainder of the Purchase Price pursuant to this Agreement.

**IF THIS AGREEMENT DOES NOT CLOSE BECAUSE OF DEFAULT BY BUYER, AND SELLER IS NOT OTHERWISE IN DEFAULT, THEN SELLER SHALL BE ENTITLED TO THE DEPOSIT AND ALL INTEREST THEREON (IF ANY) AS LIQUIDATED DAMAGES. SELLER SHALL HAVE NO RIGHT TO ADDITIONAL DAMAGES AND SELLER WAIVES ALL RIGHT TO AN ACTION FOR SPECIFIC PERFORMANCE OF THIS AGREEMENT. THE PARTIES AGREE THAT IF BUYER DEFAULTS AND SELLER IS NOT IN DEFAULT, SELLER'S ACTUAL DAMAGES WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE AND THE AMOUNT OF THE DEPOSIT AND ALL INTEREST THEREON (IF ANY) IS THE BEST ESTIMATE OF THE DAMAGES SELLER WOULD SUFFER.**

**THE PARTIES WITNESS THEIR AGREEMENT TO THIS LIQUIDATED DAMAGES PROVISION BY INITIALING BELOW:**

        *GB*          
(BUYER'S INITIALS)

        *D.A. F.A. N.A. F.A.*          
(SELLER'S INITIALS)

**ARTICLE II**

**POSSESSION, PHYSICAL INSPECTION,  
CONDITION OF THE REAL PROPERTY, AND DOCUMENTS**

- 2.01 Possession.** Subject to Buyer paying the Purchase Price and otherwise complying with the terms and conditions of this Agreement to which Buyer is required to comply up to the Closing Date, Buyer thereafter shall have the exclusive right to own the Real Property. However, Buyer is purchasing the Real Property subject to one (1) existing lease agreement, as described in Section 4.01(h), and shall not have the exclusive right to possess the leased portion of the Real Property during the remaining term of the lease agreement and any holdover period by the lease tenant.
- 2.02 Inspection of the Real Property.** Buyer and Buyer's agents, employees, and representatives (collectively "Buyer's Agents"), may investigate, inspect, and conduct such tests upon the Real Property, and each portion

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thereof, as Buyer deems necessary or advisable ("Buyer's Due Diligence"), provided however, such testing shall not in any way cause any damage or destruction or diminution of value to the Real Property, or any portion thereof. Buyer acknowledges that Buyer commenced Buyer's Due Diligence prior to Buyer's execution of this Agreement. Buyer shall deliver to Seller within ten (10) days of receipt of Seller's request for all documents, photographs, reports, memorandum, correspondence, and emails generated as a result of any inspection or test conducted pursuant to this Section 2.02.

**2.03 Delivery of Property Documents.** Within five (5) days of the Effective Date of this Agreement, Seller shall provide to Buyer any and all copies of all permits, soils reports, surveys, licenses, plans, and specifications of all improvements pertaining to the Real Property, together with all amendments or modifications thereto, which are in the possession or control of Seller (collectively, "Property Documents").

Seller shall also provide to Buyer any and all leases, service contracts, and other agreements, of any kind, together with all amendments or modifications thereto (collectively, "Contracts"), related to or made in conjunction with the Real Property. Buyer's review of the Contracts shall be considered part of the Buyer's Inspection. Buyer's approval of any non-terminable Contracts shall be a condition precedent of Buyer to the Close of Escrow. Buyer shall have the right to cancel this Agreement, within the Buyer's Due Diligence Period, with no recourse to Seller, if Buyer is unsatisfied with the obligations to be assumed under any non-terminable Contracts. Notwithstanding the foregoing, Seller shall terminate any and all leases, other than the PG&E Lease as Amended (as defined in Section 4.01(h)), together with amendments or modifications thereto, at least ten (10) days before the Close of Escrow, and provide written proof thereof to the satisfaction of Buyer at least five (5) days before the Close of Escrow,

**2.04 Buyer's Inspection Period.** Buyer shall have ninety (90) days from the Effective Date of this Agreement ("Buyer's Due Diligence Period") to complete all of Buyer's Due Diligence (as defined in Section 2.02, hereof), which may include, but is not limited to, inspection of the Real Property, and Property Documents (as defined in Section 2.03, hereof) to be provided by Seller under Sections 2.03 hereof, review of matters of Condition of Title to the Real Property (as defined in Section 3.01, hereof), and conducting other such due diligence as Buyer determines appropriate.

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**2.05 "As-Is" Purchase.** SUBJECT ONLY TO THOSE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN SECTION 4.01, HEREOF, BUYER SHALL TAKE TITLE TO THE REAL PROPERTY, IN ITS PHYSICAL CONDITION AND ON AN "AS IS" AND "WHERE IS" BASIS, AS OF THE EFFECTIVE DATE, WITH ALL FAULTS, DEFECTS AND DEFICIENCIES, WHETHER KNOWN OR UNKNOWN, IT BEING UNDERSTOOD THAT SELLER IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER TO BUYER AS TO THE REAL PROPERTY'S PHYSICAL CONDITION, INCLUDING WITHOUT LIMITATION, THE STRUCTURAL SOUNDNESS THEREOF, HABITABILITY, MERCHANTABILITY, OR FITNESS OF THE REAL PROPERTY, OR ANY PORTION THEREOF, FOR ANY PARTICULAR USE OR PURPOSE BY BUYER, WHETHER OR NOT SUCH PROPOSED USE OR PURPOSE HAS BEEN COMMUNICATED TO SELLER, OR IS DESIRED BY SELLER, NOR IS SELLER MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO THE PRESENCE, ABSENCE OR PROXIMITY ON, UNDER, IN, OR NEAR THE REAL PROPERTY OF ANY HAZARDOUS, TOXIC, CARCINOGENIC OR OTHERWISE HARMFUL SUBSTANCES, OR SEISMIC FAULTS OR FLOOD HAZARDS, NOR IS SELLER MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO WHETHER OR NOT SUCH REAL PROPERTY COMPLIES OR DOES NOT COMPLY WITH ANY LAWS, REGULATIONS, ORDINANCES, RELATED TO THE CONDITION, USES OR OCCUPANCY THEREOF. SELLER SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE (INCLUDING CONSEQUENTIAL DAMAGES) OR DIMINUTION OF VALUE OF ANY KIND OR NATURE CAUSED TO THE REAL PROPERTY, DIRECTLY OR INDIRECTLY, WHETHER OR NOT SUCH LOSS, DAMAGE (INCLUDING CONSEQUENTIAL DAMAGES) OR DIMINUTION OF VALUE WAS DISCOVERED BEFORE OR AFTER THE CLOSING DATE.

BUYER ACKNOWLEDGES THAT BUYER HAS SPECIFICALLY READ AND UNDERSTOOD AND AGREES TO ALL OF THE PROVISIONS OF THIS SECTION 2.05.

GB  
(BUYER'S INITIALS)

**ARTICLE III**

**CONDITION OF TITLE TO THE REAL PROPERTY**

**3.01 Condition of Title to the Real Property.** Seller shall convey to the Buyer fee simple title to the Real Property, subject only to (i) the terms and conditions of this Agreement, and (ii) the following exceptions (the “Permitted Exceptions”):

- (a) The pro-rata portion up to the Closing Date (as defined in Section 6.05 hereof) of the amount of the lien for property taxes, assessments, fees, and charges that are assessed but not yet delinquent.
  
- (b) As a condition for Buyer to close the transaction contemplated by this Agreement, the condition of title to the Real Property, at closing, shall only be the condition of title reflected in the Preliminary Title Report, attached hereto as Exhibit B, from Fidelity National Title Company, dated January 27, 2026, at 7:30a.m. (“Preliminary Title Report”), and all of the documents identified therein as Exceptions 1-21, except for the documents identified in the Preliminary Title Report as Exceptions 17, 18, and 19 (“Excluded Exceptions”), which Seller shall remove from the Condition of Title at Closing, herein, together with any agreements, documents, or other matters on title that have been approved or consented to by Buyer prior to the Closing (“Condition of Title to the Real Property” or “Condition of Title”). From and after the effective date of the Preliminary Title Report, Seller shall not alter the Condition of Title to the Real Property reflected in the Preliminary Title Report (except that the Exceptions 17, 18, and 19, shall be removed from the Condition of Title, as required herein, on or before the Closing) without the express written consent of Buyer, which Buyer may approve or reject in its absolute and sole discretion. The Excluded Exceptions are identified in the Title Report as follows:

1.) A deed of trust to secure an indebtedness in the amount shown below,

Amount:	\$17,500,000.00
Dated:	February 15, 2022
Trustor/Grantor:	7355 N. Palm Avenue, LLC, a California limited liability company, and Assemi Investments, LLC, a California limited liability company
Trustee:	Premier Valley Bank
Beneficiary:	Premier Valley Bank
Recording Date:	March 2, 2022
Recording No.:	2022-0027591 of Official Records

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- 2.) An assignment of all moneys due, or to become due as rental or otherwise from said Land to secure payment of an indebtedness, shown below and upon the terms and conditions therein

Amount:	\$17,500,000.00
Assigned to:	Premier Valley Bank
Assigned By:	7355 N. Palm Avenue, LLC, and Assemi Investments, LLC
Recording Date:	March 2, 2022
Recording No.:	2022-0027592 of Official Records

- 3.) A deed of trust to secure an indebtedness in the amount shown below,

Amount:	\$16,000,000.00
Dated:	December 19, 2024
Trustor/Grantor:	7355 N. Palm Avenue, LLC, a California limited liability company, and Assemi Investments, LLC, a California limited liability company
Trustee:	Commonwealth Land Title Insurance Company
Beneficiary:	Premier Valley Bank
Recording Date:	March 6, 2025
Recording No.:	2025-0023371 of Official Records

**3.02 Title Insurance.**

On the Closing Date, and as a condition to Buyer's obligation to purchase the Real Property, Escrow Holder shall issue and deliver to Buyer, its ALTA Owner's Policy of Title Insurance insuring title to the Real Property subject to the Permitted Exceptions, and with liability in the amount of the Purchase Price (the "Title Policy").

**ARTICLE IV**

**COVENANTS, WARRANTIES, AND REPRESENTATIONS**

- 4.01 Covenants, Warranties and Representations of Seller.** Subject to Section 2.05, hereof, Seller hereby makes the following covenants, representations and warranties, and acknowledges that Buyer's execution of this Agreement has been made, and Buyer's acquisition of the Real Property will be made, in material reliance by Buyer on these covenants, representations and warranties:

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- (a) Authority. Seller is the sole owner of fee title to the Real Property. Seller has the full power, authority, and legal capacity to enter into and to perform Seller's obligations under this Agreement, to sell the Real Property as provided herein, without the need for obtaining the consent or approval of any other person, court or governmental agency, body or subdivision. The person(s) executing this Agreement shall bind Seller to the terms and conditions of this Agreement.
- (b) No Violation. To the best of Seller's actual knowledge, after having conducted a reasonably diligent investigation, neither this Agreement, nor anything provided to be done hereunder, violates, or will violate any contract, agreement, or instrument whatsoever, including, without limitation, any laws, regulations, or policies relating to any financing, grant or award agreement or instrument, to which Seller is a party, bound or obligated thereto.
- (c) No Grants. Seller has not granted any options or rights of first refusal or rights of first offer to third parties to purchase or otherwise acquire an interest in the Real Property.
- (d) Governmental Violations. To the best of Seller's actual knowledge, after having conducted a reasonably diligent investigation, Seller has not received any written notice of any pending, threatened or unresolved violations of City of Fresno, County, State, or Federal building, zoning, fire, or health or safety codes or ordinances, or any other governmental law, regulation, rule or policy affecting Seller and concerning the Real Property.
- (e) Eminent Domain. To the best of Seller's knowledge, after having conducted a reasonably diligent investigation, Seller has no current knowledge of any pending, threatened, or contemplated proceedings in eminent domain or otherwise that would affect the Real Property.
- (f) Special Assessments, Property-related Fees or Charges. To the best of Seller's actual knowledge, after having conducted a reasonably diligent investigation, (i) there are not pending any special assessments or property-related fees or charges, except those shown as Permitted Exceptions (as defined in Section 3.01, hereof, against the Real Property or any part thereof, and (ii) Seller has not received notice of any proposed special assessments, property-related fees or charges being contemplated. The subject property is subject to a special assessment for the Downtown Fresno Partnership, a Property and Business Improvement District (PBID).

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- (g) Litigation. To the best of Seller's actual knowledge, after having conducted a reasonably diligent investigation, Seller has no current knowledge of any actions, suits, claims, legal proceedings pending or threatened against Seller, or the Real Property, involving or affecting the sale of the Real Property to Buyer, at law or in equity, before any court, administrative forum, or governmental agency.
- (h) Encumbrances. To the best of Seller's actual knowledge, after having conducted a reasonably diligent investigation, (i) the Real Property is free and clear of all liens, encumbrances, claims, rights, demands, easements, agreements, covenants, conditions, and restrictions of any kind whatsoever, except for those listed in the Preliminary Title Report. Seller agrees to remove the Excluded Exceptions 17, 18, and 19 in the Preliminary Title Report and identified in Section 3.01(b) hereof, and (ii) Seller has not entered into any agreement with any third parties regarding the sale, management, repair, improvement, or any other matter affecting the Real Property that would be binding on Buyer or the Real Property after the Closing Date, except for Contracts approved by Buyer as described in Section 2.03.

The Real Property is currently subject to a March 24, 1988, Lease with Lessee, PG&E (PG&E), together with eight amendments, and which, collectively, are attached hereto as Exhibit E ("PG&E Lease as Amended"). The current term of the PG&E Lease as Amended will terminate on May 31, 2026, after which time PG&E may remain in the space pursuant to the "Holdover" clause in the PG&E Lease as Amended.

- (i) Encroachments. To the best of Seller's actual knowledge, there are no encroachments on the Real Property from adjoining property, and the Real Property does not encroach on adjoining property, easements, or streets.
- (j) Streets. To the best of Seller's actual knowledge, after having conducted a reasonably diligent investigation, there are no existing, proposed, or contemplated plans to widen, modify, or realign any street or highway which affects the contemplated size of, use of, or setbacks on the Real Property.
- (k) Condition of Real Property. Seller shall not cause the physical condition of the Real Property to deteriorate or change after the Effective Date of this Agreement, normal wear and tear excepted.

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- (l) Bankruptcy. No filing or petition under the United States bankruptcy law or any insolvency laws, or any laws for composition of indebtedness or for the reorganization of debtors has been filed, nor is such filing being planned, with regard to Seller or any shareholder of Seller.
- (m) Foreign Investment Real Property Tax Act; Withholding. Seller is not a “foreign person” within the meaning of 26 U.S.C.A. § 1445(f)(3), or subject to the requirements of California Revenue and Taxation Code Section 18662.
- (n) Performance. Seller shall timely perform and comply with all of Seller’s covenants and agreements contained herein, and shall satisfy all conditions contained herein, that Seller is required to perform, comply with or satisfy under this Agreement.
- (o) Hazardous Materials. Notwithstanding Section 2.05, to the best of Seller’s actual knowledge, and except as Seller has otherwise disclosed to Buyer in the Property Documents, Seller has not received written notice of, and does not otherwise have knowledge of (1) any material violation of Environmental Laws concerning the Real Property, or (2) the presence or release of Hazardous Materials on or from the Real Property that would give rise to any obligation to report, monitor or remediate or which would reasonably be likely to pose a material threat to the environment or person or property.

“Environmental Laws” shall mean any and all presently existing federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits issued with respect thereto, and other requirements of any federal, state or local governmental agency, court, board, bureau or other authority having jurisdiction with respect to or relating to the environment, to any Hazardous Materials or to any activity involving Hazardous Materials and shall include, without limitation, the laws referenced in the definition of “Hazardous Materials,” and all amendments thereto in effect as of the Closing Date.

“Hazardous Materials” means any substance, material, or waste, which is or becomes regulated by any local governmental authority, the State, or the United States Government under any Environmental Laws (provided however, as stated herein, “Hazardous Materials” includes all asbestos, including all asbestos containing materials, whether or not regulated by any regulatory, oversight, or enforcement agency, officer, or authority), with respect to hazardous or toxic substances, waste, or materials, or industrial

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hygiene, including, without limitation, any material or substance, which is: (i) defined as a 'hazardous waste,' 'extremely hazardous waste,' or 'restricted hazardous waste' under Section 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code; (ii) defined as 'hazardous waste' or an 'underground storage tank' in the Resource Conservation and Recovery Act of 1976 (42 U.S.C. section 6901 et seq.); (iii) defined as a 'hazardous substance' under Section 25316 of the California Health and Safety Code; (iv) defined as a 'hazardous material,' 'hazardous substance,' or 'hazardous waste' under Section 25501 of the California Health and Safety Code; (v) defined as a 'hazardous substance' under Section 25281 of the California Health and Safety Code; (vi) petroleum; (vii) all asbestos, including all asbestos containing materials, whether or not regulated by any regulatory, oversight, or enforcement agency, officer, or authority; (viii) polychlorinated biphenyls; (ix) listed under Article 9 or defined as 'hazardous' or 'extremely hazardous' under Article 11 of Title 22, California Administrative Code; (x) designated as 'hazardous substances' pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (xi) defined as a 'hazardous waste' pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.; or (xii) defined as 'hazardous substances' pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601, et seq.).

**4.02 Covenants, Warranties and Representations of Buyer.** Buyer hereby makes the following covenants, representations, and warranties, and acknowledges that Seller's execution of this Agreement has been made, and Seller's sale of the Real Property will be made, in material reliance by Seller on these covenants, representations and warranties:

- (a) Authority. Buyer is duly authorized to enter into this Agreement. Buyer has the full power, authority, and legal capacity to enter into and to perform Buyer's obligations under this Agreement, to purchase the Real Property as provided herein, without the need for obtaining the consent or approval of any other person, court or governmental agency, body or subdivision. The person(s) executing this Agreement shall bind Buyer to the terms and conditions of this Agreement.
- (b) Litigation. To the best of Buyer's knowledge, after having conducted a reasonably diligent investigation, Buyer has no current knowledge of any actions, suits, claims, legal proceedings pending or threatened against Buyer involving or affecting the purchase of

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this Real Property from Seller, at law or in equity, before any court, administrative forum, or governmental agency.

- (c) No Prospective Violations. To the best of Buyer's knowledge, after having conducted a reasonably diligent investigation, Buyer has no current knowledge that the execution and delivery of this Agreement violates or will violate any contract, agreement or instrument, or loans or financing agreements to which Buyer is a party or bound.
- (d) Encumbrances. Buyer has not entered into any agreement regarding the sale, lease, management, repair, improvement, or any other matter affecting the Real Property that would be binding on Seller.
- (e) Performance. Buyer shall timely perform and comply with all covenants and agreements herein, and shall satisfy all conditions, that Buyer is required to perform, comply with or satisfy under this Agreement.

**ARTICLE V**

**CONDITIONS PRECEDENT**

**5.01 Conditions Precedent to Seller's Obligation to Perform.** Seller's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

- (a) Buyer shall have timely and fully performed every act to be performed by it hereunder, including without limitation depositing Buyer's Deposit and the balance of the Purchase Price, and Buyer's share of the Closing Costs (as described in Section 6.04, hereof) into Escrow (as defined in Section 6.01, hereof) with Escrow Holder prior to Buyer's respective deadlines provided in Sections, 1.03, 1.04 and 6.02, hereof.
- (b) Each of Buyer's representations and warranties set forth in Section 4.02, hereof, shall be true at the time that they are required to be made under this Agreement, and as of the Closing Date, as if affirmatively made at that time.

The foregoing conditions are solely for the benefit of Seller, any or all of which may be waived in writing by Seller in Seller's sole discretion.

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**5.02 Conditions Precedent to Buyer's Obligations to Perform.** Buyer's obligation to perform as set forth herein is expressly conditioned on the satisfaction of each and every one of the following conditions precedent:

- (a) Seller shall have timely and fully performed every act to be performed by it hereunder, including without limitation, depositing into Escrow with Escrow Holder the Grant Deed in the form and content attached as Exhibit C to this Agreement.
- (b) Each of the representations and warranties of Seller contained in Section 4.01, hereof, and in any provision herein shall be true at the time that they are required to be made under this Agreement, and as of the Closing Date as if affirmatively made at that time.
- (c) Escrow Holder shall issue the Title Policy as set forth in Section 3.02, hereof, in the Condition of Title to the Real Property (as defined in Section 3.01, hereof) as described in Section 3.01 and 3.02, hereof.
- (d) Buyer did not terminate Escrow, in its sole discretion, prior to the expiration of the Buyer's Due Diligence Period, as provided in Section 2.02, hereof.
- (e) The foregoing conditions are solely for the benefit of Buyer, any or all of which may be waived in writing by Buyer, in Buyer's sole discretion.

**5.03 Failure or Waiver of Conditions Precedent.** In the event that any of the conditions set forth above in Sections 5.01 and 5.02, hereof, are not fulfilled or waived in writing by the applicable Party on or before the Closing Date, this Agreement shall terminate, and all rights and obligations hereunder of each Party shall be at an end, provided however, Seller and Buyer shall be obligated to pay their respective shares of the Closing Costs, in accordance with Section 6.07, hereof. Seller or Buyer may elect, at any time, or times, prior to the Closing Date, to waive in writing the benefit of any of their respective conditions set forth in Sections 5.01 and 5.02, hereof, as applicable. In any event, the Parties' consent as provided in this Section 5.03 up to the Closing Date shall waive any remaining unfulfilled conditions up to the Closing Date, provided however, such waiver shall not be deemed to waive any subsequently discovered breach of any representation, warranty, or covenant made by either Party to this Agreement.

**ARTICLE VI**

**ESCROW**

- 6.01 Establishment of Escrow.** Upon the execution of this Agreement, the Parties shall promptly open an escrow (the "Escrow") with Escrow Holder to provide for Seller's conveyance of the Real Property to Buyer, as provided herein. Prior to the Closing Date, a duplicate of this fully executed Agreement (or counterparts thereof) shall be deposited with Escrow Holder and shall constitute escrow instructions to Escrow Holder concerning this transaction. Escrow Holder shall notify the Buyer and Seller, in writing, of the date of "Opening of Escrow."
- 6.02 Deposits into Escrow.** The Parties shall make the following deposits into Escrow with Escrow Holder:
- (a) Seller's Closing Deposits. Seller shall deposit into Escrow with Escrow Holder five (5) business days prior to the Closing Date:
- i. A written confirmation from Premier Valley Bank that Premier Valley shall deliver to Escrow documents sufficient for Escrow Holder to remove from the Fresno County Records at Closing the Premier Valley Bank Deed of Trust dated February 15, 2022 (Recording No. 2022-0027591), Assignment of Funds dated March 2, 2022 (Recording No. 2022-0027592), and Deed of Trust dated December 19, 2024 (Recording No. 2025-0023371) (the "Confirmation of Full Reconveyance");
  - ii. An executed original Grant Deed, with the signature thereon in recordable form, in the form and content attached hereto as Exhibit C to this Agreement, which is incorporated herein by this reference;
  - iii. The original Nonforeign Affidavit (Federal) and Real Estate Withholding Statement, form 592 (California), or combined form thereof, executed by Seller in the forms of Exhibit D to this Agreement, attached hereto and incorporated herein by this reference;

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- iv. An Assignment of Property Documents; and
  - v. The keys, alarm codes, and/or other instruments to enable full access and possession of the Real Property by Buyer, subject to the rights of PG&E as described in Section 4.01(h).
- (b) Seller's Further Closing Deposit. Seller shall deposit into Escrow with Escrow Holder two (2) business days prior to the Closing Date Seller's share of the Closing Costs (as described in Section 6.04, hereof).
- (c) Buyer's Closing Deposits. Buyer shall deposit the following into Escrow with Escrow Holder, prior to their respective deadlines provided herein:
- i. A Preliminary Change in Ownership Report; and
  - ii. Buyer's share of the Closing Costs (as that term is defined in Section 6.04, hereof), at the same time that Buyer is required to deposit the balance of funds for the Purchase Price into Escrow with Escrow Holder, pursuant to Section 1.04, hereof, with full credit being given to Buyer for Buyer's Deposit (as defined in Section 1.03, hereof) plus interest thereon (if any) which shall be fully credited to the Purchase Price of the Real Property at the Closing Date (as defined in Section 6.05, hereof), pursuant to Section 1.03 hereof.

**6.03 Title Insurance.** At the Closing Date, Escrow Holder shall issue, effective as of that date, the Title Policy, as set forth in Section 3.02, hereof.

**6.04 Costs and Expenses.** Notwithstanding the fact that Seller selected the Escrow Holder, the Parties agree that any and all of the Closing costs (collectively, the "Closing Costs") shall be borne by Seller and Buyer as follows:

- (a) Seller shall bear the base cost of the CLTA Owners Title Policy in favor of Buyer;
- (b) Buyer shall pay the premium costs for an ALTA policy and any endorsements that Buyer elects, in its discretion.

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

- (c) Recording fees, transfer taxes, and Escrow Holder's document preparation fees shall be paid by Seller, 50% and by Buyer, 50%, except those recording fees, transfer taxes, and document preparation fees for which Buyer is exempt.
- (d) Escrow fees and any and all other costs necessary to achieve a successful Closing of Escrow shall be paid by Seller, 50% and by Buyer, 50%.

Each Party shall bear its own legal, Broker, and accounting fees and costs.

**6.05 Closing Date.** The Close of Escrow shall be 120 days after the Effective Date (the "Closing Date").

**6.06 Procedure for Closing of Escrow.** Escrow Holder shall close the Escrow by doing all of the following:

- (a) Fully pay from funds deposited by Buyer and Seller, the Closing Costs to Escrow Holder;
- (b) After payment of the Closing Costs to Escrow Holder, payment of Broker commissions as set forth in Section 7.02, and proration of taxes and assessments, calculate all credits due the respective parties including but not limited to any interest on any deposit and any credit for prepaid rent and fully pay the balance of funds deposited by Buyer to Seller.
- (c) Record the Grant Deed in the Official Records of Fresno County, and return the recorded Grant Deed to Buyer, and provide conformed copies of the recorded Grant Deed to Seller;
- (d) Deliver a copy of Buyer's and Seller's closing statements for the Escrow to the respective Parties, subject to Section 6.04, hereof;
- (e) Deliver to Buyer the original and two (2) copies of the Title Policy in the form set forth in Section 3.02(b), hereof, at the Closing of Escrow.

**6.07 Inability to Close Escrow.** In the event that Escrow Holder is unable to close Escrow, and the Closing Date is not otherwise extended by the Parties' mutual agreement, this Escrow shall terminate. Escrow Holder shall return to each Party any money or documents deposited by the

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

Parties and terminate the Escrow; provided however, that any cancellation charges imposed by Escrow Holder shall be paid by the defaulting Party, or if neither Party is in default, then paid 50% by Seller and 50% by Buyer.

**ARTICLE VII**

**MISCELLANEOUS**

- 7.01 Survival and Indemnity.** Notwithstanding the Closing of Escrow, delivery of instruments, conveyances of the Real Property, and payment of consideration therefor, the Parties agree that the respective representations, warranties, covenants, indemnities, and agreements made by each such Party pursuant to this Agreement, shall survive the Closing of Escrow, and each Party agrees to indemnify, defend, and hold the other harmless from and against any and all claims, demands, losses, obligations, damages, liabilities, causes of action, costs, and expenses (including, without limitation, attorneys', paralegals' and other professionals' fees and costs) arising out of or in connection with a breach by the indemnifying Party of any such representation, warranty, covenant, or agreement.
- 7.02 Commission.** Seller represents that it has not engaged any person entitled to brokerage commission or finder's fee in connection with this transaction except for ARC Properties, Inc. (Seller's Broker). Buyer represents that it has not engaged any person entitled to any brokerage commission or finder's fee in connection with this transaction except for Cushman & Wakefield US Inc. (Buyer's Broker and collectively with Seller's Broker, Broker). Buyer hereby agrees to indemnify, hold harmless and defend Seller against any claims asserted against or adjudged against Seller by any other broker if such claims shall be based upon any statement, representation or agreement made by Buyer, and Seller hereby agrees to indemnify, hold harmless, and defend Buyer if such claims by any other broker shall be based upon any statement, representation, or agreement made by Seller. This real estate commission shall be earned upon, and only upon, the Close of Escrow pursuant to the terms of this Agreement. At the Close of Escrow, and through escrow, Seller shall pay a brokerage commission to Seller's Broker and Buyer's Broker equal to 2.5% of the purchase price, to be paid out equally to the Seller's Broker and Buyer's Broker (1.25% each). Buyer shall not incur or be responsible for any commission fees involving Buyer's Broker or Seller's Broker earned upon close of escrow.

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

**7.03 Notices.** The persons and their addresses having authority to give and receive notices under this Agreement include the following:

To Buyer: COUNTY OF FRESNO  
General Services Department  
Attn: Director of General Services  
333 W. Pontiac Way  
Clovis, CA 93612  
Phone: (559) 600-5800

With a Copy to: COUNTY OF FRSNO  
County Counsel's Office  
2220 Tulare Street, Suite 500  
Fresno, CA 93721  
Phone: (559) 600-3479

To Seller: Jeremy F. Reed, CEO  
ARC Properties, Inc.  
5250 N. Palm Avenue, Suite 222  
Fresno, CA 93704

All notices between Seller and Buyer provided for or permitted under this Agreement must be in writing and delivered either by personal service, by first-class United States mail, or by an overnight commercial courier service. A notice delivered by personal service is effective upon service to the recipient. A notice delivered by first-class United States mail is effective three (3) Buyer business days after deposit in the United States mail, postage prepaid, addressed to the recipient. A notice delivered by an overnight commercial courier service is effective one (1) Buyer business day after deposit with the overnight commercial courier service, delivery fees prepaid, with delivery instructions given for next day delivery, addressed to the recipient. For all claims arising out of or related to this Agreement, nothing in this section establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including but not limited to the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

**7.04 Entire Agreement.** This Agreement, including all exhibits hereto, and all related documents referred to in this Agreement or in the related documents, and the rights and obligations of the Parties hereto, constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof, and supersedes all other Agreement negotiations, proposals, commitments, oral statements, writings, advertisements, publications, and understandings of any nature whatsoever, unless expressly included in this Agreement.

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

- 7.05 Buyer's Governmental Capacity.** Nothing in this Agreement shall be interpreted as precluding Buyer from enforcing the provision of any laws or regulations applicable to the Real Property, nor shall anything be interpreted as otherwise limiting the powers and rights of Buyer in its governmental or regulatory capacity.
- 7.06 Amendment.** No provisions of this Agreement may be amended or modified in any manner whatsoever, except by duly authorized representatives of both Parties.
- 7.07 Successors.** The terms, covenants, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, and assignees of the respective Parties.
- 7.08 Governing Law.** This Agreement, including all exhibits hereto, and the rights and obligations of the Parties hereto, shall be governed in all respects, including validity, interpretation, and effect, by the laws of the state of California. For purposes of venue, the performance of this Agreement shall be deemed to be in Fresno County, California. In the event of any litigation between the Parties arising out of or related to this Agreement, venue for such litigation shall only be Fresno County, California.
- 7.09 Headings.** The subject headings of the paragraphs of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of the provisions herein.
- 7.10 Counterparts.** This Agreement may be executed by the Parties in different counterparts, all of which together shall constitute one agreement, even though all Parties may not have signed the same document.
- 7.11 Time.** Time is of the essence with respect to each of the Parties' performance of their respective obligations under this Agreement.
- 7.12 No Third-Party Beneficiaries.** Notwithstanding anything stated to the contrary herein, there shall not be any intended third-party beneficiaries of this Agreement whatsoever.
- 7.13 Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way, unless it would be unreasonable to do so in light of the object of this Agreement as a whole.

**[SIGNATURES ON FOLLOWING PAGE]**

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

**BUYER:**  
County of Fresno

  
\_\_\_\_\_  
Garry Bredefeld  
Chairman of the Board of Supervisors of  
the County of Fresno

**ATTEST:**  
Bernice E. Seidel  
Clerk of the Board of Supervisors  
County of Fresno, State of California

By   
\_\_\_\_\_  
Deputy

**SELLER:**  
7355 N. Palm Avenue, LLC, as to an  
undivided 77% interest

*Neema Assemi*  
\_\_\_\_\_  
Neema Assemi, Manager

*Darius Assemi*  
\_\_\_\_\_  
Darius Assemi, Manager

**Assemi Investments, LLC, as to an  
undivided 23%**

*Farid Assemi*  
\_\_\_\_\_  
Farid Assemi, Manager

*Farshid Assemi*  
\_\_\_\_\_  
Farshid Assemi, Manager

*Darius Assemi*  
\_\_\_\_\_  
Darius Assemi, Manager

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS  
650 O Street & 705 P Street, Fresno, CA 93721  
APN: 468-183-18U & 468-191-19U

**EXHIBIT A**

**LEGAL DESCRIPTION**

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

**EXHIBIT "A"**

**Legal Description**

For APN/Parcel ID(s): 468-183-18U and 468-191-19U

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: APN: 468-183-18U (portion)

All of Block 137 of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records.

PARCEL 2: APN: 468-191-19U (portion)

All of Block 138 of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records.

PARCEL 3: APN: 468-183-18U (portion)

That certain alley lying within Block 137, as shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records. Said alley lies Southeasterly of the Southwesterly extension of the Northwesterly line of Lot 1 to the most Northerly corner of Lot 32 in said Block 137 and Northwesterly of the Southwesterly extension of the Southeasterly line of Lot 16 of the most Easterly corner of Lot 17 of said Block 137.

PARCEL 4: APN: 468-191-19U (portion)

That certain alley lying within Block 138, as said alley is shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records.

Said alley lies Southeasterly of the Southwesterly extension of the Northwesterly line of Lot 1 to the most Northerly corner of Lot 32 in said Block 138 and Northwesterly of the Southwesterly extension of the Southeasterly line of Lot 16 to the most Easterly corner of Lot 17 of said Block 138.

PARCEL 5: APN: 468-183-18U (portion) & 468-191-19U (portion)

All that portion of Mono Street lying between and adjacent to Blocks 137 and 138, as said street is shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records.

Said portion of Mono Street lies Southwesterly of the Southeasterly extension of the most Northeasterly line of Lot 16 of said Block 137, to the most Northerly corner of Lot 1 of said Block 138 and Northeasterly of the Southeasterly extension of the most Southwesterly line of Lot 17 of said Block 137, to the most Westerly corner of Lot 32 of said Block 138.

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS  
650 O Street & 705 P Street, Fresno, CA 93721  
APN: 468-183-18U & 468-191-19U

**EXHIBIT B**  
**PRELIMINARY TITLE REPORT**

# EXHIBIT "B"



## Preliminary Report

**File No.:** FFOM-2012600241-MW  
**Escrow No.:** FFOM-2012600241-VB  
**Property Address:** 650 O Street and 705 P Street, Fresno,  
CA

**Title Officer:** Marc Wisneski  
**Escrow Officer:** Valerie Budzik

### Welcome to the new titleLOOK®!



titleLOOK upgrades the traditional title report experience from a static report with large zip files of supporting documents to a real-time interactive title report. With titleLOOK, you'll enjoy:

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- hyperlinks directly into the documents referenced on your report
- a transparent and convenient title report experience



When you click on the above button/link to access your titleLOOK report, you will be taken to inHere, our platform designed to transform the experience of buying or selling real estate from the moment a transaction is started all the way through closing. inHere provides a safe and convenient method of delivering documents and information about your real estate transaction.

# EXHIBIT "B"



## PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Fidelity National Title Insurance Company, a Florida corporation.

**Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.**

**Fidelity National Title Insurance Company**

By:

Michael J. Nolan, President

Attest:

Marjorie Nemzura, Secretary

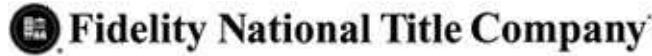
Countersigned By:

Andy Kern  
Authorized Officer or Agent



# EXHIBIT "B"

Visit Us on our Website: [www.fntic.com](http://www.fntic.com)



**ISSUING OFFICE:** 7475 N. Palm Avenue, Ste 107, Fresno, CA 93711

**FOR SETTLEMENT INQUIRIES, CONTACT:**

Fidelity National Title Company  
7475 North Palm Avenue, #107 • Fresno, CA 93711  
(559)431-8050 • FAX (559)261-8960

***Another Prompt Delivery From Fidelity National Title Company Title Department  
Where Local Experience And Expertise Make A Difference***

## PRELIMINARY REPORT

Title Officer: Marc Wisneski  
Email: [marc.wisneski@titlegroup.fntg.com](mailto:marc.wisneski@titlegroup.fntg.com)  
Title No.: FFOM-2012600241-MW

Escrow Officer: Valerie Budzik  
Email: [valerie.budzik@fnf.com](mailto:valerie.budzik@fnf.com)  
Escrow No.: FFOM-2012600241 -VB

TO: Cushman & Wakefield  
9 River Park Place East, Suite 101  
Fresno, CA 93720  
Attn: Tony Cortopassi

**PROPERTY ADDRESS(ES):** 650 O Street and 705 P Street, Fresno, CA

**EFFECTIVE DATE:** January 27, 2026 at 07:30 AM

The form of policy or policies of title insurance contemplated by this report is:

CLTA Standard Coverage Owner's Policy - 2022

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

7355 N. Palm Avenue, LLC, a California limited liability company, as to an undivided 77% interest, and Assemi Investments, LLC, a California limited liability company, as to an undivided 23% interest

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

# EXHIBIT "B"

## EXHIBIT "A" Legal Description

**For APN/Parcel ID(s): 468-183-18U and 468-191-19U**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

**PARCEL 1:** [APN: 468-183-18U](#) (portion)

All of Block 137 of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in [Book 1, Page 2](#) of Plats, Fresno County Records.

**PARCEL 2:** [APN: 468-191-19U](#) (portion)

All of Block 138 of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in [Book 1, Page 2](#) of Plats, Fresno County Records.

**PARCEL 3:** [APN: 468-183-18U](#) (portion)

That certain alley lying within Block 137, as shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in [Book 1, Page 2](#) of Plats, Fresno County Records.

Said alley lies Southeasterly of the Southwesterly extension of the Northwesterly line of Lot 1 to the most Northerly corner of Lot 32 in said Block 137 and Northwesterly of the Southwesterly extension of the Southeasterly line of Lot 16 of the most Easterly corner of Lot 17 of said Block 137.

**PARCEL 4:** [APN: 468-191-19U](#) (portion)

That certain alley lying within Block 138, as said alley is shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in [Book 1, Page 2](#) of Plats, Fresno County Records.

Said alley lies Southeasterly of the Southwesterly extension of the Northwesterly line of Lot 1 to the most Northerly corner of Lot 32 in said Block 138 and Northwesterly of the Southwesterly extension of the Southeasterly line of Lot 16 to the most Easterly corner of Lot 17 of said Block 138.

**PARCEL 5:** [APN: 468-183-18U](#) (portion) & 468-191-19U (portion)

All that portion of Mono Street lying between and adjacent to Blocks 137 and 138, as said street is shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in [Book 1, Page 2](#) of Plats, Fresno County Records.

Said portion of Mono Street lies Southwesterly of the Southeasterly extension of the most Northeasterly line of Lot 16 of said Block 137, to the most Northerly corner of Lot 1 of said Block 138 and Northeasterly of the Southeasterly extension of the most Southwesterly line of Lot 17 of said Block 137, to the most Westerly corner of Lot 32 of said Block 138.

# EXHIBIT "B"

Title No.: FFOM-2012600241-MW

## AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2026-2027.
2. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 005-015  
Tax Identification No.: 468-183-18U  
Fiscal Year: 2025-2026  
1st Installment: \$0.00 no taxes due  
2nd Installment: \$0.00 no taxes due  
Exemption: \$0.00  
Land: \$0.00  
Improvements: \$0.00  
Personal Property: \$0.00

3. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 005-015  
Tax Identification No.: 468-191-19U  
Fiscal Year: 2025-2026  
1st Installment: \$0.00 no taxes due  
2nd Installment: \$0.00 no taxes due  
Exemption: \$0.00  
Land: \$0.00  
Improvements: \$0.00  
Personal Property: \$0.00

4. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
5. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
6. The herein described property lies within the boundaries of the Fresno Metropolitan Flood Control District and may be subject to assessment for drainage fees and/or requirements to construct planned local drainage facilities

Disclosed by: FMFCD Resolution No. 1816  
Recording Date: July 31, 1995  
[Recording No.:](#) [95092128](#) of Official Records

No assessments have been levied at this time.

# EXHIBIT "B"

Title No.: FFOM-2012600241-MW

## EXCEPTIONS (continued)

7. Said land lies within the boundaries of the Improvement District shown below and is subject to any and all assessments levied thereunder.

Name of District: The Downtown Property and Business Improvement District

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: C.L. Walter and Meda L. Walter  
Purpose: water, gas, and sewer pipes, and passage way  
Recording Date: August 10, 1903  
Recording No.: [Book 284, Page 378](#) of Deeds  
Affects: the Southerly 4 feet of Lots 29, 30, 31, and 32 in Block 137

# EXHIBIT "B"

Title No.: FFOM-2012600241-MW

## EXCEPTIONS (continued)

9. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: Redevelopment Agency of the City of Fresno  
Recording Date: May 21, 1962  
Recording No.: [Book 4721, Page 475](#) as Document No. 40996 of Official Records

Amended Urban Renewal Plan recorded September 16, 1963 in [Book 4906, Page 358](#) as Document No. 72659 of Official Records. Rerecorded June 10, 1964 in [Book 5019, Page 592](#) as Document No. 45178 of Official Records

Amended Urban Renewal Plan recorded April 8, 1965 in Book 51554, Page 20 as [Document No. 29360](#) of Official Records.

Amended Urban Renewal Plan recorded July 15, 1965 in [Book 5193, Page 129](#) as Document No. 57346 of Official Records.

Amended Urban Renewal Plan recorded December 6, 1966 in [Book 5384, Page 336](#) as Document No. 86746 of Official Records.

Amended Urban Renewal Plan recorded December 19, 1966 in [Book 5388, Page 651](#) as Document No. 89965 of Official Records.

Amended Urban Renewal Plan recorded March 1, 1967 in [Book 5413, Page 194](#) as Document No. 14255 of Official Records.

Amended Urban Renewal Plan recorded June 5, 1967 in [Book 5445, Page 178](#) as Document No. 36822 of Official Records.

Amended Urban Renewal Plan recorded August 14, 1967 in [Book 5469, Page 519](#) as Document No. 54275 of Official Records.

Amended Urban Renewal Plan recorded January 14, 1969 in [Book 5651, Page 287](#) as Document No. 2877 of Official Records.

Amended Urban Renewal Plan recorded February 14, 1973 in [Book 6127, Page 283](#) as Document No. 14705 of Official Records.

Amended Urban Renewal Plan recorded April 4, 1980 in Book 7498, Page 396 as [Document No. 35161](#) of Official Records.

Amended Urban Renewal Plan recorded August 19, 1994 as [Document No. 94125461](#) of Official Records.

Amended Urban Renewal Plan recorded July 23, 1998 as [Document No. 98102554](#) of Official Records.

# EXHIBIT "B"

Title No.: FFOM-2012600241-MW

## EXCEPTIONS (continued)

10. The terms and conditions of "The Urban Renewal Plan and the Feasibility of Relocation for Mariposa Medical Center Project" Ordinance No. 69-11, recorded January 17, 1969 in [Book 5652, Page 212](#) as Document No. 3817 of Official Records, and the following modifications:

- A. Recorded April 26, 1972 in [Book 6016, Page 155](#) as Document No. 37310 of Official Records.
- B. Recorded September 29, 1976 in Book 6666, Page 577 as [Document No. 86365](#) of Official Records.
- C. Recorded August 13, 1979 in Book 7348, Page 303 as [Document No. 93670](#) of Official Records.
- D. Recorded December 27, 1982 in Book 8026, Page 733 as [Document No. 110644](#) of Official Records.
- E. Recorded August 12, 1988, as [Document No. 88087291](#) of Official Records.

Notice Under Health and Safety Code Section 33456(a), recorded September 20, 2010 as [Document No. 2010-0123142](#) of Official Records.

11. Matters contained in that certain document

Entitled: Disposition and Development Agreement  
Executed by: Klein-Watt Development and  
Redevelopment Agency of the City of Fresno  
Recording Date: June 28, 1988  
[Recording No.:](#) [88070213](#) of Official Records

Reference is hereby made to said document for full particulars.

12. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Non-Disturbance and Attornment Agreement  
Lessor: Klein/Watt Partnership  
Lessee: Pacific Gas and Electric Company  
Recording Date: June 28, 1988  
[Recording No.:](#) [88070217](#) of Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

13. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Pacific Gas and Electric Company  
Purpose: public utilities and incidental purposes  
Recording Date: August 16, 1988  
[Recording No.:](#) [88089360](#) of Official Records  
Affects: said land, as set forth in said document

# EXHIBIT "B"

Title No.: FFOM-2012600241-MW

## EXCEPTIONS (continued)

14. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Fresno  
Purpose: public street  
Recording Date: September 1, 1988  
Recording No.: [88096534](#) of Official Records  
Affects: said land, as set forth in said document

15. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey  
Recording Date: June 12, 1990  
Recording No.: [Book 36, Page 86](#) of Record of Surveys

16. Matters contained in that certain document

Entitled: Resolution No. 2010-135  
Dated: June 24, 2010  
Executed by: City of Fresno  
Recording Date: August 5, 2010  
Recording No.: [2010-0100294](#) of Official Records

Reference is hereby made to said document for full particulars.

17. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$17,500,000.00  
Dated: February 15, 2022  
Trustor/Grantor: 7355 N. Palm Avenue, LLC, a California limited liability company, and Assemi Investments, LLC, a California limited liability company  
Trustee: Premier Valley Bank  
Beneficiary: Premier Valley Bank  
Recording Date: March 2, 2022  
Recording No.: [2022-0027591](#) of Official Records

18. An assignment of all moneys due, or to become due as rental or otherwise from said Land, to secure payment of an indebtedness, shown below and upon the terms and conditions therein

Amount: \$17,500,000.00  
Assigned to: Premier Valley Bank  
Assigned By: 7355 N. Palm Avenue LLC, and Assemi Investments, LLC  
Recording Date: March 2, 2022  
Recording No.: [2022-0027592](#) of Official Records

# EXHIBIT "B"

Title No.: FFOM-2012600241-MW

## EXCEPTIONS (continued)

19. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$16,000,000.00  
Dated: December 19, 2024  
Trustor/Grantor 7355 N. Palm Avenue, LLC, a California limited liability company, and  
Assemi Investments, LLC, a California limited liability company  
Trustee: Commonwealth Land Title Insurance Company  
Beneficiary: Premier Valley Bank  
Recording Date: March 6, 2025  
Recording No.: [2025-0023371](#) of Official Records

20. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

21. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below.

Limited Liability Company: 7355 N. Palm Avenue and Assemi Investments

- a. A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b. If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendment thereto with the appropriate filing stamps.
- c. If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member.
- d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created
- e. If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
- f. If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
- g. Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form

## END OF EXCEPTIONS

# EXHIBIT "B"

Title No.: FFOM-2012600241-MW

## NOTES

Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

- Note 1.** Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.
- Note 2.** Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
- Note 3.** Note: The charge for a policy of title insurance, when issued through this application for title insurance, will be based on the Short Term Rate.
- Note 4.** Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land commercial property, known as 650 O Street and 705 P Street, Fresno, CA, to an Extended Coverage Loan Policy.
- Note 5.** Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
- Note 6.** Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:  
Name(s) furnished: County of Fresno  
  
If these name(s) are incorrect, incomplete or misspelled, please notify the Company.
- Note 7.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 8.** Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
- Note 9.** Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

# EXHIBIT "B"

Title No.: FFOM-2012600241-MW

## NOTES (continued)

**Note 10.** The following Exclusion(s) are added to preliminary reports, commitments and will be included as an endorsement in the following policies:

A. 2006 ALTA Owner's Policy (06-17-06).

6. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.

B. 2006 ALTA Loan Policy (06-17-06)

8. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
9. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.

C. ALTA Homeowner's Policy of Title Insurance (12-02-13) and CLTA Homeowner's Policy of Title Insurance (12-02-13).

10. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.

D. ALTA Expanded Coverage Residential Loan Policy - Assessments Priority (04-02-15).

12. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
13. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.

E. CLTA Standard Coverage Policy 1990 (11-09-18).

7. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the public records but that would be disclosed by an examination of any records maintained by or on behalf of a tribe or on behalf of its members.
8. Any claim of invalidity, unenforceability, or lack of priority of the lien of the insured mortgage based on the application of a tribe's law resulting from the failure of the insured mortgage to specify state law as the governing law with respect to the lien of the insured mortgage.

**END OF NOTES**

# EXHIBIT "B"



Inquire before you wire!

## WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.  
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**

<http://www.fbi.gov>

**Internet Crime Complaint Center:**

<http://www.ic3.gov>

# EXHIBIT "B"

## FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Effective January 1, 2026

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

### **Collection of Personal Information**

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g., Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g., loan or bank account information);
- biometric data (e.g., fingerprints, retina or iris scans, voiceprints, or other unique biological characteristics); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

### **Collection of Device and Browsing Information**

FNF automatically collects the following categories of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser information, such as version, language, and type;
- device type and operating system;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

### **Other Online Specifics**

**Website Analytics.** We use Google Analytics to understand how visitors interact with FNF Websites. Google Analytics may collect information such as your IP address, device type, and pages visited to help us analyze site traffic and to personalize your browsing experience on our site. If you don't want Google Analytics to be used in your browser, you can install the Google Analytics browser add-on, which Google makes available online.

**Cookies.** When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

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Privacy Statement  
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# EXHIBIT "B"

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

## **Use of Personal Information**

FNF uses Personal Information for these main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To prevent and detect fraud;
- To maintain the security of our systems, tools, accounts, and applications;
- To verify and authenticate identities and credentials;
- To communicate with you about our, and our affiliates' services, jointly or independently;
- To provide reviews and testimonials about our services, with your consent.

## **When Information Is Disclosed**

We may disclose the categories of Personal Information and Browsing Information listed above for the following purposes:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to affiliated or nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to affiliated or nonaffiliated third parties with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

## **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

## **Choices With Your Information**

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

## **State-Specific Consumer Privacy Information:**

For additional information about your state-specific consumer privacy rights, to make a consumer privacy request, or to appeal a previous privacy request, please follow the link [Privacy Request](#), or email [privacy@fnf.com](mailto:privacy@fnf.com), or call (888) 714-2710.

Certain state privacy laws require that FNF disclose the categories of third parties to which FNF may disclose the Personal Information and Browsing Information listed above. Those categories are:

- FNF affiliates and subsidiaries;
- Non-affiliated third parties, with your consent;
- Businesses in connection with the sale or other disposition of all or part of the FNF business and/or assets;
- Service providers;
- Law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order.

# EXHIBIT "B"

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website ([fnf.com/california-privacy](http://fnf.com/california-privacy)) or call (888) 413-1748.

For Nevada Residents: We are providing this notice pursuant to state law. You may be placed on our internal Do Not Call List by calling FNF Privacy at (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. For further information concerning Nevada's telephone solicitation law, you may contact: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: [aginquiries@ag.state.nv.us](mailto:aginquiries@ag.state.nv.us).

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes. For additional information about your Oregon consumer privacy rights, or to make a consumer privacy request, or appeal a previous privacy request, please email [privacy@fnf.com](mailto:privacy@fnf.com) or call (888) 714-2710

FNF is the controller of the following businesses registered with the Secretary of State in Oregon: Chicago Title Company of Oregon, Fidelity National Title Company of Oregon, Lawyers Title of Oregon, LoanCare, Tigor, Title Company of Oregon, Western Title & Escrow Company, Chicago Title Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Fidelity National Title Insurance Company, Liberty Title & Escrow, Novare National Settlement Service, Tigor Title Company of California, Exos Valuations, Fidelity & Guaranty Life, Insurance Agency, Fidelity National Home Warranty Company, Fidelity National Management Services, Fidelity Residential Solutions, FNF Insurance Services, FNTG National Record Centers, IPEX, Mission Servicing Residential, National Residential Nominee Services, National Safe Harbor Exchanges, National Title Insurance of New York, NationalLink Valuations, NexAce Corp., ServiceLink Auction, ServiceLink Management Company, ServiceLink Services, ServiceLink Title Company of Oregon, ServiceLink Valuation Solutions, Western Title & Escrow Company

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

## **Information From Children**

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

## **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

## **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

# EXHIBIT "B"

## **Your Consent to this Privacy Notice; Notice Changes**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

## **Accessing and Correcting Information; Contact Us**

If you have questions or would like to correct your Personal Information, visit FNF's [Privacy Request](#) website or contact us by phone at (888) 714-2710, by email at [privacy@fnf.com](mailto:privacy@fnf.com), or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue,  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer

# EXHIBIT "B"

## ATTACHMENT ONE

### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 (11-09-18)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

#### EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

#### EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART II

*(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)*

# EXHIBIT "B"

## ATTACHMENT ONE (CONTINUED)

### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE OWNER'S POLICY (02-04-22)

#### EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
  - i. the occupancy, use, or enjoyment of the Land;
  - ii. the character, dimensions, or location of any improvement on the Land;
  - iii. the subdivision of land; or
  - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.  
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy.  
Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

#### EXCEPTIONS FROM COVERAGE

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

#### PART I

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

#### PART II

*(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)*

# EXHIBIT "B"

## ATTACHMENT ONE (CONTINUED)

### CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (7-01-21) EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy and We will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
    - i. the occupancy, use, or enjoyment of the Land;
    - ii. the character, dimensions, or location of any improvement on the Land;
    - iii. the subdivision of land; or
    - iv. environmental remediation or protection.
  - b. any governmental forfeiture, police, or regulatory, or national security power.
  - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
  3. Any defect, lien, encumbrance, adverse claim, or other matter:
    - a. created, suffered, assumed, or agreed to by You;
    - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
    - c. resulting in no loss or damage to You;
    - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
    - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
  4. Lack of a right:
    - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
    - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
  5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
  6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
    - a. fraudulent conveyance or fraudulent transfer;
    - b. voidable transfer under the Uniform Voidable Transactions Act; or
    - c. preferential transfer:
      - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
      - ii. for any other reason not stated in Covered Risk 30.
  7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
  9. Any lien on Your Title for real estate taxes or assessments, imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a or 27.
  10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

### LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

# EXHIBIT "B"

## ATTACHMENT ONE (CONTINUED)

### CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

### LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

# EXHIBIT "B"

## ATTACHMENT ONE (CONTINUED)

### ALTA OWNER'S POLICY (07-01-2021)

#### EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
  - i. the occupancy, use, or enjoyment of the Land;
  - ii. the character, dimensions, or location of any improvement on the Land;
  - iii. the subdivision of land; or
  - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.  
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments, imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

#### EXCEPTIONS FROM COVERAGE

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

*NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed as 1 through 7 below:*

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

# EXHIBIT "B"

## ATTACHMENT ONE (CONTINUED)

### 2006 ALTA OWNER'S POLICY (06-17-06)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

*NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as 1 through 7 below:*

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.]
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

# EXHIBIT "B"

## Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

### **FNF Underwritten Title Companies**

CTC - Chicago Title Company  
CLTC - Commonwealth Land Title Company  
FNTC - Fidelity National Title Company  
FNTCCA - Fidelity National Title Company of California  
TICOR - Ticor Title Company of California  
LTC - Lawyer's Title Company  
SLTC - ServiceLink Title Company

### **Underwritten by FNF Underwriters**

CTIC - Chicago Title Insurance Company  
CLTIC - Commonwealth Land Title Insurance Co.  
FNTIC - Fidelity National Title Insurance Co.  
NTINY - National Title Insurance of New York

### **Available Discounts**

#### **CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, CLTIC, FNTIC, NTINY)**

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty percent (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

#### **DISASTER AREA TRANSACTIONS (CTIC, CLTIC, FNTIC, NTINY)**

This rate is available for individuals or entities that were victims of a national or state disaster. The rate can be used for a Lender's Policy (Standard or Extended), or an Owner's Policy (Standard or Homeowners coverage). To qualify for this rate, the applicant must, prior to the closing of the applicable transaction, make a written request, including a statement meeting the following criteria:

- A. The subject property is in a disaster area declared by the government of the United States or the State of California.
- B. The subject property was substantially or totally destroyed in the declared disaster.
- C. The subject property ownership has not changed since the time of the disaster.

The rate will be fifty percent (50%) of the applicable rate, and the transaction must be completed within sixty (60) months of the date of the declaration of the disaster.

# EXHIBIT "B"

## Notice of Available Discounts

(continued)

### **DISASTER AREA ESCROWS (CTC, CLTC, FNTC, TICOR, LTC)**

This rate is available for individuals or entities that were victims of a national or state disaster. The rate can be used for a loan or a sale escrow transaction. To qualify for this rate, the applicant must, prior to the closing of the applicable transaction, make a written request, including a statement meeting the following criteria:

- A. The subject property is in a disaster area declared by the government of the United States or the State of California.
- B. The subject property was substantially or totally destroyed in the declared disaster.
- C. The subject property ownership has not changed since the time of the disaster.

The rate will be fifty percent (50%) of the applicable rate, and the transaction must be completed within sixty (60) months of the date of the declaration of the disaster. Standard minimum charge applies based upon property type. No other discounts or special rates, or combination of discounts or special rates, shall be applicable. Applies to a single transaction per property.

This rate is applicable to the following Zones/Counties:

- Zone 1.A: Orange County
- Zone 1.B: Riverside and San Bernardino Counties
- Zone 2: Los Angeles County
- Zone 3: Ventura County
- Zone 10: San Diego County
- Zone 12: Imperial County

If used for a sale transaction, the application of this rate assumes the charge for the Residential Sale Escrow Services (RSES) fee will be split evenly between buyer and seller. As such and regardless of how the calculated applicable RSES will be split between the disaster victim and the other principal, the rate will be applied only to one half (1/2) of the calculated applicable RSES fee, regardless of whether the disaster victim is paying half (1/2) of the RSES fee (as is customary) or paying the entire fee. The rate under this provision will be fifty percent (50%) of disaster victims' one half (1/2) portion only and shall not apply to any portion paid by non-disaster victim. Additional services will be charged at the normal rates.

### **MILITARY DISCOUNT RATE (CTIC, CLTIC, FNTIC)**

Upon the Company being advised in writing and prior to the closing of the transaction that an active duty, honorably separated, or retired member of the United States Military or Military Reserves or National Guard is acquiring or selling an owner occupied one-to-four family property, the selling owner or acquiring buyer, as applicable, will be entitled to a discount equal to fifteen percent (15%) of the otherwise applicable rates such party would be charged for title insurance policies. Minimum charge: Four Hundred Twenty-Five And No/100 Dollars (\$425.00)

The Company may require proof of eligibility from the parties to the transaction verifying they are entitled to the discount as described. No other discounts or special rates, or combination of discounts or special rates, shall be applicable.

### **MILITARY RATE (SLTC)**

A discount of twenty percent (20%) off the purchase transaction closing and settlement fee or a discount of One Hundred And No/100 Dollars (\$100.00) off the refinance closing and settlement fee, will be applied when the loan is guaranteed by the United States Veterans Administration and the escrow fee is being paid by the consumer and is listed as paid by borrower on the Closing Disclosure and final Settlement Statement.

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS  
650 O Street & 705 P Street, Fresno, CA 93721  
APN: 468-183-18U & 468-191-19U

**EXHIBIT C**  
**GRANT DEED**

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

**EXHIBIT "C"**

Recording Requested By:  
County of Fresno

When Recorded Mail To:  
County of Fresno  
General Services Department  
Attn: Corey Nelson  
333 W. Pontiac Way  
Clovis, CA 93612

APNs: 468-183-18U & 468-191-19U

Space Above This Line for Recordors Use Only

No recording fees per Government Code §27383  
The Undersigned Grantor(s) Declare(s):  
Documentary Transfer Tax: \$0; Exempt Pursuant to R&T Code 11922  
City Transfer Tax: \$0  
Survey Monument Fee: \$0

**Grant Deed**  
(Fee Simple)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

7355 N. Palm Avenue, LLC, as to an undivided 77% interest and Assemi Investments, LLC, as to an undivided 23%, as tenants in common ("Grantor"),

hereby grants to the County of Fresno, a political subdivision of the State of California ("Grantee"),

all that real property, including the improvements thereon, in the City of Fresno, in the County of Fresno, State of California, described in the attached Exhibit "A" and incorporated by this reference.

**SIGNATURES ON FOLLOWING PAGE**

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

EXHIBIT "C"

**BUYER:**  
County of Fresno

**SELLER:**  
7355 N. Palm Avenue, LLC, as to an  
undivided 77% interest

---

Garry Bredefeld, Chairman of the Board  
of Supervisors of the County of Fresno

*Neema Assemi*

---

Neema Assemi, Manager

*Darius Assemi*

---

Darius Assemi, Manager

**Assemi Investments, LLC, as to an  
undivided 23%**

*Farid Assemi*

---

Farid Assemi, Manager

*Farshid Assemi*

---

Farshid Assemi, Manager

*Darius Assemi*

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Darius Assemi, Manager

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

**EXHIBIT "C"**

EXHIBIT "A"

For APN/Parcel ID(s): 468-183-18U and 468-191-19U

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:  
PARCEL 1: APN: 468-183-18U (portion)

All of Block 137 of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records.

PARCEL 2: APN: 468-191-19U (portion)

All of Block 138 of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records.

PARCEL 3: APN: 468-183-18U (portion)

That certain alley lying within Block 137, as shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records. Said alley lies Southeasterly of the Southwesterly extension of the Northwesterly line of Lot 1 to the most Northerly corner of Lot 32 in said Block 137 and Northwesterly of the Southwesterly extension of the Southeasterly line of Lot 16 of the most Easterly corner of Lot 17 of said Block 137.

PARCEL 4: APN: 468-191-19U (portion)

That certain alley lying within Block 138, as said alley is shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records.

Said alley lies Southeasterly of the Southwesterly extension of the Northwesterly line of Lot 1 to the most Northerly corner of Lot 32 in said Block 138 and Northwesterly of the Southwesterly extension of the Southeasterly line of Lot 16 to the most Easterly corner of Lot 17 of said Block 138.

PARCEL 5: APN: 468-183-18U (portion) & 468-191-19U (portion)

All that portion of Mono Street lying between and adjacent to Blocks 137 and 138, as said street is shown on the map of the Town (now City) of Fresno, in the City of Fresno, County of Fresno, State of California, according to the map thereof recorded June 8, 1876 in Book 1, Page 2 of Plats, Fresno County Records.

Said portion of Mono Street lies Southwesterly of the Southeasterly extension of the most Northeasterly line of Lot 16 of said Block 137, to the most Northerly corner of Lot 1 of said Block 138 and Northeasterly of the Southeasterly extension of the most Southwesterly line of Lot 17 of said Block 137, to the most Westerly corner of Lot 32 of said Block 138.

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

650 O Street & 705 P Street, Fresno, CA 93721

APN: 468-183-18U & 468-191-19U

**EXHIBIT "C"**

**CERTIFICATE OF ACCEPTANCE OF GRANT OF INTEREST IN REAL PROPERTY**

THIS IS TO CERTIFY that the interest in real property conveyed by 7355 N. Palm Avenue, LLC, as to an undivided 77% interest and Assemi Investments, LLC, as to an undivided 23%, as tenants in common, to the County of Fresno, a political subdivision of the State of California, is here accepted by the Board of Supervisors of the County of Fresno and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Raymond T. Hunter  
Director of General Services  
County of Fresno

EXHIBIT

SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS  
650 O Street & 705 P Street, Fresno, CA 93721  
APN: 468-183-18U & 468-191-19U

**EXHIBIT D**

**605 O Street & 705 P Street, Fresno, CA 93721**



SALE/PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS  
650 O Street & 705 P Street, Fresno, CA 93721  
APN: 468-183-18U & 468-191-19U

**EXHIBIT E**

**PG&E LEASE AGREEMENT WITH AMENDMENTS**

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# EXHIBIT "E"

## LEASE

1. Parties. This Lease, dated for reference purposes only, March 24, 1988, is made by and between Klein/Watt Partnership, a California limited partnership (herein called "Landlord"), and Pacific Gas & Electric Company, a California corporation (herein called "Tenant").

2. Lease of Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, for the term, at the rental, and upon all of the conditions set forth herein, that certain real property situated in the City of Fresno, County of Fresno, State of California, consisting of the following:

(a) That certain parcel of land legally described on Exhibit "A" and graphically depicted on Exhibit "B" attached hereto (the "Land"); and

(b) Two 3-story steel frame buildings to consist of approximately 101,000 square feet in the aggregate and appurtenant improvements to be constructed on the Land by Landlord, as hereinafter stated (the "Buildings"), together with any other improvements or additions made by Landlord or Tenant which become a part of the Buildings or the Land in accordance with the provisions hereof. The Land, Buildings, and any other improvements or additions, are herein collectively called the "Premises."

The exact square footage of the Premises shall be determined upon final approval of the Finals (as defined in the Construction Agreement described in Section 3 below) by measuring to the inside finish of permanent outer building walls or from the glass line where at least 50% of the vertical dimension from floor to finished ceiling of the outer building wall is glass. If the parties agree on such square footage, both parties will set forth the stipulated area in writing; if the parties are unable to agree, the arbitration procedure set forth in Section 41 shall be utilized.

3. Preparation of Premises.

The parties' obligations regarding the construction and preparation of the Premises for Tenant's occupancy are described in that certain Construction Agreement of even date herewith between Landlord and Tenant. Tenant's occupancy of the Premises

(3/28/88)

# EXHIBIT "E"

shall be deemed its acceptance of the Premises except for latent defects (which Landlord agrees to correct after written notice from Tenant).

## 4. Term.

4.1 Initial Term. The initial term of this Lease shall be for twenty (20) years, commencing on the date which is the earlier of the date that Landlord's work described in the Finals (as defined in the Construction Agreement) for the first full floor delivered to Tenant is substantially completed or the date Tenant commences installation of its tenant improvements (the "Commencement Date"). Tenant and Landlord agree to execute a certificate which shall acknowledge such Commencement Date, expiration date, and the option exercises dates set forth in Paragraph 48.1, in such reasonable form as Landlord may request.

4.2 Substantial Completion. The phrases "substantially completed," "substantial completion" or "completed," and words of similar import, as used in this Lease, shall mean that the Buildings or portion thereof shall have been constructed and completed substantially in accordance with the Finals, except for matters not adversely affecting Tenant's use or occupancy, and Landlord's architect has issued a certificate so stating.

4.3 Renewal Options. As a right not transferable to any assignee, Tenant shall have four (4) successive options to extend the term of this Lease for five (5) years each, provided that Tenant is not in material default under any of the terms of this Lease on either the date of exercise of such option or the commencement of the respective renewal term. Tenant shall provide no less than eighteen (18) months prior written notice of its intention to extend the term of the Lease, and such notice shall be irrevocable except as specifically allowed below. If Tenant timely exercises its option, the Lease term shall be extended and the tenancy shall be on the same terms and conditions as contained in this Lease, except that the Lease shall be modified to be a net lease (as further described below) and the fixed annual rental shall be the sum of 90% of the fair market rental rate on a net lease basis for the Premises as Class A office space in the greater Fresno area as of the commencement of such extension term.

In the event the parties are unable to agree on the fair market rental rate by the date which is six (6) months prior to the expiration of the then current term, then the following appraisal procedures shall be followed. Each party may initiate the appraisal procedure by sending a written notice to the other party, such notice containing the name of an appraiser appointed by the party giving notice. The party receiving notice shall have thirty (30) days to appoint an appraiser by

## EXHIBIT "E"

giving written notice thereof to the other party, and the appraiser so appointed shall determine the fair market rental rate for the Premises in question. As used herein, the "fair market rental rate" shall mean the amount of rent which a reasonable landlord and tenant negotiating at arms' length and in good faith would agree to accept for the Premises in question in the defined market at their then current use considering the form and structure of the Lease (as modified to be a net lease) and Tenant's then financial status. "Defined market" shall mean similar office buildings within the greater Fresno area enjoying similar amenities and locational attributes. All appointed appraisers must be independent M.A.I. appraisers with at least ten (10) years of experience as appraisers generally and shall have at least three (3) years experience in the Fresno area. If the higher appraisal is not more than 110% of the lower appraisal, then the fair market rental rate shall be the average of the two appraised fair market rental rates. If the higher appraisal is more than 110% of the lower appraisal, then the two appraisers shall select a third appraiser to determine the fair market rental rate. If any two appraisers agree on the fair market rental rate, such rental rate shall be the fair market rental rate. If no two appraisers agree, then the fair market rental rate shall be the average of the three appraised rates. If a party fails to timely appoint a qualified appraiser, the qualified appraiser timely appointed shall determine the fair market rental rate alone. Each party shall pay all of the costs of the appraiser appointed by such party and one-half the cost of the third appraiser, if any. In any event, the appraisers timely appointed shall have sixty (60) days to complete the appraisal process and arrive at a fair market rental rate.

If the appraisal procedure is utilized and Tenant has timely appointed a qualified appraiser, then by giving Landlord written notice within thirty (30) days after completion of the appraisal process, Tenant shall have the right to shorten the applicable extension term to a two-year term, provided in such event Tenant shall lose all rights to subsequent extension terms and options to purchase.

As used above, "net lease" shall mean a lease wherein the tenant pays all costs and expenses due to utilities, services, real estate taxes, normal maintenance and repair, fire and casualty insurance policies (extended coverage), all other operating costs associated with the Premises (excluding, however, any debt service), and the cost (including reasonable financing costs) of any capital expenditures by Landlord other than those covered by insurance, amortized over the useful life of the improvement as reasonably estimated by Landlord.

# EXHIBIT "E"

## 5. Rent.

### 5.1 Monthly Fixed Rental.

(a) Tenant shall pay to Landlord, without prior demand and, without any deduction, set off, or counterclaim whatsoever, for each of the term of this Lease a monthly fixed minimum amount (the "monthly fixed rental rate") determined as set forth below:

First, the Square Foot Rental Rate shall be determined as follows:

<u>Year</u>	<u>Square Foot Rental Rate</u>
1	\$1.1108 sq. ft.
2	\$1.1192 sq. ft.
3	\$1.1242 sq. ft.
4	\$1.1283 sq. ft.
5	\$1.1333 sq. ft.
6	\$1.3142 sq. ft.
7	\$1.3225 sq. ft.
8	\$1.3325 sq. ft.
9	\$1.3417 sq. ft.
10	\$1.3525 sq. ft.
11	\$1.5567 sq. ft.
12	\$1.5717 sq. ft.
13	\$1.5883 sq. ft.
14	\$1.6058 sq. ft.
15	\$1.6250 sq. ft.
16	\$1.8633 sq. ft.
17	\$1.8858 sq. ft.

# EXHIBIT "E"

18	\$1.9100 sq. ft.
19	\$1.9358 sq. ft.
20	\$1.9642 sq. ft.

Second, the Square Foot Rental Rate shall be multiplied by the square footage as determined in Section 2 above, and the amount of \$6,996.82 shall be added to such product to arrive at the monthly fixed rental. The \$6,996.82 figure is comprised of \$6,755.15 for the amortization of the Contingency Amount described in the Construction Agreement (20 year term, 10% annual interest), plus additional maintenance costs of \$241.67 arising from an increase in the size of the parking area.

(b) Commencing with the Commencement Date of the term of this Lease, and continuing throughout the term of this Lease, Tenant shall pay to Landlord the applicable monthly fixed rental, after the Aggregate Rent Credit (as hereinafter defined) has been credited against rent, in advance, on the first day of each calendar month of the term hereof. The Aggregate Rent Credit shall be the amount of \$200,000. The payment under this Paragraph 5.1 for any period during the term of this Lease which is for less than one month shall be a pro rata portion of the monthly fixed rental based on a 30 day month. In addition, notwithstanding the above, if the floors in the Buildings are delivered at more than one time, then Square Foot rental shall be payable on a pro rated basis, allocated to each floor on a square foot basis, rent for each floor commencing on such floor's delivery, provided the \$6,996.82 component of monthly fixed rental shall commence on the Commencement Date.

5.2 Real Property Taxes. Tenant shall pay the Real Property Tax, as defined in Paragraph 5.2(a), applicable to the Premises (including the Buildings and the Land), directly to the taxing authority.

(a) As used herein, the term "Real Property Tax" shall include any form of real estate tax or assessment, general, special, ad valorem, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal net income or estate taxes) imposed on the Premises or any portion thereof by any authority have the direct or indirect power to tax, including any city, county, state or federal government (including without limitation, the State Board of Equalization), or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Landlord in the Premises or in the real property of which the Premises are a part, as against Landlord's

# EXHIBIT "E"

right to rent or other income therefrom, and as against Landlord's business of leasing the Premises. The term "Real Property Tax" shall also include any tax, fee, levy, assessment or charge (i) in substitution of, partially or totally, any tax, fee, levy, assessment or charge hereinabove included within the definition of "Real Property Tax," or (ii) the nature of which was hereinbefore included within the definition of "Real Property Tax," or (iii) which is imposed for a service or right not charged prior to June 1, 1978, or (iv) which is imposed as a result of a transfer, either partial or total, of Landlord's interest in the Premises or which is added to a tax or charge hereinbefore included within the definition of real property tax by reason of such transfer, or (v) which is imposed by reason of this transaction, any modification or changes hereto, or any transfers hereof.

(b) Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishing, equipment and all other personal property of Tenant contained in the Premises or elsewhere. If any of Tenant's said personal property shall be assessed with Landlord's real property, Tenant shall pay to the taxing authority the taxes attributable to Tenant prior to delinquency.

## 5.3 Utilities.

(a) Tenant shall pay directly to the billing entity all charges for all gas, heat, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Tenant, together with any taxes thereon, except that Landlord will pay up to \$350 per month for sewer, water and trash collection (in the aggregate). Such \$350 maximum will increase 5% each year after the first Lease year.

(b) There shall be no abatement of rent and Landlord 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 Landlord's reasonable control or in cooperation with governmental request or directions.

5.4 Payment. Rent and all other charges payable to Landlord shall be payable in lawful money of the United States to Landlord at Post Office Box 2114, Santa Monica, California 90406, or to such other persons or at such other places as Landlord may designate in writing.

5.5 No Abatement. It is the intention of the parties hereto that this Lease shall not be terminable for any reason by Tenant except as specifically set forth herein, and

# EXHIBIT "E"

that Tenant shall in no event be entitled to any abatement of or reduction in rent payable under this Lease, except as expressly provided in Paragraphs 10.6 and 15.2, below. Any present or future law to the contrary shall not alter this agreement of the parties.

6. Intentionally Deleted.

7. Use.

7.1 Use. The Premises shall be used and occupied only for general office purposes, parking areas serving the Buildings, a cafeteria or sandwich shop for Tenant's employees, and for no other purpose. Notwithstanding the preceding sentence, however, a portion of the Premises may be used for 2 gasoline pumps and an associated awning.

7.2 Compliance With Law.

(a) Tenant shall, throughout the term of this Lease, and at no cost or expense whatsoever to Landlord, promptly comply, or cause compliance, with all laws, ordinances, zoning, zoning variances, orders, rules, regulations and requirements of all federal, state, county, township and municipal governments and all departments, commissions, board and officers thereof, whether present or future, foreseen or unforeseen, ordinary or extraordinary, and whether or not the same shall be presently within the contemplation of Landlord and Tenant or shall involve any change of governmental policy, or require structural or extraordinary repairs, alterations or additions, and irrespective of the cost thereof, which may be applicable to the Premises. Tenant shall also comply throughout the term of this Lease, at its own cost and expense, with any requirement of all governmental authorities having jurisdiction.

(b) No abatement, diminution or reduction in rent, or any other charges required to be paid by Tenant pursuant hereto, shall be claimed by or allowed to Tenant for any inconvenience or interruption, cessation or loss of business caused, directly or indirectly, by any present or future laws, ordinance, rules, regulations, requirements or orders of the federal, state, county, township or municipal governments or any other lawful authority whatsoever, or by priorities, rationing, or curtailment of labor or materials, or by war, civil commotion, strikes or riots, or utility interruption or shortage, or any matter or thing resulting therefrom, or by any other cause or causes, nor shall this Lease be affected by any such causes; and no diminution in the amount of the space used by Tenant caused by legally required changes in the construction, equipment, fixtures, motors, machinery, operation or use of the Buildings or parking areas shall entitle Tenant to

# EXHIBIT "E"

any abatement, diminution or reduction of the rent or any other charges required to be paid by Tenant pursuant to the terms of this Lease.

7.3 Conditions of Title. Tenant accepts this Lease and all right, title and interest hereunder subject to all easements, covenants, conditions, restrictions, exceptions, zoning, zoning variances, reservations, encumbrances and other matters affecting title to the Premises. Further, Tenant agrees to execute such appropriate documents subordinating its interest in this Lease to easements for ingress and egress, for utilities and for other purposes, which easements shall be necessary and appropriate for the orderly development of the Premises and adjoining parcels.

## 8. Maintenance, Repairs and Alterations.

8.1 Landlord's Obligations. Except for Tenant's obligations described in Paragraph 8.2, Landlord shall maintain in good order, condition and repair the Premises and every part thereof at its sole cost and expense, except that Tenant shall pay within thirty (30) days after presentation of written invoice all costs and expenses incurred by Landlord in repairing damage caused by Tenant, its employees, agents, contractors, subcontractors, guests or invitees. Landlord's service schedule for the Premises is attached as Exhibit "C."

### 8.2 Tenant's Obligations.

(a) Tenant shall keep in good order, condition and repair the initial tenant improvements and subsequent additions and alterations in the Premises installed by Tenant and every part thereof, and all personal property owned by Tenant and located in the Premises.

(b) Without limiting the generality of the foregoing, Tenant waives any right to make repairs at Landlord's expense under the provisions of Sections 1941 and 1942 of the California Civil Code.

8.3 Surrender. On the last day of the term hereof, or on any earlier termination, Tenant shall surrender the Premises to Landlord broom clean, ordinary wear and tear excepted. Landlord shall have the option to require Tenant to remove all tenant work and alterations installed by Tenant. Tenant shall repair any damage to the Premises occasioned by the removal of Tenant's trade fixtures, furnishing and equipment pursuant to Paragraph 8.5, which repair shall include the patching, filling, and painting of holes and repair of the roof and other structural damage.

## EXHIBIT "E"

8.4 Landlord's Rights. If Tenant fails to perform Tenant's obligations under this Section 8, Landlord or Landlord's agents may (but shall not be required to), at Landlord's option, enter upon the Premises, after ten (10) days prior written notice to Tenant, and put the same in good order, condition and repair. Tenant shall pay to Landlord, upon written demand therefor, all sums necessary for Landlord to effectuate such work.

### 8.5 Alterations and Additions.

(a) Tenant shall not, without Landlord's prior written consent (not to be unreasonably withheld), make any alterations, improvements, additions, or Utility Installations in, on or about the Premises, except for nonstructural alterations not exceeding \$10,000.00 during any 90 day period during the term of this Lease. In any event, regardless of cost, Tenant shall not make any change or alteration to the exterior of the Premises or the exterior the Buildings without Landlord's prior written consent. As used in this Paragraph 8.5, the term "Utility Installation" shall include without limitation carpeting, window coverings, air lines, power panels, electrical distribution systems, lighting or gas fixtures, space heaters, air conditioning, plumbing, and fencing. On the expiration or earlier termination of the Lease, Landlord may require that Tenant remove any or all of said alterations, improvements, additions or Utility Installations forthwith, and restore the Premises to their prior condition. At any time when Pacific Gas & Electric Company is not liable as Tenant under this Lease, Landlord may require Tenant to provide Landlord, at Tenant's sole cost and expense, worker's compensation insurance, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Landlord against any liability for mechanic's and materialmen's liens and to insure completion of the work. Should Tenant make any alterations, improvements, additions or Utility Installations not permitted above without the prior approval of Landlord, Landlord may require that Tenant remove any or all of the same within thirty (30) days after Landlord's notification.

(b) The identity of the proposed contractor (and reasonable evidence of his financial status) and any alterations, improvements, additions or Utility Installations in, or about the Premises that Tenant shall desire to make and which require the consent of the Landlord shall be presented to Landlord in written form, with proposed detailed plans. If Landlord shall give its consent, which will not be unreasonably withheld, the consent shall be deemed conditioned upon Tenant obtaining a permit to do such work from all required governmental agencies, the furnishing of a copy thereof to Landlord prior to the commencement of the work and the compliance by Tenant of all conditions of said permit in a prompt and expeditious manner.

# EXHIBIT "E"

(c) Unless Landlord requires their removal, as set forth in Paragraph 8.5(a), all alterations, improvements, additions, and Utility Installations (whether or not such Utility Installations constitute trade fixtures of Tenant) which may be made on the Premises, shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the term. Notwithstanding the provisions of this Subparagraph 8.5(c), Tenant's machinery and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of Tenant and may be removed by Tenant subject to the provisions of Paragraph 8.3.

(d) Tenant covenants and agrees to give Landlord written notice of the commencement of any construction, alteration, addition, improvements or repair, which notice shall be given to Landlord within 10 days after the commencement of any such work, in order that Landlord may post appropriate notices of Landlord's nonresponsibility.

(e) Landlord reserves the right to install new or additional utility facilities throughout the Buildings in the Premises for the benefit of Landlord or Tenant, including, but not by way of limitation, such utilities as plumbing, electrical systems, communications systems, and fire protection and detection systems, so long as such installations do not unreasonably interfere with Tenant's use of the Premises.

## 9. Insurance and Indemnity.

### 9.1 Indemnification of Landlord.

(a) Neither Landlord nor any of its agents, contractors, servants, officers, directors, employees, or licensees shall be liable to Tenant and Tenant hereby waives all claims against such parties for any loss, cost, damage, injury, illness, or death suffered by an person or damage to any property in or about the Premises by or from any cause whatsoever and, without limiting the generality of the foregoing, whether caused by water leakage of any character from the roof, walls, basement or other portion of the Premises or the Land or caused by gas, fire, electricity or any cause whatsoever, in, on or about the Premises or said Land or any part thereof, unless caused by the negligence of Landlord.

(b) Tenant shall hold Landlord, and all of its partners, agents, contractors, servants, officers, directors, employees and licensees (hereinafter collectively called the "Indemnitees") harmless from and against any and all loss, cost, liability, claim, damage and expense including, without limitation, penalties, fines and attorneys' fees and expenses, incurred in connection with or arising from any default by

## EXHIBIT "E"

Tenant hereunder or from any loss, cost, damage, injury, illness or death suffered by any person or damage to any property or from any other cause whatsoever: (i) occurring in or on the Premises or any part thereof arising at any time and from any cause whatsoever other than directly and solely by reason of the negligence or willful misconduct of any of the Indemnitees or (ii) arising at any time and occurring in, on or about any part of the Premises (including, without limitation, any facilities of said real property, such as elevators, stairways, passageways, hallways, plaza areas or adjacent sidewalks), to the extent such injury, illness, death or damage shall be caused by any act, neglect or default or omission of any duty with respect to the same by Tenant, its agents, employees, invitees or licensees (including, without limitation, when such injury, illness, death or damage shall have been caused in part by any of the Indemnitees). The provisions of this Paragraph 9.1 shall survive the termination of this Lease with respect to any injury, illness, death or damage occurring prior to such termination. In case any action or proceeding be brought against any of the Indemnitees by reason of any such claim or liability, Tenant upon notice from Landlord covenants to resist and defend at Tenant's sole expense such action or proceeding by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord for this Lease, hereby assumes all risks of damage to property (to whomever belonging), in, upon or about the Premises from any source.

### 9.2 Insurance.

(a) Subject to Paragraph 9.4, Tenant shall maintain during the term of this Lease a policy or policies of insurance covering comprehensive general liability and comprehensive automobile liability of not less than five million dollars (\$5,000,000) combined single limit for bodily injury, personal injury, and property damage as the result of any one occurrence/claim made. Such comprehensive general liability insurance shall include coverage for premises-operations, contractual liability, fire-legal liability and broad form property damage including completed operations. Such comprehensive automobile liability insurance shall include coverage for owned, hired and non-owned automobiles. Every five (5) years after the date of this Lease, the amount of liability insurance required pursuant to this Paragraph 9.2 shall be reviewed and may be adjusted with the mutual consent of Landlord and Tenant, taking into account the scope of activities then covered by such insurance, the size of the Premises and prudent insurance practices relating to such coverage.

(b) The insurance policy or policies required to be carried by Tenant under subparagraph (a) of this Paragraph 9.2 shall be issued by an insurance company or companies approved by Landlord, which approval shall not be unreasonably

# EXHIBIT "E"

withheld. All such insurance shall: (i) provide, by endorsement to the policy or policies, that Landlord is an additional insured or equivalent with respect to the coverage required under this Lease, (ii) contain a severability of interest clause or equivalent, (iii) provide that Landlord shall not by reason of its inclusion as an additional insured incur liability to any insurance carrier for payment of a premium for any such insurance, and (iv) provide that a written notice must be received by Landlord thirty (30) days prior to any cancellation, termination, alteration or material change of any such insurance which materially affects the insurance required to be provided hereunder. Within ten (10) days after the date of this Lease, and within ten (10) days prior to the expiration of any policy required to be maintained hereunder, Tenant shall provide Landlord with a certificate or other satisfactory evidence of the existence or renewal of said policy. Insurance required under this Lease may be carried under one or more blanket insurance policies. Such policies shall be primary as to any other insurance policies carried by Landlord.

(c) All policies shall contain the following waiver of subrogation endorsement: "It is stipulated that this insurance shall not be invalidated should the insured waive in writing prior to a loss any or all rights of recovery against any party for loss occurring to the property herein."

9.3 Inclusion of Mortgagee as Insured. Subject to the provisions hereinafter set forth in this section, the policies shall also provide, if required by either party hereto, for any loss to be payable to any Mortgagee as the respective interest of such party may appear, pursuant to a standard mortgagee clause or endorsement non-contributory to the interests of Landlord's lender or lenders. The loss shall be adjusted with the insurance companies by Landlord.

9.4 Right to Self-Insure. Notwithstanding Paragraph 9.2 above, Tenant shall have the right to self-insure with respect to general liability and property insurance required to be carried by Tenant, at any time that Tenant's net worth is at least \$1,000,000,000. In the event of any occurrence which would give rise to a payment of proceeds pursuant to Paragraph 9.2 above, an amount equal to such proceeds shall immediately be paid to Landlord or as Landlord otherwise directs. In no event shall any assignee or subtenant of Tenant have the right to self-insure in the manner provided in this Paragraph.

## 10. Damage or Destruction.

10.1 Right To Cancel. If the Premises or the Buildings are damaged by fire or other casualty, Tenant shall notify Landlord of the occurrence of such damage. Landlord shall notify Tenant within thirty (30) days after such notice.

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from Tenant whether in Landlord's opinion the necessary repairs would require (i) no more than ninety (90), (ii) more than ninety (90), but less than two hundred ten (210), or (iii) more than two hundred ten (210) days from the date of damage to complete. If such notice specifies that the repairs would require no more than ninety (90) days, then Landlord shall repair the same, and this Lease shall remain in full force and effect. If such notice specifies that the repairs would take more than ninety (90), but less than two hundred ten (210) days, Landlord shall, at its option exercised in such notice, elect either to repair such damage, in which case Landlord shall repair the same and this Lease shall continue in full force and effect, or to terminate this Lease as of the date specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of such notice, in which case this Lease shall terminate on the date specified in such notice. If such notice specifies that the repairs would require more than two hundred ten (210) days, Landlord, in such notice, or Tenant, by written notice given to Landlord within twenty (20) days after Landlord's notice, may elect to terminate this Lease as of the date specified in the notice making such election, which date of termination shall be not less than thirty (30) nor more than sixty (60) days after the date of the notice making such election, in which case this Lease shall terminate as of the date specified. If neither party elects to terminate this Lease, Landlord shall repair said damage and this Lease shall remain in full force and effect.

10.2 Failure To Repair. Notwithstanding the foregoing, Tenant shall have the right to terminate this Lease in the event that Landlord is obligated to make said repairs pursuant to Paragraph 10.1 and either (i) Landlord fails to commence said repairs within seventy-five (75) days of the date of damage, or (ii) Landlord fails to complete said repairs within ninety (90) days after the end of the time period specified by Landlord in its notice to Tenant required pursuant to Paragraph 10.1, plus in either case any period of time work on said repairs is prevented or suspended on account of a "force majeure," but as to clause (ii) in no event later than the end of the time period specified by Landlord in such notice plus one hundred eighty (180) days. The term "commence such repairs" as used in this Section 10 shall include, without limitation, the commencement of preparation of architect's or engineer's plans or drawings. The term "force majeure" as used in this Section 10 means any condition or matter beyond Landlord's reasonable control including, without limitation, fire, earthquake, governmental action or inaction, acts of God, accidents, breakage, repairs, strikes, lockouts or other labor disputes (including those involving a party to this Lease if such party has used all reasonable means to conclude the strike, lockout, or labor dispute short of conceding the party's position in the labor matter), or the inability to obtain an adequate supply of materials, fuel, water, electricity, labor or other supplies.

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10.3 Abatement. If such fire or other casualty damages the Premises or common areas of the Buildings necessary for Tenant's use and occupancy of the Premises, and, during the period the Premises or any part thereof are rendered unusable by such damage and the repair thereof, Tenant shall be entitled to a proportionate reduction of rent on account of such damage and repair, such proportionate reduction to be based upon the extent to which such damage and repair shall interfere with the business carried on by Tenant in the Premises; provided, however, Tenant shall not be entitled to any such reduction if such damage is the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees and the rental loss to Landlord of such reduction otherwise applicable hereunder is not covered by rental loss insurance carried by Landlord.

10.4 No Repair of Personal Property. Landlord shall not be obligated to repair any damage to, or to make any replacement of, Tenant's movable furniture, equipment, trade fixtures, and other personal property, nor any additions, alterations or improvements installed in the Premises by or for Tenant, and Tenant shall, at Tenant's sole cost and expense, repair and replace such alterations, additions, and improvements; all such repair and replacement of alterations, additions and improvements shall be treated as a work of alteration, addition or improvement by Tenant and all of the provisions of Paragraph 8.5 shall apply thereto.

10.5 Total Destruction. Notwithstanding anything herein to the contrary, a total destruction of the Buildings shall automatically terminate this Lease. Tenant hereby waives California Civil Code Sections 1932(2) and 1933(4) providing for termination of hiring upon destruction of the thing hired.

## 11. Mechanic's Liens.

11.1 Consent To Keep Premises Free Of Liens. Tenant covenants and agrees to keep all of the Premises and every part thereof free and clear of and from any and all mechanic's, materialmen's and other liens for work or labor done, services performed, materials, appliances, transportation or power contributed, used or furnished to be used in or about the Premises for or in connection with any operations of Tenant, any alterations, improvements, repairs or additions, which Tenant may make or permit or cause to be made pursuant to Section 8, or any work or construction by, for or permitted by Tenant on or about the Premises, and at all times Tenant shall promptly and fully pay and discharge any and all claims upon which any such lien may or could be based; and Tenant shall indemnify, save and hold Landlord and all of the Premises free and harmless of and from any and all such liens and claims of liens and suits or other proceedings pertaining thereto.

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11.2 Landlord's Title. No mechanic's or materialmen's liens or mortgages, deeds of trust, or other liens of any character whatsoever created or suffered by Tenant shall in any way or to any extent affect the interest or rights of Landlord in any buildings or other improvements on the Premises, or attach to or affect Landlord's title to or rights in the Premises.

11.3 Contest. Insofar as Tenant is responsible, Tenant shall have the right to contest any mechanic's lien or other lien claim filed against the Premises, provided that Tenant shall diligently prosecute any such contest, at all times effectually stay or prevent any official or judicial sale of the Premises under execution or otherwise, and pay or otherwise satisfy any final judgment adjudging or enforcing such contested lien and thereafter procure record satisfaction or release thereon.

12. Broker's Fee. Tenant represents that it has not engaged or dealt with any broker(s) with respect to this Lease and agrees to indemnify, and forever save and hold harmless and defend Landlord from and against claims by any broker claiming to have dealt with or been engaged by Tenant in connection with this Lease, options contained herein (if any) and renewals hereof. Landlord represents that it has not engaged or dealt with any broker with respect to this Lease and agrees to indemnify, and forever save and hold harmless and defend Tenant from and against claims by an broker claiming to have dealt with or been engaged by Landlord in connection with this Lease.

13. Assignment and Subletting.

13.1 Landlord's Consent Required. Tenant shall not voluntarily or by operation of law assign, sublet, transfer, mortgage or encumber all or any part of Tenant's interest in this Lease or in the Premises, without Landlord's prior written consent obtained in accordance with Paragraph 13.2 below, which Landlord shall not unreasonably withhold. In the event such consent is given, Tenant shall not allow the occupancy of the Premises by another without in each case entering into a sublease of space within the Premises for such occupancy pursuant to a form of sublease approved by Landlord and made expressly subject to this Lease. Upon the occurrence of a material default hereunder (as defined in Paragraph 14.1, below), in addition to any other remedies herein provided or provided by law, if the Premises or any part thereof are then assigned or sublet, Landlord may at its option collect directly from such assignee or subtenant all rents becoming due to Tenant under such assignment or sublease and apply such rent against any sums due to Landlord from Tenant hereunder, and no such collection shall be construed to constitute a novation or release of Tenant from the further performance of Tenant's

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obligations under this Lease or a recognition, attornment or agreement to allow occupancy beyond the period of time covered by any such payment collected by Landlord. Any purported sale, assignment, hypothecation or other encumbrance of Tenant's interest under this Lease, and any proposed subletting or occupancy of the Premises not in compliance with this Section 13 shall be void and shall confer no rights under this Lease upon any other party.

13.2 Tenant Affiliate. Notwithstanding the provisions of Paragraph 13.1, Tenant may assign or sublet the Premises, or any portion thereof, without Landlord's consent but with prior notice to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant as a going concern of the business that is being conducted on the Premises, provided that said assignee assumes, in full, the obligations of Tenant under this Lease.

13.3 No Release of Tenant. Regardless of Landlord's consent, no subletting or assignment shall release Tenant from Tenant's obligations or alter the primary liability of Tenant to pay the rent and to perform all other obligations to be performed by Tenant under this Lease. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease. Consent to one assignment or subletting shall not be deemed consent to subsequent assignment or subletting. In the event of default by any assignee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said assignee. Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with successors or assignees of Tenant, without notifying Tenant and without obtaining Tenant's consent thereto, and such action shall not relieve Tenant of liability under this Lease; provided, however that Tenant shall be relieved of liability under this Lease in the event of any material amendment or material modification of this Lease by Landlord and Tenant's successors or assignees for which Tenant's consent has not been obtained.

13.4 Landlord's Assignment. Landlord shall have the right to sell, transfer or assign any of its rights, obligations or interest under this Lease without Tenant's consent.

13.5 Landlord's Right to Consideration For Assignment and Portion of Subrents. In the event all or any portion of the Premises have been sublet with Landlord's consent pursuant to one or more subleases, then Landlord shall be entitled to fifty

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percent (50%) of the amount by which the aggregate rent paid and payable to Tenant or for Tenant's account pursuant to all such sublease(s) exceeds the amount of rent paid and payable to Landlord or others pursuant to this Lease for the period of each of such sublease(s). Such excess rent shall be paid monthly in addition to the rent and all other amounts to be paid to Landlord as herein provided. For purposes of this Paragraph 13.5, the rent paid and payable to Landlord by Tenant for any period for any portion of the Premises subleased by Tenant which constitutes less than all of the Premises, shall be an amount equal to the total rent payable to Landlord by Tenant for such period for the Premises pursuant to this Lease multiplied by a fraction, the numerator of which is the number of rentable square feet in the portion of the Premises subleased and the denominator of which is the number of rentable square feet in the Premises.

## 14. Defaults; Remedies.

14.1 Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The vacation or abandonment of the Premises by Tenant.

(b) The failure by Tenant to make any equal monthly payment pursuant to Paragraph 5.1, or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice of the failure from Landlord to Tenant.

(c) The failure by Tenant to observe or perform any of the non-monetary covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in Subparagraph 14.1(b), where: if a time for performance is expressly provided, and such failure shall exist after the time expressly provided; or if there is no express time provision, and such failure shall continue for a period of thirty (30) days after written notice of the failure from Landlord to Tenant; provided, however, that if the default is capable of being cured, but is not capable of being cured within said thirty (30) day period, Tenant shall not be deemed to be in default if such cure is commenced within said thirty (30) day period and Tenant diligently pursues the cure to completion.

(d) The making by Tenant of any general assignment, or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed

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within 60 days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

(e) The discovery by Landlord that any financial statement given to Landlord by Tenant, any assignee of Tenant if Pacific Gas & Electric Company is no longer liable as Tenant hereunder, any successor in interest of Tenant or any guarantor of Tenant's obligations hereunder, and any of them, was materially false.

14.2 Remedies. In the event of any material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand except as stated hereafter and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:

(a) Terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving notice of termination to Tenant shall terminate Tenant's right to possession. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant (1) the worth at the time of the award of the unpaid rent that had been earned at the time of termination of Tenant's right to possession of the Premises; (2) the worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination of Tenant's right to possession until the time of award exceeds the amount of the loss of rent for the same period that Tenant provides could have been reasonably avoided; (3) the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent for the same period that Tenant provides could have been reasonably avoided; and (4) any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default. "The worth at the time of the award," as used in (1) and (2) of this paragraph, is to be computed by allowing interest at the rate of ten percent (10%) per annum. "The worth at the time of the award," as referred to in (3) of this paragraph is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

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(b) Continue this Lease in full force and effect, and this Lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all reasonable costs Landlord incurs in reletting the Premises, including, without limitation, brokers' commissions, attorneys' fees, expenses of remodeling the Premises required by the reletting and like costs. Reletting can be for a period shorter or longer than the remaining term of this Lease. Tenant shall pay to Landlord the rent due under this Lease on the date the rent is due, less the rent Landlord receives from any reletting. No act by Landlord allowed by this paragraph shall terminate Tenant's right to possession of the Premises unless Landlord notifies Tenant that Landlord elects to terminate Tenant's right to possession. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent, Tenant shall have the right to assign or sublet its interest in this Lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.

(c) Cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord upon demand by Landlord, together with interest thereon at the rate of ten percent (10%) per annum from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

(d) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of California.

14.3 Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of the equal monthly payments due under Paragraph 5.1 will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord. Accordingly, if any installment of rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of

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such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

14.4 Failure of Tenant to Pay Claims. Should Tenant fail to pay or discharge or cause to be paid and discharged, at the time of times called for in this Lease, any claim (other than claims referred to in Paragraph 11.1), Imposition, insurance premium or other lien or charge required to be paid by Tenant under this Lease, or any claim for damages arising out of the repair, maintenance or use of the Premises or to satisfy any judgment rendered on any contested lien Landlord may, at its option but only after ten (10) days written notice to Tenant, pay such claim, Imposition, insurance premium, lien, or other charge, or settle or discharge any action therefor, or satisfy any judgment thereon. All costs, expenses, penalties and other sums incurred or paid by Landlord in connection therewith shall be paid to Landlord by Tenant upon demand together with interest thereon at the Interest Rate (as defined in Section 19) from the date incurred or paid by Landlord until repaid by Tenant, and any default in such repayment shall constitute a material default and breach of the covenants and conditions of this Lease. If Tenant desires in good faith to contest any such lien or claim and it so notifies Landlord of its intention to do so and (if Pacific Gas & Electric Company is not liable as Tenant under the Lease) furnishes to Landlord a surety bond in an amount equal to one and one-half the amount of such tested lien or claim indemnifying Landlord against liability for same within ten (10) days after such lien comes into existence or such claim is first made, as the case may be, Tenant shall not be in default hereunder and Landlord shall not satisfy such lien or claim until five days after the determination of the validity thereof.

14.5 Termination. It is expressly agreed that neither the taking of possession of the Premises nor the institution of any proceedings by way of unlawful detainer, ejectment, quiet title, or otherwise, to secure possession of the Premises, nor the re-entry by Landlord with or without the institution of such proceedings, nor the re-renting or subletting of the Premises, shall operate to terminate this Lease in whole or in part, nor of itself constitute an exercise of Landlord's option so to do, but only by the giving of the written notice clearly specifying termination shall such termination be effected.

14.6 Waiver. If Landlord fails or neglects to take advantage of any of the terms hereof, or if Landlord, having the right to declare this Lease terminated shall fail so to do, any such failure or neglect of Landlord shall not be a waiver of any provision for the termination of this Lease continuing to exist or subsequently arising or as a waiver of any of the covenants,

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terms or conditions of this Lease or of the prompt performance thereof by Tenant. None of the covenants, terms or conditions of this Lease can be waived except by the written consent of the party entitled to the benefits thereof.

## 15. Condemnation.

15.1 Total Takings. In the event of the taking or condemnation by any competent authority for any public or quasi-public use or purpose of the whole or materially all of the Premises (i.e., more than 25% of the Land or more than 15% of the Buildings) at any time during the term of this Lease, this Lease shall terminate upon vesting of title in condemnor or the taking of possession by condemnor, whichever first occurs, and Landlord shall be entitled to the entire award (the "Award") for said taking or condemnation or any payment made under threat or the exercise of such power whether such Award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages, other than that portion of the Award expressly allocated for Tenant's trade fixtures, furnishings and equipment and Tenant's relocation costs.

## 15.2 Partial Taking.

(a) Except as below provided in Subparagraph 15.2(c), in the event of a partial taking or condemnation (i.e., a taking or condemnation of less than materially all of the Premises), this Lease shall nevertheless continue in full force and effect as to the portion of the Premises remaining, except that the fixed monthly rental to be paid by Tenant shall thereafter be reduced commencing with the first rent payment date following the date of the payment of the Award in the proportion that the floor area of the Premises taken bears to the total floor area of the Premises prior to the taking.

In the event the award is not determined and paid to Landlord as of the date of such taking, Tenant shall continue to pay the fixed monthly rental required hereunder prior to such taking until the Award is paid to Landlord. After payment of the Award to Landlord, Landlord shall reimburse Tenant on demand for that portion of the aggregate fixed monthly rental paid by Tenant subsequent to the taking which would have been abated if the Award had been determined and paid as of the date of the taking.

(b) If the portion of the Premises taken does not have a building or parking stalls located thereon, or is subterranean or aerial, then Tenant shall not be entitled to any reduction of the fixed monthly rental.

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(c) In the event of a partial taking, Landlord shall promptly repair and restore the Premises to a complete architectural unit, and Landlord shall be entitled to the entire Award whether such Award shall be made as compensation for ~~diminution in value of the leasehold or for the taking of the fee, or as severance damages~~; provided, however, that portion of the Award representing the value of the improvements shall be deposited by Landlord with a Depository under Paragraph 9.11 to be used for the purpose of repairing and restoring the improvements as herein provided. Landlord shall undertake the work of repair and restoration as soon as reasonably practicable and if the portion of the Award representing the value of the improvements is insufficient, Landlord shall make such repairs and restoration.

(d) In the event that such partial taking or condemnation results in rendering the remaining part of the Premises unsuitable for the purposes for which the Buildings were designed, then Tenant, at its option, upon (30) days prior written notice to Landlord given no later than sixty (60) days following the vesting of title in the condemnor or the taking of possession by said condemnor, may cancel and terminate this Lease. In such event, the rental and other charges hereunder shall be apportioned as of the date of the termination and Landlord shall be discharged from responsibility to restore the Premises. In the circumstances of any such termination, Landlord shall be entitled to the entire award for said taking or condemnation other than that portion of the award expressly allocated for Tenant's trade fixtures, furnishings and equipment and Tenant's relocation costs.

15.3 Controversies to be Resolved by Arbitration. In the event that there be any controversy under this Section as to whether there has been a taking of materially all of the Premises, or as to whether a partial taking or condemnation has rendered the remaining part of the Premises unsuitable for the purposes for which the Buildings were designed, the controversy shall be resolved by arbitration as provided in Section 41 hereof.

15.4 Temporary Taking. If the whole or any part of the Premises or of Tenant's interest under this Lease be taken or condemned by any competent authority for its or their temporary use or occupancy, this Lease shall not terminate by reason thereof and Tenant shall continue to pay, in the manner and at the time herein specified, the full amount of the fixed monthly rent and other charges payable by Tenant hereunder, and except only to the extent that Tenant may be prevented from so doing by the terms of the order of the condemning authority, to perform and observe all of the other terms, covenants, conditions and obligations thereof on the part of the Tenant to be performed and observed, as though such taking or condemnation

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had not occurred. In the event of any such temporary taking, or condemnation, Tenant shall be entitled to receive the entire amount of the award made for such taking, whether paid by way of damages, rent or otherwise, unless such period of temporary use or occupancy shall extend to or beyond the expiration of the term of this Lease, in which case such award shall be apportioned between Landlord and Tenant as of the date of expiration of the term of this Lease, but Landlord shall in that circumstance receive the entire portion of the award that is attributable to physical damage to the Premises and any improvements thereon and to the restoration thereof to the condition existing immediately prior to the taking or condemnation.

## 16. Estoppel Certificate.

16.1 Tenant shall at any time, upon not less than thirty (30) days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statements may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are not uncured defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance, and such failure may be considered by Landlord a default by Tenant under this Lease.

16.2 If Landlord desires to finance or refinance the Premises, or any part hereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statement of Tenant as may be reasonably required by such lender, provided Tenant need not have a new audit performed in order to comply with this Paragraph 16.2. Tenant's audited annual report with all available quarterly statements (unaudited) shall satisfy its obligations hereunder. Such statements shall include Tenant's financial statements or annual reports for the three years preceding the then current year if required by said lender. All such financial statements shall be used only for the purposes herein set forth.

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17. Landlord's Liability. In the event of any bonafide sale, conveyance, transfer or assignment of Landlord's interest in this Lease, the Landlord herein named (and in case of any subsequent transfer, sale, conveyance or assignment, the then transferor or assignor), except as hereinafter provided, shall be automatically freed and relieved from and after the date of such sale, conveyance, transfer or assignment of all personal liability for the performance of any covenants and obligations on the part of the Landlord contained in this Lease thereafter to be performed; provided, however, that any funds in the hands of such Landlord (or the then vendor, conveyancer, transferor or assignor) at the time of such sale, conveyance, transfer or assignment, in which Tenant has an interest shall be turned over to the vendee, conveyee, transferee or assignee, and any amount then due and payable to Tenant by Landlord (or the then vendor, conveyancer, transferor or assignor) under any of the provisions of this Lease shall be paid to Tenant; and further provided that Landlord's representations and warranties set forth in Paragraph 3.6 shall survive any such transfer, sale, conveyance, or assignment.

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

19. Interest on Past-Due Obligations. Except as expressly herein provided, any amount due Landlord not paid when due shall bear interest at a per annum rate equal to the lesser of 250 basis points over the cost of funds charged by the 11th District Federal Home Loan Bank, as that rate shall vary, or the maximum rate allowed by applicable law (the "Interest Rate"). Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

20. Time of Essence. Time is of the essence.

21. Captions. The captions of the paragraphs and sections of this Lease are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

22. Incorporation of Prior Agreements; Amendments. Except for the Construction Agreement, this Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of modification. Except as otherwise stated in this Lease, Tenant hereby acknowledges that neither Landlord nor any employees or agents of any said persons has made any oral or written warranties or representations to Tenant relating to the condition or use by Tenant of the Premises.

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23. Notices. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by registered or certified mail, return receipt requested, postage prepaid, and if given personally or by mail, shall be deemed sufficiently given if addressed to Tenant or to Landlord at the address noted below the signature of the respective parties, as the case may be. Either party may by notice to the other specify a different address for notice purposes. A copy of all notices required or permitted to be given to Landlord hereunder shall be concurrently transmitted to such party or parties at such addresses as Landlord may from time to time hereinafter designate by Notice to Tenant.

24. Waivers. No waiver by either party hereto of any provision hereof shall be deemed a waiver of any other provision thereof or of any subsequent breach by the other party of the same or any other provision. Landlord's or Tenant's consent to or approval of any act by the other shall not be deemed to render unnecessary the obtaining of subsequent consent to or approval of any subsequent act. The acceptance of rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant of any provision hereof other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No payment by Tenant or receipt by Landlord of a lesser amount than any rent payment specified herein shall be deemed to be other than on account of rent, nor shall any endorsement or statement on any check or any letter accompanying any check or statement as rent be deemed loan accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of rent or pursue any other remedy provided for in this Lease.

25. Recording. Tenant shall not record this Lease without Landlord's prior written consent, and such unpermitted recording shall, at the option of Landlord, constitute a non-curable default of Tenant hereunder.

26. Holding Over. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Landlord, such occupancy shall be a tenancy from month to month with monthly rental payable by Tenant in the amount of 150% of the last full equal monthly payment due within the term of this Lease pursuant to Paragraph 5.1, plus all other charges payable hereunder, and upon all the terms hereof applicable to a month-to-month tenancy.

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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. Intentionally Deleted.

29. Binding Effect. Subject to any provisions hereof restricting assignment or subletting by Tenant and subject to the provisions of Section 17, this Lease shall bind the parties, their personal representatives, successors and assigns.

30. Choice of Law. All questions with respect to, related to or concerning this Lease and Tenant's use of the Premises shall be governed by, and decided in accordance with, the laws of the State of California. Any litigation or action with respect to, related to, or concerning this Lease and Tenant's use of the Premises shall be conducted only in the California courts. Tenant agrees to submit to the jurisdiction of the California courts in the event of any court action with respect to, related to, or concerning this Lease and Tenant's use of the Premises.

31. Attornment. Tenant agrees, upon demand by Landlord, to attorn to any purchaser at any foreclosure sale, or to any grantee or transferee designated in any deed given in lieu of foreclosure. Tenant also agrees to cause any subtenant or assignee of Tenant to attorn to Landlord or to any purchaser at any foreclosure sale, or to any grantee or transferee designated in any deed given in lieu of foreclosure.

32. Subordination. Tenant agrees that in the event any mortgage or deed of trust on the Premises, or Tenant's interest therein, or any part thereof, is executed by Landlord or any of Landlord's successors or assigns in favor of any lender, Tenant will, within thirty (30) days after written demand from Landlord or the mortgagee under any such mortgage or the beneficiary of any such deed of trust, subordinate this Lease to the lien of said mortgage or deed of trust, and to any replacements, renewals or extensions thereof, and upon receipt of such demand Tenant will promptly execute and deliver any customary instruments, releases or other documents that may be required by the mortgagee or beneficiary for the purpose of effecting such subordination. A mortgage or deed of trust to which this Lease may be subordinated shall include a provision to the effect that, notwithstanding such subordination, the mortgagee agrees that so long as Tenant faithfully discharges all obligations on its part to be kept and performed under this Lease, its tenancy will not be affected by any default under such mortgage or deed of trust, and in the event of foreclosure or sale under power of sale, the rights of Tenant under this Lease shall survive and this Lease shall in all respects continue in full force and effect provided that Tenant fully performs all of its obligations thereunder.

# EXHIBIT "E"

33. Attorneys' Fees. If either Landlord or Tenant commences or engages in an action by or against the other party arising out of or in connection with this Lease or the Premises, including but not limited to any action for recovery of rental due and unpaid, to recover possession or for damages for breach of this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and other costs incurred in the action and in preparation for said action.

34. Landlord's Access.

34.1 Tenant shall permit Landlord and the authorized representatives of Landlord to enter any and all areas of the Premises during normal business hours for the purpose of serving or posting or keeping posted thereon any notices contemplated by the laws of the State of California, or which Landlord may deem necessary or appropriate for the protection of Landlord or its interests; for the purpose of inspecting the Premises and ascertaining if they are in good condition and repair; for the purpose of performing any work therein that Landlord may reasonably deem necessary to prevent waste, loss, damage or deterioration to the Premises, or which Landlord is permitted to perform under the terms of this Lease; for the purpose of performing any act which Tenant is required to perform or cause to be performed under any provisions of this Lease and which Tenant has failed to perform or cause to be performed; and for the purpose of exhibiting the Premises to prospective lenders, purchasers or tenants.

34.2 Landlord shall have the right to enter the Premises at any time in the event of an emergency requiring immediate entry in order to prevent damage or injury (or further damage or injury) to persons or property; provided, however, that in no event shall Landlord enter into any area which has been designated by Tenant as a security area unless (i) Landlord has received Tenant's written permission to do so, or (ii) in the good faith opinion of Landlord such area has been, or is being, threatened with damage or destruction.

34.3 Nothing herein contained shall be construed as requiring Landlord to perform any work not expressly required by Section 3 of this Lease.

35. Signs. Tenant shall not place any exterior sign whatsoever upon the Premises without Landlord's prior written consent, except those identified on Exhibit "D." Landlord will not unreasonably withhold its consent to any corporate identification sign.

## EXHIBIT "E"

36. Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, or a termination by Landlord, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

37. Authority. Each individual executing this Lease on behalf of Tenant or Landlord represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of Tenant or Landlord in accordance with a duly adopted resolution of Tenant's or Landlord's Board of Directors or in accordance with Tenant's or Landlord's Bylaws, and that this Lease is binding upon Tenant or Landlord as the case may be in accordance with its terms.

38. Consents. Except as specifically provided herein, wherever in this Lease the consent of one party is required to an act of the other party, such consent may be made subject to such reasonable conditions as the consenting party deems appropriate. Except as otherwise provided herein and in emergency situations, the consenting party shall have thirty (30) days from receipt of the request for consent to respond thereto.

39. Quiet Possession. Upon Tenant paying the rental reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof subject to all the provisions of this Lease.

40. Non-Discrimination. Tenant herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it, and this Lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, handicap, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises herein leased, nor shall Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, or tenants, subtenants, or vendees in the Premises.

41. Arbitration. If any controversy shall arise between the parties with respect to any matter set forth in this Lease where arbitration is specifically required and such dispute shall not be resolved by the parties within thirty (30) days after either of the parties shall notify the other of its desire

# EXHIBIT "E"

to arbitrate the dispute, then the dispute shall be settled by arbitration in accordance with the provisions of Title 9 of the Code of Civil Procedure of California and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. The arbitration shall be by a panel of three (3) arbitrators, one of whom must be an attorney at law actively engaged in the practice of his profession for at least ten (10) years. The arbitrators shall have no power to modify any of the provisions hereof and their jurisdiction is limited accordingly. Each party hereby consents to the entry of judgment by any court having jurisdiction in accordance with the decision of the arbitration panel. No change in the rules of arbitration which would deprive a party of the right to be represented by counsel, to present evidence, or to cross-examine witnesses presented by the other party shall be effective in any arbitration proceeding arising out of this agreement. Nothing contained in this Section 41 shall prevent any party from exercising those rights granted in Section 14 hereof.

42. Reservation of Minerals. There is reserved to the Landlord the title and exclusive right to all of the minerals and mineral ores of every kind and character now known to exist or hereafter discovered upon, within or underlying the Premises, or that may be produced therefrom, including, without limiting the generality of the foregoing, all petroleum, oil, natural gas and other hydrocarbon substances and products derived therefrom and all geothermal steam or brines which may be produced or derived therefrom, together with the exclusive and perpetual right thereto, without, however, the right to use or penetrate the surface of, or to enter upon the Premises within five hundred (500) feet of the surface thereof, to extricate or remove the same.

43. Computation of Time. The time in which any act provided by this Lease is to be done is computed by excluding the first day and including the last unless the last day is a Saturday, Sunday or holiday, and then it is also excluded.

44. Interpretation and Definition. The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not strictly for or against Landlord or Tenant. Unless otherwise provided in this Lease, or unless the context otherwise requires, the following definitions and rules of construction shall apply to this Lease:

44.1 Number and Gender: In this Lease the neuter gender includes the feminine and masculine, and the singular number includes plural and the word "person" includes corporation, partnership, firm or association wherever the context so requires.

# EXHIBIT "E"

44.2 Mandatory and Permissive: "Shall," "will," and "agree" are mandatory, "may" is permissive.

44.3 Subtenant: As used herein, the word "sublessee" shall mean and include, in addition to a sublessee and a subtenant, a licensee, concessionaire, or other occupant or user of any portion of the Premises or Buildings or improvements thereon.

44.4 Undertaking: Wherever reference is made in this Lease to an engagement by Tenant to perform a certain undertaking it shall mean that as to that undertaking or engagement, that Tenant has covenanted for its performance, and the expression "Undertaking", "Undertakes", "Engages", or "Engagement" shall be so construed in each instance.

44.5 Mortgage: The term "Mortgage" means a mortgage of Landlord's interest and includes a Deed of Trust conveying Landlord's interest under this Lease as security.

44.6 Mortgagee: The term "Mortgagee" means the holder of a Mortgage.

45. Exhibits. Exhibit A, B, C and D have been identified in the margins thereof by the initials of Landlord and Tenant and are made a part hereof by this reference.

46. Security Measures. Tenant hereby acknowledges that Landlord shall have no obligation whatsoever to provide guard service or other security measures for the benefit of the Premises or the Buildings. Tenant assumes all responsibility for the protection of Tenant, its agents, invitees and the property of Tenant, and of Tenant's agents and invitees from acts of third parties. Nothing herein contained shall prevent Landlord at Landlord's sole option, from providing security protection for the Buildings or any part thereof.

47. Lender Modification. Tenant hereby agrees to make such reasonable modifications to this Lease as may be required by Landlord's lender in connection with Landlord's obtaining financing or refinancing of the Premises.

48. Tenant's Option to Purchase Premises.

48.1 Timing and Price of Options. Tenant shall have the following options to purchase the Premises:

(a) By giving Landlord written notice on or before April 1, 1989, Tenant shall have the option to purchase the Premises for the amount of \$15,337,000.00.

# EXHIBIT "E"

(b) By giving Landlord written notice on or before September 15, 1994, Tenant shall have the option to purchase the Premises for a purchase price equal to the then fair market value of the Premises, but not less than \$13,650,000.00, plus any Prepayment Penalty up to a maximum of 4% of the Purchase Price.

(c) By giving Landlord written notice on or before September 15, 1999, Tenant shall have the option to purchase the Premises for a purchase price equal to the then fair market value of the Premises, but not less than \$14,059,500.00.

(d) By giving Landlord written notice on or before September 15, 2004, Tenant shall have the right to purchase the Premises for a purchase price equal to the then fair market value of the Premises, but not less than \$14,059,500.00.

(e) If Tenant has previously and timely exercised the next occurring renewal term, by giving Landlord written notice on or before the date which is 120 days prior to the expiration of the initial term or any extension term then in effect, Tenant shall have the right to purchase the Premises for a purchase price equal to the then fair market value of the Premises.

48.2 Conditions of Sale. In the event that Tenant elects to purchase the Premises under any of the rights contained in this Section 48, the following shall apply:

(a) Any purchase must be consummated within 120 days after Tenant's notice of exercise, provided, if the first option described in subparagraph 48.1(a) is exercised, the purchase shall close on the date 35 days after Landlord records a notice of completion for the construction of the Premises. Notwithstanding the preceding sentence, however, Landlord may elect to delay consummation of any such sale by up to 150 days by giving Tenant written notice at least 30 days prior to the otherwise scheduled closing date, provided such delay shall not have a material adverse effect on Tenant's budgetary constraints.

(b) The purchase price shall be payable in cash or by the wire transfer or immediately available funds on closing.

# EXHIBIT "E"

(c) The purchase shall be consummated pursuant to an escrow established with an escrow holder selected by Tenant, subject to Landlord's reasonable approval. Each party shall execute escrow instructions, including the escrow holder's general provisions, consistent with the provisions of this Section 48.

(d) Landlord shall pay for the cost of a CLTA policy of title insurance, which shall indicate on the closing that Tenant has fee simple title to the Land and the improvements thereon, subject to all matters or record which do not materially and adversely affect Tenant's use of the Premises as they have been used prior to such purchase. Landlord shall not be obligated to remove any easements, covenants and conditions, or similar encumbrance which have been put on the Land in the ordinary course of business and which do not interfere with the use of the Premises as contemplated by this Lease.

(e) Tenant shall cooperate if Landlord elects to implement the transfer of the Premises through a tax-deferred exchange, provided such exchange is at no additional cost to Tenant.

(f) If the parties are unable to agree on the fair market value of the Premises within 30 days after Tenant's notice of option exercise to Landlord, fair market value shall be determined by the following appraisal process. Each party may initiate the appraisal procedure by sending a written notice to the other party, such notice containing the name of an appraiser appointed by the party giving notice. The party receiving notice shall have thirty (30) days to appoint an appraiser by giving written notice thereof to the other party, and the appraiser so appointed shall determine the fair market value for the Premises in question. "Fair market value" shall mean the most probable price in cash for which the Premises will sell for within the defined market under all conditions requisite to fair sale; "defined market" shall mean similar office buildings within the greater Fresno area which enjoy comparable amenities and locational attributes. All appointed appraisers must be independent M.A.I. appraisers with at least ten (10) years of experience as appraisers generally and shall have at least three (3) years experience in the Fresno area. If the higher appraisal is not more than 110% of the lower appraisal, then the fair market value shall be the average of the two appraised fair market values. If the higher appraisal is more than 110% of the lower appraisal, then the two appraisers shall select a third appraiser to determine the fair

# EXHIBIT "E"

market value. If any two appraisers agree on the fair market value, such value shall be the fair market value. If no two appraisers agree, then the fair market value shall be the average of the three appraised values. If a party fails to timely appoint a qualified appraiser, the qualified appraiser timely appointed shall determine the fair market value alone. Each party shall pay all of the costs of the appraiser appointed by such party and one-half the cost of the third appraiser, if any. In any event, the appraisers timely appointed shall have sixty (60) days to complete the appraisal process and arrive at a fair market value.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first set forth above.

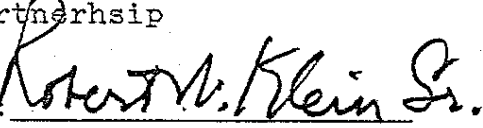
Landlord:

Tenant:


Klein/Watt Partnership  
a California limited  
partnership

Pacific Gas & Electric Company,  
a California corporation

By:

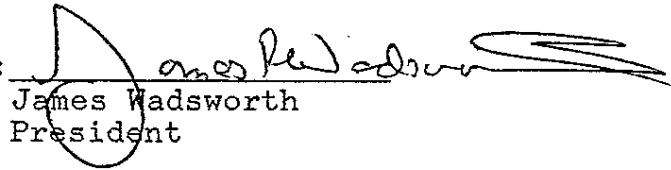
  
Robert Klein, Sr.,  
General Partner

By:

  
Gary L. Fairbanks  
Manager of General Services,  
San Joaquin Valley Region

By: Watt Investments Properties,  
Inc., General Partner

By:

  
James Wadsworth  
President

# EXHIBIT "E"

market value. If any two appraisers agree on the fair market value, such value shall be the fair market value. If no two appraisers agree, then the fair market value shall be the average of the three appraised values. If a party fails to timely appoint a qualified appraiser, the qualified appraiser timely appointed shall determine the fair market value alone. Each party shall pay all of the costs of the appraiser appointed by such party and one-half the cost of the third appraiser, if any. In any event, the appraisers timely appointed shall have sixty (60) days to complete the appraisal process and arrive at a fair market value.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first set forth above.

Landlord:

Klein/Watt Partnership  
a California limited  
partnership

By:

Robert N. Klein Sr.  
Robert Klein, Sr.,  
General Partner

Tenant:

Pacific Gas & Electric Company,  
a California corporation

By:

Gary L. Fairbanks  
Gary L. Fairbanks  
Manager of General Services,  
San Joaquin Valley Region

By: Watt Investments Properties,  
Inc., General Partner

By:

James R. Wadsworth  
James Wadsworth  
President

APPROVED BY LAW DEPARTMENT

Charles W. Thissell  
Charles W. Thissell

-33-

P.G. & E. CO.  
COPY

E-37

# EXHIBIT "E"

Address:

Watt Investment Properties, Inc.  
P.O. Box 2114  
2716 Ocean Park Blvd.  
Santa Monica, CA 90406  
Attention: James Wadsworth

Address:

Pacific Gas & Electric Company  
1401 Fulton Street  
Fresno, CA 93760  
Attention: C. R. McClue

Lane and Edson  
2029 Century Park East  
Suite 1200  
Los Angeles, CA 90067  
Attn: Matthew C. Fragner, Esq.

Watt Industries, Inc.  
P.O. Box 2114  
2716 Ocean Park Blvd.  
Santa Monica, CA 90406  
Attn: General Counsel

# EXHIBIT "E"

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## Exhibits

- A. Legal Description
- B. Plot Plan
- C. Landlord's Service Schedule
- D. Sign Criteria

# EXHIBIT "E"

## EXHIBIT A

### Legal Description

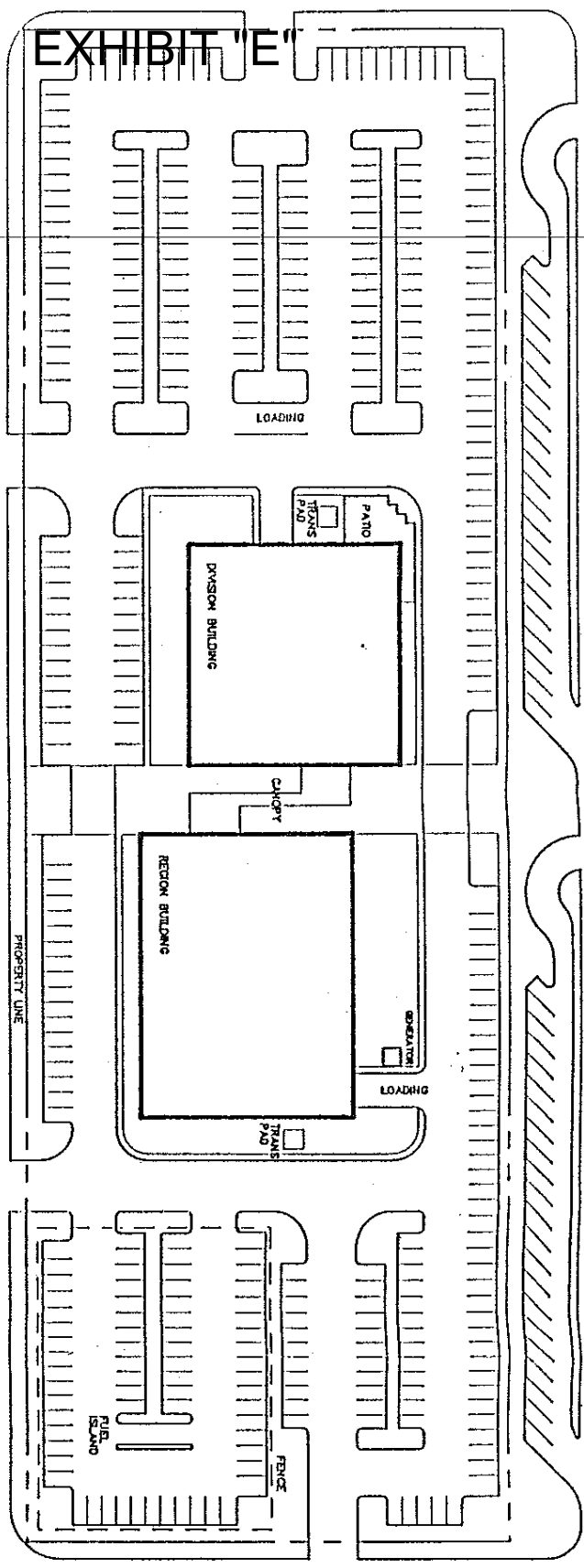
The area in Fresno County bounded by Ventura, P, O and Inyo Streets (as conveyed to Landlord by the Fresno Redevelopment Agency), subject to dedications for public use as shown on Exhibit B. The actual legal description shall be attached immediately after Landlord obtains fee title to the Land.

P STREET

MONO

# EXHIBIT "E"

O STREET



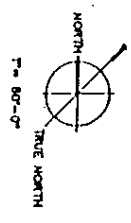
VENTURA

## E-41

REGION OFFICES

SITE PLAN

EXHIBIT B - PLOT PLAN



(11/17/87)

**SERVICE SCHEDULE**  
for  
**PROPOSED PG&E REGIONAL & DIVISIONAL OFFICE BUILDINGS**  
**FRESNO, CALIFORNIA**

<u>DESCRIPTION OF WORK</u>	<u>FREQUENCY OF SERVICE</u>
1. Window Washing (interior/exterior)	1 time / year
2. Elevator Maintenance	1 time / month
3. Landscape Maintenance	1 time / 2 weeks
4. Asphalt Sealing	1 time/ 5 years
5. H.V.A.C.	1 time / month
6. Lighting Ballast Maintenance	
(i) Replace lamps	4 times / year
(ii) Dust and wash fixtures	4 times / year
7. Parking Lot Sweeping	2 times / year
8. Janitorial Service	
A. Floor Areas	
(i) Sweep and/or dust mop	3 times / week
(ii) Sweep concrete floors (in stairwell area)	As needed
(iii) Vacuum carpets - traffic areas	3 times / week
(iv) Vacuum carpets - all areas	3 times / week
B. General Cleaning	
(i) Dust furniture	2 times / week
(ii) Clean telephones	1 time / week
(iii) Clean drinking fountains and sinks	5 times / week
(iv) Empty waste baskets	5 times / week
(v) Wash waste baskets	1 time / week
(vi) Clean ash trays	5 times / week
(vii) Clean vertical surfaces	4 times / year
(viii) Clean blackboards	1 time / week
C. Toilet Areas	
(i) Clean and disinfect floors	5 times / week
(ii) Clean fixtures	5 times / week
(iii) Acid clean fixtures	1 time / week
(iv) Clean partitions and walls	5 times / week

# EXHIBIT "E"

## SERVICE SCHEDULE

FG&E

Page 2

- |        |   |                      |
|--------|---|----------------------|
| (v)    | Clean urinal partitions   | 5 times / week       |
| (vi)   | Refill dispensers   | 5 times / week       |
| (vii)  | Empty receptacles   | As needed            |
| (viii) | Clean receptacles   | 5 times / week       |
| D.     | Glass Cleaning  |                      |
| (i)    | Entry   | 5 times / week       |
| (ii)   | Frontage  | 1 time / week        |
| E.     | Dusting   |                      |
| (i)    | Partitions, ledges,<br>and baseboards                             | 2 times / week       |
| (ii)   | Blinds, grills  | 4 times / year       |
| (iii)  | High dusting  | 4 times / year       |
| F.     | Shampooing  |                      |
| (i)    | Spot clean carpets  | Minimally, as needed |
| (ii)   | Walk-off mats   | Minimally, as needed |
| G.     | General Cleaning Exterior   | 5 times / week       |
| (i)    | Clean entry doors and<br>windows on either side<br>of entry doors |                      |

# EXHIBIT "E"

## EXHIBIT D

### Sign Criteria

1. Tenant shall have the right to two (2) signs to be attached to the exterior of the Buildings (one sign per each Building), and one monument sign for each vehicular driveway providing access from the Premises to four (4) public streets.
2. All signs shall be subject to Landlord's prior consent to ensure architectural compatibility with the Buildings, and shall further comply with the rules, regulations and decisions of all governmental agencies having jurisdiction.

# EXHIBIT "E"

Revised Exhibit "C"  
SERVICE SCHEDULE  
for  
PG&E REGIONAL & DIVISIONAL OFFICE BUILDINGS  
FRESNO, CALIFORNIA

<u>DESCRIPTION OF WORK</u>		<u>FREQUENCY OF SERVICE</u>
1. Window Washing (interior/exterior)		2 times/year
2. Elevator Maintenance Emergency Service	(1)	1 time/month (2hr. response min.)
3. a) Landscape Maintenance b) Irrigation System (adjustments and repairs) c) Clean, sweep & maintain sidewalks		1 time/2 weeks as needed as needed
4. Asphalt Sealing		1 time/5 years
5. H.V.A.C. Emergency Service	(2)	1 time/month (2hr. response min.)
6. Lighting Ballast Maintenance i) Replace lamps ii) Dust and wash fixtures		as needed as needed
7. Parking Lot Sweeping		4 times/year
8. JANITORIAL SERVICE		
A. Floor Areas		
(i) Sweep and damp mop ceramic tile floors		5 times/week
(ii) Sweep floors in stair- well area		as needed
(iii) Vacuum carpets - traffic areas		5 times/week
(iv) Vacuum carpets/all areas		3 times/week
(v) Vacuum carpets - executive suite and seven managers offices		5 times/week
(vi) Buff and remove marks		as needed
(vii) Scrub and wax		as needed
(viii) Damp mop vinyl composition floors		as needed

Notes:

1. Elevator not working with someone trapped inside
2. Total failure of entire unit

# EXHIBIT "E"

Page 2  
Revised Exhibit "C"  
Service Schedule  
PG&E

## B. General Cleaning

(i)	a) Dust furniture	1 time/week	
	b) Dust furniture in executive suite	5 times/week	
(ii)	Clean telephone	1 time/week	
(iii)	Clean drinking fountains and sinks	5 times/week	
(iv)	Empty waste baskets	5 times/week	
(v)	Wash waste baskets	as needed	
(vi)	Clean ash trays	5 times/week	
(vii)	a) Clean vertical surfaces	6 times/year	
	b) spot clean	as needed	
(viii)	a) Clean furniture	1 time/month	
	b) spot clean	as needed	
	c) Clean conference room furniture	as needed	
(ix)	Clean customer services lobby tables & counters	5 times/week	
(x)	Clean breakroom and lunch room counters & fixtures	5 times/week	
(xi)	Fill towel dispensers	5 times/week	(3)
(xii)	Clean metal and wood surfaces on elevators (interior and exterior)	5 times/week	

## C. Toilet Areas

(i)	Clean and disinfect floors	5 times/week	
(ii)	Clean fixtures	5 times/week	
(iii)	Acid clean fixtures	1 time/week	
(iv)	Clean partitions and walls	5 times/week	
(v)	Clean toilet partitions	5 times/week	
(vi)	Refill dispensers	5 times/week	
(vii)	Empty receptacles	5 times/week	
(viii)	Clean receptacles	5 times/week	
(ix)	Clean mirrors	5 times/week	

## D. Glass Cleaning

(i)	Entry	5 times/week	
(ii)	Frontage	see G. (i)	

### Notes:

3. Supplies to be provided by PG&E

# EXHIBIT "E"

Page 3  
Revised Exhibit "C"  
Service Schedule  
PG&E

## E. Dusting

- (i) Partitions, ledges and baseboards 2 times/week
- (ii) Blinds, grills 4 times/year
- (iii) High dusting 4 times/year

## F. Carpet Service

- (i) Spot clean carpets as needed
- (ii) Vacuum walk-off mats 5 times/week
- (iii) Steam clean specified carpeted areas a) High traffic 1 time/1 year  
b) Traffic areas 1 time/2 years
- (iv) All areas - Steam clean 1 time/5 years

## G. General cleaning - exterior

- (i) Clean entry doors and windows on either side of entry doors (store front) 5 times/week
- (ii) Wash concrete and ceramic tile in breezeway and outdoor break area 1 time/week
- (iii) Empty outdoor ashtrays 5 times/week
- (iv) Clean patio area furniture 1 time/week
- (v) Empty outdoor trash receptacles 5 times/week
- (vi) Clean trash receptacles as needed

## H. 3rd Floor Regional V.P. Area

- (i) Elevator Lobby
  - A. Dust Vertical surfaces as needed nightly
    - 1. Oak Paneling
    - 2. Doors to Suites
    - 3. Elevator Chrome Trim
- (ii) Conference Room (300) - nightly
  - A. Wipe top nightly
  - B. Check fabric chairs for dust and food
  - C. Wipe coffee counter
  - D. Clean coffee maker and pots
- (iii) V.P.'s Private Kitchen - nightly
  - A. Clean coffee maker and pots
  - B. Wash coffee cups
  - C. Wash counter & sink

# EXHIBIT "E"

Page 4  
Revised Exhibit "C"  
Service Schedule  
PG&E

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- (iv) Walnut paneling (V.P.'s Private Office & Conference)
  - A. Wipe wall panels nightly with dust cloth
  - B. Wipe furniture nightly with dust cloth

FIRST AMENDMENT OF LEASE

AND

CERTIFICATE OF TERM COMMENCEMENT

DATED AS OF AUGUST 7, 1989

Klein/Watt Partnership, a California limited partnership ("Landlord"), and Pacific Gas & Electric Company, a California corporation ("Tenant"), hereby execute this First Amendment and Certificate as required under the terms of Paragraph 4.1 of that certain lease between Landlord and Tenant dated as of March 24, 1988 (the "Lease") with respect to certain premises located in the City of Fresno, County of Fresno, State of California, more particularly described in the Lease.

Capitalized terms shall have the same meaning as defined in the Lease unless specifically set forth otherwise in this Certificate.

1. Parties. Landlord shall be changed from "Klein/Watt Partnership, a California limited partnership" to "Watt Fresno Associates I Limited Partnership, a California limited partnership."

2. Commencement Date and Rent Commencement. Landlord and Tenant certify and agree that the Commencement Date occurred on June 1, 1989. The parties have agreed that June 1, 1989 shall be the rent commencement date for all floors.

3. Square Footage. The exact square footage of the Premises is 102,580 square feet allocated among floors as follows:

<u>Region Building</u>		<u>Division Building</u>	
1	19,387	1	14,529
2	19,594	2	14,738
3	<u>19,594</u>	3	<u>14,738</u>
	58,575		44,005
Grand Total		102,580	

4. Monthly Fixed Rental. The new monthly Rental Rate including the Amortization of Contingency Amounts of \$6,755.15 and additional maintenance costs of \$361.67 and additional Janitorial costs of \$1,538.70 shall be as follows:

Months	Rental Payment Per Month	
1 - 3	6,748.37	\$121,062.68
4 - 12	9,515.00	122,601.38
13 - 24	6,170 - 5,791	123,539.07
25 - 36	6,191 - 5,192	124,131.03
37 - 48	6,152 - 5,192	124,633.82
49 - 60	6,193 - 5,194	125,232.23
61 - 72	6,194 - 5,195	143,877.88
73 - 84	6,195 - 5,196	144,821.77
85 - 96	6,196 - 5,197	145,943.76
97 - 108	6,197 - 5,198	146,987.52
109 - 120	6,198 - 5,199	148,199.42
121 - 132	6,199 - 5,100	169,254.45
133 - 144		170,905.67
145 - 156	6,101 - 5,102	172,725.52
157 - 168		174,642.37
169 - 180		176,738.48
181 - 192	6,104 - 5,105	201,314.92
193 - 204		203,759.87
205 - 216		206,384.68
217 - 228		209,179.31
229 - 240	6,108 - 5,109	212,246.58

+ 11,252  
+ 7,104  
+ 6,033  
+ 7,101  
+ 227,49  
  
1,684  
1,702  
1,723  
1,963  
  
2,069

5. Tenant's Obligations. The following paragraph shall be added to the end of Tenant's obligations, Section 8:

"Although Landlord shall supply janitorial services to the Premises, Tenant agrees to provide the following supplies relating to janitorial service:

1. All toilet tissue
2. Soap for dispensers and multifold towels for restrooms
3. Liners for all wastebaskets
4. Heavy duty liners for removal of nightly trash 55 gallon size
5. Seat covers for restroom dispensers
6. Sanitary napkins and tampons for dispensers"

6. Landlord's Obligations. Landlord agrees to replace the Landlord's service schedule referred to as Exhibit "C" in 8.1 of said lease agreement with the revised Landlord's service schedule attached and marked Revised Exhibit "C". Said revised service schedule will commence on September 1, 1989.

7. Expiration Date. The expiration date of the initial term of the Lease shall be May 31, 2009.

8. Purchase Option Exercise Dates. Pursuant to Paragraph 48.1 of the Lease, Tenant has the following options to purchase the Premises:

102,580.1st (from approved)

a. The option described in Subparagraph 4.1(a) of the Lease expired without being exercised on or before April 1, 1989, and consequently is of no further force or effect.

b. By giving Landlord written notice on or before September 15, 1994, Tenant shall have the option to purchase the Premises for a purchase price equal to the then fair market value of the Premises, but not less than \$13,650,000 plus any Prepayment Penalty up to a maximum of 4% of the purchase price. *MAN 14, 1994*

c. By giving Landlord written notice on or before September 15, 1999, Tenant shall have the option to purchase the Premises for a purchase price equal to the then fair market value of the Premises, but not less than \$14,059,500.

d. By giving Landlord written notice on or before September 15, 2004, Tenant shall have the right to purchase the Premises for a purchase price equal to the then fair market value of the Premises, but not less than \$14,059,500.

e. If Tenant has previously and timely exercised the next occurring renewal term, by giving Landlord written notice on or before the date which is 120 days prior to the expiration of the initial term or any extension term then in effect, Tenant shall have the right to purchase the Premises for a purchase price equal to the then fair market value of the Premises.

In the event of the expiration or earlier termination of the Lease, all options to purchase or extend the term contained in the Lease shall be void and of no further force or effect.

9. Renewal Option Exercise Dates. Pursuant to Paragraph 4.3 of the Lease, Tenant has four successive options to extend the term of this Lease for five years each. The latest exercise date for each option to extend are as follows:

- a. First Option -- December 1, 2007
- b. Second Option -- December 1, 2012
- c. Third Option -- December 1, 2017
- d. Fourth Option -- December 1, 2022

10. Amendment of Legal Description. The legal description for the Premises is revised to be that as shown on Exhibit I attached to this Certificate and Amendment.

11. Amendment of Paragraph 1.1. The reference to Paragraphs 10.6 and 15.2 in the first sentence of Paragraph 5.5 of the Lease shall be amended to refer to Paragraphs 10.3 and 15.2.

12. Addition of Paragraph 7.4. A new Paragraph 7.4 shall be added to the Lease reading as follows:

"7.4 Provisions of a Grant Deed Acknowledged.  
Tenant acknowledges that the Lease is subject to the provisions of that certain grant deed recorded June 28, 1988 as Instrument No. 88070214 and that certain Disposition and Development Agreement dated May 20, 1988 and recorded on June 28, 1988 as Instrument No. 88070213."

Each party acknowledges that the provisions of this Certificate may be relied upon by any prospective assignee, subtenant, lender, purchaser, or ground lessor, provided no such parties have been granted rights by this Certificate not otherwise granted in the Lease.

**Landlord:**


**Watt Fresno Associates I  
Limited Partnership  
(formerly Klein/Watt  
Partnership), a California  
limited partnership**

**By: Watt Investment Properties,  
Inc., General Partner**

By   
**James Wadsworth,  
President**

**Tenant:**

**Pacific Gas & Electric Company,  
a California corporation**

By   
**Gary L. Fairbanks, Manager  
of General Services,  
San Joaquin Valley Region**

Pacific Gas and Electric Company

650 O Street  
Fresno, CA 93760 0001  
209/442-0909

January 25, 1990



San Joaquin Valley Region and  
Fresno Division Office Complex  
650 "O" Street and 705 "P" Street,  
City of Fresno, County of Fresno  
625

Mr. James R. Wadsworth  
President  
Watt Investment Properties Inc.  
2716 Ocean Park Boulevard  
P.O. Box 2114  
Santa Monica, California 90406

Dear Mr. Wadsworth:

In connection with the lease between Watt Fresno Associates I Limited Partnership and Pacific Gas and Electric Company (PG&E), for the above mentioned facilities, this letter is to confirm additional building services to be provided over and above those mentioned in the Lease Agreement dated March 24, 1988, and First Amendment of Lease and Certificate of Term Commencement dated August 7, 1989.

The additional services will be paid by PG&E as a separate expenditure and subject to the following terms and conditions:

- (A) Premium wage differential for highly skilled janitorial services in executive areas will be supplied at a monthly lump sum of \$702.00.
- (B) Additional building services (i.e., day men) as requested by PG&E will be supplied at \$11.90 per hour. Overtime rates will be paid at 1-1/2 times the straight time base rate for work performed over a 40 hour work week or on non-scheduled work days such as holidays or weekends.
- (C) Costs for highly skilled janitorial services and additional building services shall be escalated by 4% per year beginning January 1, 1991.
- (D) Detailed billings will be submitted to PG&E on a monthly basis and will be paid within 30 days after receipt by PG&E's authorized representative.
- (E) The additional services may be cancelled by either party by giving the other party 30 days written notice.

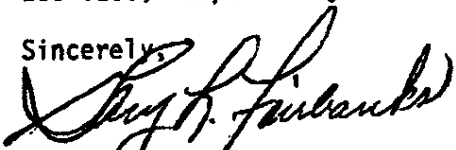
P.G. & E. CO.  
COPY

Mr. James R. Wadsworth  
January 25, 1990  
Page 2

(F) All other terms and conditions of the Lease Agreement dated March 24, 1988, and the First Amendment of Lease and Certificate of Term Commencement dated August 7, 1989, shall remain unchanged and in full effect.

If you agree to the above, please so indicate below and return the "PG&E Co. Copy" of this letter to this office. If you have any questions on this matter please call Messrs. Roger Anderson or Ken Sorensen of this office at (209) 263-5213 or (209) 263-5233, respectively.

Sincerely,

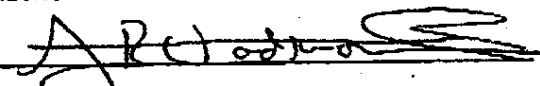


Gary L. Fairbanks  
Region General Services Manager

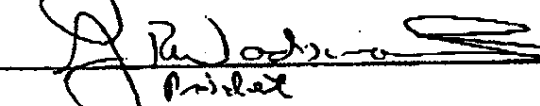
JJWong:cm

APPROVED:

WATT FRESNO ASSOCIATED I LIMITED PARTNERSHIP

By   
Its

Watt Investment Properties, a Calif.  
Corporation, General Partner

By   
Its  
Printed

Date: 2-11-90, 1990

P.G. & E. CO.  
COPY

EXHIBIT D

Sign Criteria

1. Tenant shall have the right to two (2) signs to be attached to the exterior of the Buildings (one sign per each Building), and one monument sign for each vehicular driveway providing access from the Premises to four (4) public streets.
2. All signs shall be subject to Landlord's prior consent to ensure architectural compatibility with the Buildings, and shall further comply with the rules, regulations and decisions of all governmental agencies having jurisdiction.

**SECOND AMENDMENT  
TO  
LEASE**

This Second Amendment To Lease ("Amendment") is entered into as of July 16, 2004 ("Effective Date") by and between Watt Fresno Associates I Limited Partnership, a California limited partnership ("Landlord"), and Pacific Gas and Electric Company, a California corporation ("Tenant").

**RECITALS**

A. Landlord's predecessor, Klein/Watt Partnership, a California limited partnership, and Tenant previously entered into a lease dated March 24, 1988 ("Original Lease"), as amended by that certain First Amendment of Lease and Certificate of Term Commencement dated as of August 7, 1989 ("First Amendment"), and that certain Letter Agreement dated as of January 25, 1990 (collectively, the "Lease") for premises located at 650 'O' and 705 'P' Streets, Fresno, California 93760, as more particularly described in the Lease ("Premises").

B. Landlord and Tenant now desire to further amend the Lease to provide, among other things, that Tenant will relinquish its option to purchase the Premises on or before September 15, 2004, and Landlord, in return, will make a contribution to Tenant, as provided below.

C. Landlord is currently negotiating to sell the Premises ("Sale").

**AGREEMENT**

Landlord and Tenant confirm the accuracy of the foregoing Recitals and agree as follows:

1. **Relinquishment of Purchase Option.** Tenant hereby relinquishes its right to purchase the Premises on or before September 15, 2004, as provided in Paragraph 48.1 of the Original Lease, and Paragraph 8.d of the First Amendment. Accordingly, Paragraph 48.1 of the Original Lease and Paragraph 8.d of the First Amendment are deleted and replaced with the words "intentionally omitted." Tenant's remaining options to purchase the Premises remain in full force and effect.

2. **Contribution.** Subject to the provisions of Section 4 below, and in accordance with Section 3 below, Landlord shall contribute to Tenant Two Hundred Thousand Dollars (\$200,000.00) ("**Contribution**").

3. **Disbursement of Contribution.** Landlord covenants and agrees to the following in connection with the disbursement of the Contribution to Tenant or Tenant's Designee (as defined in below).

A. **Closing.** Upon the closing of a Sale, Landlord shall pay the Contribution to Tenant, or such other person or entity as Tenant may designate ("Tenant's Designee").

B. **Failure to Deliver Contribution.** Notwithstanding any provision to the contrary in the Lease, if Landlord fails to deliver the Contribution to Tenant or Tenant's Designee within ten (10) business days after demand by Tenant, Tenant shall be entitled to offset the Contribution against fixed monthly rental due under the Lease.

4. **Contribution Conditioned on Closing.** Landlord and Tenant acknowledge and agree that the Contribution to Tenant is conditioned upon the closing of a Sale of the Premises on or before December 31, 2004.

5. **Execution of Amendment.** This Amendment shall not become effective as an amendment to the Lease unless and until it has been executed and delivered by Landlord and Tenant. By executing and delivering this Amendment, the person or persons signing on behalf of each party represent and warrant that they have the requisite authority to bind such party.

6. **Successors and Assigns.** The terms, covenants and conditions of this Amendment shall apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto.

7. **Agreement in Writing.** The Lease, as amended by this Amendment, constitutes the entire agreement between Landlord and Tenant with respect to the Premises and, except as expressly set forth herein, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy in the Premises. Unless otherwise specified in this Amendment, all capitalized terms herein shall have the same meanings given them in the Lease. This Amendment may be executed in multiple counterparts, and the counterparts together shall be deemed an original. In the event of any inconsistency between this Amendment and the Lease, this Amendment shall prevail.

[There is no further text on this page]

IN WITNESS WHEREOF, the parties have executed this Amendment on the date set forth above.

**LANDLORD:**

WATT FRESNO ASSOCIATES I LIMITED PARTNERSHIP,  
a California limited partnership

By: Wadsworth Associates, LLC, a California limited liability company, its General Partner

By: James R. Wadsworth  
James R. Wadsworth, Manager

**TENANT:**

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

By: WALVic  
Name: William A. Uric  
Title: Manager, Real Estate Asset Management

**THIRD AMENDMENT  
TO  
LEASE**

THIS THIRD AMENDMENT TO LEASE ("Third Amendment") is entered into as of September 17th, 2004 by and between Starpoint Property Exchange, LLC, a California Limited Liability Company ("Starpoint") and Pacific Gas and Electric Company, a California corporation ("Tenant").

**RECITALS**

A. Tenant and Watt Fresno Associates I Limited Partnership, a California limited partnership ("Landlord"), as successor in interest to Klein/Watt Partnership, a California limited partnership, are parties to that certain lease dated March 24, 1988 ("Original Lease"), as amended by that certain First Amendment of Lease and Certificate of Term Commencement dated as of August 7, 1989 (the "First Amendment"), that certain Letter Agreement dated as of January 25, 1990, and that certain Second Amendment to Lease dated as of July 16, 2004 (collectively, the "Lease"), covering the land and buildings containing approximately 102,580 square feet commonly known as 650 "O" Street and 705 "P" Street, Fresno, California 93763 (the "Premises"), and more particularly described in the Original Lease.

B. Starpoint and Landlord are in contract for the purchase and sale of the Premises.

C. In connection with Starpoint's purchase of the Premises, CIBC INC., a Delaware corporation, has agreed to make a loan to Starpoint secured by a mortgage or deed of trust encumbering the Premises and an assignment of Starpoint's interest in the Lease (said mortgage, deed of trust and assignment of lease, together with any amendments, renewals, increases, modifications, substitutions or consolidations of either of them, collectively, the "Security Instrument").

D. Paragraph 48 of the Original Lease and Paragraph 8 of the First Amendment provide Tenant with options to purchase the Premises (each, a "Purchase Option").

E. Starpoint and Tenant now desire, subject to the closing of the sale of the Premises to Starpoint, to further amend the Lease to provide, among other things, that Tenant's exercise of a Purchase Option shall be subject and subordinate to the Security Instrument.

**AGREEMENT**

Starpoint and Tenant confirm the accuracy of the foregoing Recitals and agree as follows:

1. Notwithstanding anything herein or in the Lease to the contrary, Tenant agrees that each Purchase Option shall at all times be subject and subordinate to the lien and terms of the Security Instrument.

2. Tenant and Starpoint hereby acknowledge and agree that if any portion of the indebtedness secured by the Security Instrument (the "Loan") remains outstanding at the time Tenant elects to purchase the Premises pursuant to a Purchase Option, Starpoint, at its sole cost and expense, shall take all actions necessary to defease the Loan in its entirety on or before the closing date of such purchase.

3. If Starpoint fails to take all actions necessary to defease the Loan prior to the closing date, Tenant may elect to do so. If Tenant so elects to defease the Loan, Starpoint agrees that all costs and expenses incurred by Tenant in connection with defeasing the Loan (collectively, the "Defeasance Costs") shall be a credit against the purchase price in the closing of the sale of the Premises to Tenant. The Defeasance Costs shall include, without limitation, all defeasance fees, the fees and costs of consultants retained to arrange for the substitute collateral and to form the successor borrower, the reasonable legal fees of Tenant, including for delivery of opinion letters required by lender's counsel, the legal fees of lender's counsel, and title insurance premiums to provide the coverage required by the lender. Without limiting other remedies Tenant may have for a default on the part of Starpoint hereunder, in no event shall any default by Starpoint with respect to defeasance of the Loan entitle Tenant to terminate the Lease or offset rent under the Lease, and Tenant hereby waives any such termination right or offset right. The preceding sentence shall not, however, operate to nullify merger of the leasehold estate created by the Lease with the fee estate of Tenant, upon Tenant's acquisition of the Premises.

4. This Amendment shall not become effective as an amendment to the Lease unless and until it has been executed and delivered by Starpoint and Tenant, and the grant deed conveying title to the Premises to Starpoint is recorded. By executing and delivering this Amendment, the person or persons signing on behalf of each party represent and warrant that they have the requisite authority to bind such party.

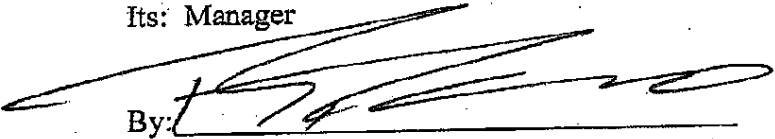
5. Starpoint and Tenant agree to execute and deliver to the other party and to the holder of the Security Instrument, such further documents as may be necessary or appropriate to carry out the intentions of the parties hereunder.

6. Upon acquisition of the Premises by Starpoint, the terms, covenants and conditions of this Amendment shall apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto, including all future landlords as successors in interest to Starpoint.

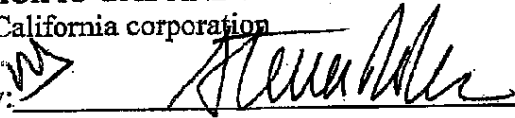
IN WITNESS WHEREOF, the parties have executed this Amendment on the date set forth above.

**STARPOINT:** STARPOINT PROPERTY EXCHANGE, LLC,  
a California limited liability company


By: Starpoint Properties, LLC, a California  
limited liability company  
Its: Manager

By:   
Peyman Daneshrad, CEO

**TENANT:** PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

By:   
Name: STEVEN T. LOVEMAN  
Title: DIRECTOR, CRE

Approved as to form:

  
Coblentz, Patch, Duffy & Bass, LLP

Prepared by and upon recording  
return to:

WINSTON & STRAWN LLP  
200 Park Avenue  
New York, New York 10166  
Attention: Michael Moser, Esq.

**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

**PACIFIC GAS AND ELECTRIC COMPANY,**  
Tenant,

**CIBC INC.,**  
Lender

**AND**

**STARPOINT PROPERTY EXCHANGE, LLC,**  
Landlord

**Dated: as of September 20th, 2004**

**County: Fresno**  
**State: California**

**Premises: 650 "O" and 705 "P" Streets**  
**Fresno, California 93763**

hereby agrees that no action taken by Lender to enforce any rights under the Security Instrument or related security documents, by reason of any default thereunder (including, without limitation, the appointment of a receiver, obtaining title to the Property by foreclosure, deed in lieu of foreclosure, or otherwise (collectively, "Foreclosure") or any demand for rent under any assignment of rents or leases) shall give rise to any right of Tenant to terminate the Lease nor shall such action invalidate or constitute a breach of any of the terms of the Lease.

3. So long as Tenant is not in default after notice and the expiration of applicable cure periods under the Lease, Lender shall not disturb Tenant's possession and occupancy of the Premises during the term of the Lease.

4. If Lender or its nominee or designee, or another purchaser of the Property upon a Foreclosure (any such person or entity, a "Successor Owner") succeeds to the interest of Landlord under the Lease, subject to Tenant's performance of its obligations under the Lease, the Lease will continue in full force and effect. Thereupon, Successor Owner shall assume Landlord's obligations under the Lease, and recognize the Lease and Tenant's rights thereunder and Tenant shall make full and complete attornment to Successor Owner as substitute landlord upon the same terms, covenants and conditions as provided in the Lease, including, but not limited to, any option to purchase or right of first refusal to purchase the Property as may be provided in the Lease; provided, however, that Tenant shall not be obligated to attorn to any Successor Owner, or pay any rent to any such Successor Owner until Tenant has received written notice from Successor Owner that a Foreclosure has occurred, which notice shall identify such Successor Owner and include a copy of the applicable instrument of Foreclosure (e.g., trustee's deed, sheriff's deed, or deed in lieu of foreclosure) certified as true and correct by the licensed title insurer that shall have arranged for its recordation or by the county recorder. Notwithstanding the foregoing, Tenant agrees that any such option or right of first refusal to purchase the Property or any portion thereof, as may be provided in the Lease shall not apply to any Foreclosure, as defined herein. In consideration of the foregoing, Lender agrees that any such option or right of first refusal shall not be terminated by any Foreclosure or conveyance of the Property by Successor Owner following such Foreclosure; rather, any such option or right of first refusal remain as an obligation of any party acquiring the Property following the conveyance of the Property by Successor Owner following such Foreclosure.

5. Tenant agrees that, if Successor Owner shall succeed to the interest of Landlord under the Lease, Successor Owner shall not be:

- (a) liable for any act or omission of any previous landlord (including Landlord), except that the foregoing shall not limit either (i) Tenant's rights to exercise any remedies otherwise available to Tenant because of events occurring prior to the date of attornment, or (ii) Successor Owner's liability for acts or omissions which occur or continue after the date of attornment (such as repair and maintenance obligations); or
- (b) subject to any offsets or defenses which Tenant might have had against any previous landlord (including Landlord), except as expressly provided under the Lease; or

- (c) required or obligated to credit Tenant with any rent or additional rent for any rental period beyond the then current month which Tenant might have paid Landlord, except any such sum actually received by Successor Owner; or
- (d) bound by any amendments or modifications of the Lease without Successor Owner's prior written consent; or
- (e) liable for refund of all or any part of any security deposit unless such security deposit shall have been actually received by Successor Owner.

6. Tenant agrees that, without the prior written consent of Lender (not to be unreasonably withheld, conditioned or delayed), in each case, Tenant shall not (a) amend, modify, terminate or cancel the Lease or any extensions or renewals thereof, or tender a surrender of the Lease; provided, that in each case, upon a default by Landlord under the Lease, Tenant may exercise its rights under the Lease after giving to Lender the notice and cure period required by this Agreement; and provided, further that, Tenant shall not be required to obtain the consent of Lender for amendments to, or modifications of the Lease, which are contemplated by the Lease (e.g., exercise of extension option), (b) make a prepayment of any rent or additional rent more than one (1) month in advance of the due date thereof, or (c) subordinate or permit the subordination of the Lease to any lien subordinate to the Security Instrument. Any such purported action without such consent shall be void as against the holder of the Security Instrument.

7. To the extent that the Lease shall entitle Tenant to notice of the existence of any Security Instrument and the identity of any mortgagee or any ground lessor, this Agreement shall constitute such notice to Tenant with respect to the Security Instrument and Lender.

8. Upon and after the occurrence of a default under the Security Instrument, which is not cured after any applicable notice and/or cure periods, Lender shall be entitled, but not obligated, to require that Tenant pay all rent under the Lease as directed by Lender, which payment shall, to the extent made, be credited against Tenant's obligations to pay rent under the Lease. Landlord agrees to hold Tenant harmless with respect to any such payments made by Tenant to Lender.

9. Nothing in this Agreement shall impose upon Lender any liability for the obligations of Landlord under the Lease unless and until Lender takes title to the Property. Anything herein or in the Lease to the contrary notwithstanding, in the event that a Successor Owner shall acquire title to the Property or the portion thereof containing the Leased Premises, Successor Owner shall have no obligation, nor incur any liability, beyond Successor Owner's then interest, if any, in the Property, and Tenant shall look exclusively to such interest, if any, of Successor Owner in the Property for the payment and discharge of any obligations imposed upon Successor Owner hereunder or under the Lease, and Successor Owner is hereby released or relieved of any other liability hereunder and under the Lease. Tenant agrees that, with respect to any money judgment which may be obtained or secured by Tenant against Successor Owner,

Tenant shall look solely to the estate or interest owned by Successor Owner in the Property, and Tenant will not collect or attempt to collect any such judgment out of any other assets of Successor Owner.

10. Except as specifically provided in this Agreement, Lender shall not, by virtue of this Agreement, the Security Instrument or any other instrument to which Lender may be party, be or become subject to any liability or obligation to Tenant under the Lease or otherwise.

11. Notwithstanding anything herein or in the Lease to the contrary, Tenant agrees that Tenant's option to purchase the Property set forth in Section 48 of the Lease and Section 8 of the First Amendment of Lease and Certificate of Term Commencement (collectively, the "Purchase Option") shall at all times be subject and subordinate to the lien and terms of the Security Instrument.

12. Tenant and Landlord hereby acknowledge and agree that, without limiting the provisions of Paragraph 11 above, so long as any portion of the Loan remains outstanding, in the event that Tenant elects to purchase the Property pursuant to the Purchase Option, then such purchase shall be subject to (and conditioned upon) Landlord defeasing the Loan in its entirety in compliance with the provisions of Section 1.03 of the Note on or before the date of such purchase. Tenant acknowledges receipt of a copy of the Note.

**13. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF TENANT, LENDER AND LANDLORD HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.**

14. The provisions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The words, "Lender", "Landlord" and "Tenant" shall include their respective heirs, legatees, executors, administrators, beneficiaries, successors and assigns.

15. All notices and all other communication with respect to this Agreement shall be directed as follows: if to Lender, 622 Third Avenue, 10th Floor, Attn: Real Estate Finance, New York, New York 10017, or such other address as Lender may designate in writing to Tenant; and, if to Tenant, at the address set forth in the Lease or at such other address as tenant may designate in writing to Lender. All notices shall be in writing and shall be (a) hand-delivered, (b) sent by United States express mail or by private overnight courier, or (c) served by certified mail postage prepaid, return receipt requested, to the appropriate address set forth above. Notices served as provided in (a) and (b) shall be deemed to be effective upon delivery or upon refusal thereof. Any notice served by certified mail shall be deposited in the United States mail with postage thereon fully prepaid and shall be deemed effective on the day of actual delivery as shown by the addressee's return receipt or refusal of delivery.

16. This Agreement contains the entire agreement among the parties and no modifications shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party.

17. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument.

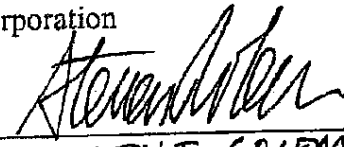
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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CIBC INC., a Delaware corporation

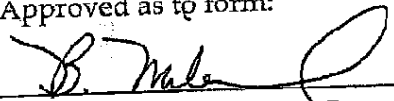
By: \_\_\_\_\_  
Name:  
Title: Authorized Signatory

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

By:  \_\_\_\_\_  
Name: STEVEN T. COLEMAN  
Title: DIRECTOR, CRE

[SIGNATURES CONTINUE ON FOLLOWING PAGES]

Approved as to form:

  
Coblentz, Patch, Duffy & Bass, LLP

STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO } SS.

On Sept 27, 2004 before me, the undersigned, a Notary Public in and for said State, personally appeared, Steven T. Coleman, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument, the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

J. L. Van Gutman (Seal)  
Signature



STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_ } SS.

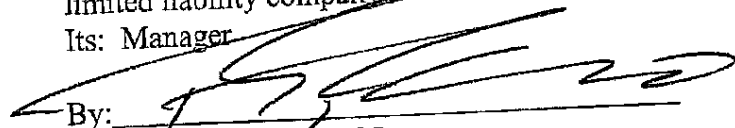
On \_\_\_\_\_ before me, the undersigned, a Notary Public in and for said State, personally appeared, \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

**STARPOINT PROPERTY EXCHANGE, LLC,**  
a California limited liability company

By: Starpoint Properties, LLC, a California  
limited liability company  
Its: Manager

By:   
Peyman Daneshrad, CEO

### CALIFORNIA ALL-PURPOSE NOTARY ACKNOWLEDGMENT

State of California  
 County of Los Angeles  
 On this 21 day of September, 2004,  
 before me,

Tamara Lister  
Name, Title of Officer

personally appeared Peyman Daneshmand  
Name(s) of Signer(s)

personally known to me - OR -  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s), acted, executed the instrument.

WITNESS my hand and official seal.

Tamara Lister  
SIGNATURE OF NOTARY

\*\*\* OPTIONAL SECTION \*\*\*

CAPACITY CLAIMED BY SIGNER

Through statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document

- INDIVIDUAL
- CORPORATE OFFICERS(S)
- PARTNER(S)  LIMITED  GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

SIGNER IS REPRESENTING:  
 NAME OF PERSON(S) OR ENTITY(IES)

\_\_\_\_\_

\*\*\*\*\* OPTIONAL SECTION \*\*\*\*\*

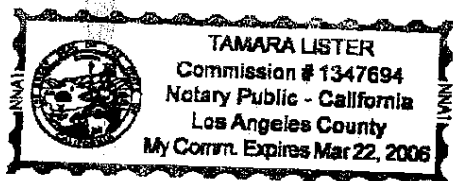
THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

TITLE OR TYPE OF DOCUMENT: \_\_\_\_\_

NUMBER OF PAGES \_\_\_\_\_ DATE OF DOCUMENT \_\_\_\_\_

SIGNER(S) OTHER THAN NAMED ABOVE \_\_\_\_\_

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.



# EXHIBIT "E"

## EXHIBIT A

### Legal Description of Property

# EXHIBIT "E"

## FOURTH AMENDMENT OF LEASE

This Fourth Amendment of Lease (this "Amendment") is made as of this 13<sup>th</sup> day of October, 2004, by and between Starpoint Property Exchange, LLC, a California limited liability company ("Starpoint") and Pacific Gas and Electric Company, a California corporation ("Tenant").

### RECITALS:

A. Starpoint and Watt Fresno Associates I Limited Partnership, a California limited partnership ("Landlord") are in contract for the purchase and sale of the Premises (as defined below).

B. Tenant and Landlord, as successor in interest to Klein/Watt Partnership, a California limited partnership, are parties to that certain lease dated March 24, 1988 ("Original Lease"), as amended by that certain First Amendment of Lease and Certificate of Term Commencement dated as of August 7, 1989 ("First Amendment"), that certain Letter Agreement dated as of January 25, 1990, that certain Second Amendment to Lease dated as of July 16, 2004 (collectively, the "Lease"), covering the land and buildings containing approximately 102,580 square feet commonly known as 650 "O" Street and 705 "P" Street, Fresno, California 93763 (the "Premises"), and more particularly described in the Original Lease.

C. Starpoint and Tenant are parties to that certain Third Amendment to Lease dated as of September 17, 2004, which shall be effective upon the closing of the sale of the Premises to Starpoint.

D. Starpoint and Tenant now desire, subject to the closing of the sale of the Premises to Starpoint, to further amend the Lease to: (i) extend the term of the Lease; (ii) amend the rent; (iii) waive Tenant's option to purchase the Premises in 2009; and (iv) make certain other modifications to the Lease as set forth hereinbelow.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Use of Defined Terms. All capitalized terms not otherwise defined herein shall have the respective meaning ascribed to them in the Lease.

2. Term.

2.1 Initial Term. The Lease is currently scheduled to expire on May 31, 2009. The parties hereby agree to extend the term of the Lease, as hereby amended, until May 31, 2014, unless earlier terminated pursuant to the terms and conditions of the Lease.

2.2 Renewal Options. Paragraph 4.3 of the Original Lease is hereby deleted in its entirety and the following Paragraph 4.3 is substituted in its place:

# EXHIBIT "E"

## 4.3 Renewal Options.

(a) As a right not transferable to any assignee, Tenant shall have three (3) successive options to extend the term of this Lease for five (5) years each, provided that Tenant is not in material default under any of the terms of this Lease, after notice and expiration of applicable cure periods, on either the date of exercise of such option or the commencement of the applicable renewal term. Tenant shall provide no less than eighteen (18) months prior written notice of its intention to extend the term of this Lease, and such notice shall be irrevocable, except as specifically allowed below. If Tenant timely exercises an option, the Lease term shall be extended and the tenancy shall be on the terms and conditions as contained in this Lease, except the Monthly Fixed Rent shall be the sum of ninety percent (90%) of the fair market rental rate for the Premises as Class A office space in the greater Fresno area as of the commencement of the applicable extension term.

(b) As used herein, the "fair market rental rate" shall mean the amount of rent that a reasonable landlord and tenant negotiating at arms' length and in good faith would agree to accept for the Premises in the defined market taking into account the then current use of the Premises and considering the form and structure of this Lease and Tenant's then financial status. "Defined market" shall mean similar office buildings within the greater Fresno area enjoying similar amenities and locational attributes.

(c) In the event the parties are unable to agree on the fair market rental rate by the date that is six (6) months prior to the expiration of the then current term, then either party may initiate an appraisal procedure by sending a written notice to the other party, such notice containing the name of an appraiser appointed by the party giving notice. The party receiving notice shall have thirty (30) days to appoint an appraiser by giving written notice thereof to the other party. All appointed appraisers must be independent M.A.I. appraisers with at least ten (10) years of experience as appraisers generally and shall have at least three (3) years' experience in the Fresno area. The two appraisers so appointed shall work together in good faith to agree upon the fair market rental rate. If the two appraisers have not agreed upon the fair market rental rate within thirty (30) days after appointment of the second appraiser (the "Outside Agreement Date"), then each appraiser shall, within twenty (20) days after expiration of the Outside Agreement Date, place in a sealed envelope his or her determination of the fair market rental rate, and submit such determination to Landlord and Tenant. Landlord and Tenant shall meet within thirty (30) days after the Outside Agreement Date and open the sealed envelopes in each other's presence. If the higher determination is not more than one hundred ten percent (110%) of the lower determination, the fair market rental rate shall be the average of the two determinations. If the higher appraisal is more than one hundred ten percent (110%) of the lower appraisal, the two appraisers shall select a third appraiser having the qualifications set forth above and notify Landlord and Tenant of such selection. If the third appraiser has not been selected within twenty (20) days after the opening of the fair market rental rate determinations, then either party, on behalf of both, may request such appointment by the local office of the American Arbitration Association (or any successor thereto), or in the absence, failure, refusal or inability of such entity to act, then either party may apply to the Presiding Judge of the Fresno County Superior Court, for

# EXHIBIT "E"

the appointment of a third appraiser having the qualifications set forth above, and the other party shall not raise any question as to the court's full power and jurisdiction to entertain the application and make the appointment. The third appraiser shall, within thirty (30) days after his or her appointment, independently determine the fair market rental rate and submit such determination to Landlord and Tenant. The two (2) determinations of the fair market rental rate that are the closest shall be averaged, and such average shall constitute the fair market rental rate. The third determination shall be disregarded. If a party fails to timely appoint a qualified appraiser, the qualified appraiser timely appointed shall determine the fair market rental rate alone. Each party shall pay all of the costs of the appraiser appointed by such party and one-half the cost of the third appraiser, if any.

### 3. Rent.

3.1 Monthly Fixed Rental. As of January 1, 2005, Paragraph 5.1 of the Original Lease is hereby deleted in its entirety and the following is substituted in its place:

#### 5.1 Monthly Fixed Rental.

(a) Tenant shall pay to Landlord, without prior demand and, without any deduction, set off, or counterclaim whatsoever, for each of the years of this Lease a monthly fixed minimum amount (the "Monthly Fixed Rent") as set forth below:

<u>Time Period</u>	<u>Square Foot Rental Rate</u>	<u>Monthly Amount</u>
January 1, 2005 through May 31, 2009	\$20.50	\$175,240.83
June 1, 2009 through May 31, 2014	\$21.50	\$183,789.16

(b) Tenant shall pay to Landlord the applicable Monthly Fixed Rent on the first day of each calendar of the term hereof. The payment under this Paragraph 5.1 for any period during the term of this Lease which is for less than one month shall be a prorated portion of the Monthly Fixed Rental based on a thirty (30) day month.

(c) In consideration of entering into this Amendment, Landlord agrees that Tenant shall receive a credit against Monthly Fixed Rent in the amount of Four Hundred Thousand Dollars (\$400,000.00) ("Rent Credit"). The Rent Credit shall be applied as follows:

(i) Two Hundred Thousand Dollars (\$200,000.00) of the Rent Credit shall be applied against the Monthly Fixed Rent payable for the months of January and February, 2005 (i.e., no Monthly Fixed Rent shall be payable for the month of January, 2005, and the Monthly Fixed Rent payable for the month of February, 2005, shall be One Hundred Fifty Thousand Four Hundred Eighty-One and 66/100 Dollars (\$150,481.66)).

# EXHIBIT "E"

(ii) The remaining Two Hundred Thousand Dollars (\$200,000.00) of the Rent Credit shall be applied against the Monthly Fixed Rent payable for the months of January and February, 2008 (i.e., no Monthly Fixed Rent shall be payable for the month of January, 2008, and the Monthly Fixed Rent payable for the month of February, 2008, shall be One Hundred Fifty Thousand Four Hundred Eighty-One and 66/100 Dollars (\$150,481.66)).

3.2 Real Property Tax. Paragraph 5.2 of the Original Lease is hereby amended to add the following subparagraph (c).

(c) Landlord acknowledges that Tenant may be required by law to pay the Real Property Tax to the State Board of Equalization (the "SBE"). Tenant shall be responsible for submitting any and all necessary forms and documents to the SBE. Landlord shall cooperate with Tenant and the SBE to transfer the assessment process into, or out of, the SBE jurisdiction. Because Tenant is obligated to pay Real Property Tax to the SBE in advance, Landlord further acknowledges that Tenant may be obligated to pay Real Property Tax allocable to the period following the expiration or earlier termination of this Lease ("Excess Tax Payment"). Landlord agrees that Tenant may deduct the amount of any Excess Tax Payment made by Tenant from the final installment(s) of Rent payable under this Lease until Tenant has recovered the entire amount of the Excess Tax Payment, provided that the amount of said deduction shall not exceed One Hundred Thousand Dollars (\$100,000.00). If this Lease shall terminate prior to expiration of the term, or if Tenant for any reason shall fail to deduct the entire amount of any Excess Tax Payment prior to expiration of the term, Landlord agrees to reimburse Tenant, within thirty (30) days after written demand, for the amount of the Excess Tax Payment made by Tenant and not deducted from Rent by Tenant. Upon request by Landlord, Tenant shall provide reasonable supporting documentation of the amount of the Excess Tax Payment. The obligations of Landlord and Tenant under this paragraph shall survive the expiration or earlier termination of this Lease.

4. Utilities. As of January 1, 2005, Paragraph 5.3(a) of the Original Lease is hereby deleted in its entirety and the following is substituted in its place:

(a) Tenant shall pay directly to the billing entity all charges for gas, heat, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Tenant, together with any taxes thereon.

5. No Abatement. In Paragraph 5.5 of the Original Lease, the words and numbers "Paragraphs 10.6 and 15.2, below" are deleted and the words and numbers "Paragraphs 5.1, 10.3 and 15.2, below" are substituted in their place.

6. Janitorial Services. The following new Paragraph 5.6 is added to the Lease:

5.6 Janitorial Services. Landlord shall provide janitorial services to the Premises in accordance with Exhibit C to the Original Lease, as amended by Paragraph 5 of the First Amendment.

# EXHIBIT "E"

7. Expense Reimbursement. The following new Section 6 is hereby added to the Lease:

6. Expense Reimbursement; Audit Right.

6.1 Expense Reimbursement.

(a) In addition to the Monthly Fixed Rent, Tenant shall reimburse Landlord, as additional rent, for costs incurred by Landlord to provide the janitorial services, insurance coverage, management, contract services, and repairs and maintenance required to be performed by Landlord under this Lease ("Reimbursable Expenses"); provided, however, that Tenant's obligation to pay for Reimbursable Expenses during any calendar year of the term shall not exceed the applicable maximum amounts set forth below. Tenant's obligation to pay Reimbursable Expenses shall not exceed an annual limit of Two Hundred Sixty-One Thousand Five Hundred Seventy-Nine Dollars (\$261,579.00) (calculated at the rate of \$2.55 per rentable square foot of the Buildings) during each of calendar years 2005 through 2009. Tenant's obligation to pay Reimbursable Expenses shall not exceed an annual limit of Two Hundred Seventy-One Thousand Eight Hundred Thirty-Seven Dollars (\$271,837.00) (calculated at the rate of \$2.65 per rentable square foot of the Buildings) during calendar year 2010. During each subsequent calendar year of the term, Tenant's obligation to pay Reimbursable Expenses shall not exceed one hundred three percent (103%) of the amount of Reimbursable Expenses payable by Tenant during the immediately preceding calendar year.

(b) Reimbursable Expenses shall be paid by Tenant on a monthly basis, at the same time and in the same manner as Monthly Fixed Rent, based upon Landlord's reasonable estimate thereof. Within ninety (90) days after the end of each calendar year or as soon thereafter as reasonably practicable, Landlord shall provide Tenant with a statement in reasonable detail comparing the estimated payments made by Tenant on account of Reimbursable Expenses and the actual amount of Reimbursable Expenses.

6.2 Audit Right. In the event of any dispute regarding any amount owing from Tenant to Landlord under this Lease, Tenant shall have the right, after reasonable notice, to inspect and photocopy Landlord's accounting records. If, after such inspection and photocopying, Tenant and Landlord cannot agree upon the amount owing to Landlord, Tenant shall be entitled to retain an independent certified public accountant to audit and/or review Landlord's records to determine the proper amount owing to Landlord. If such audit or review determines that Landlord has overcharged Tenant, within thirty (30) days after the result of such audit or review is made available to Landlord, Landlord shall reimburse Tenant the amount of such overcharge. If such audit or review determines that Landlord has undercharged Tenant, within thirty (30) days after the result of such audit or review is made available to Tenant, Tenant shall reimburse Landlord the amount of such undercharge. Tenant shall pay the cost of such audit or review, provided that, if the audit determines that Landlord overcharged Tenant for the disputed items, in the aggregate, by more than two percent (2%), Landlord shall pay the cost of such audit or review in an amount not to exceed Fifteen Thousand Dollars

# EXHIBIT "E"

(\$15,000.00). The payment by Tenant of any amounts shall not preclude Tenant from challenging the correctness of such amounts.

8. Maintenance, Repairs and Alterations. Section 8 of the Original Lease is hereby deleted and the following is substituted in its place:

8. Repairs and Maintenance.

8.1 Tenant's Obligations. Tenant shall, at its expense, maintain the tenant improvements in the Buildings in good condition and repair, reasonable wear and tear, damage by casualty, and Landlord's repair and maintenance obligations pursuant to Paragraph 8.2 below, excepted. Tenant's repair and maintenance obligations shall include the following: routine maintenance and repair of plumbing, routine maintenance and repair of ceilings, floor coverings, and interior doors.

8.2 Landlord's Obligations. Landlord shall, at its expense, subject to reimbursement by Tenant to the extent set forth in Paragraph 6.1, maintain the Premises and all elements thereof in good condition and repair, reasonable wear and tear, damage by casualty, and Tenant's repair and maintenance obligations pursuant to Paragraph 8.1 above excepted. Landlord's repair and maintenance obligations shall include the following: the roof and roofing (including gutters and downspouts); the foundation, floor slab, exterior walls (including re-painting and graffiti removal), and structural elements of the Buildings; the plumbing (other than routine maintenance and repairs), HVAC, electrical, lighting (including ballasts and lamps) and fire protection systems; elevators; non-routine maintenance or major repairs to ceilings, floor coverings, or interior doors; interior and exterior window washing; the parking lot; the irrigation system and landscaping; exterior lighting, sidewalks and curbs.

8.3 Right of Self-Help. Tenant shall give Landlord written notice (or verbal notice in the event of an Emergency, as defined below) of the necessity to perform repairs required to be performed by Landlord under this Lease ("Landlord's Repair Work"). Landlord shall commence Landlord's Repair Work within a reasonable period of time, but in no event later than thirty (30) days after receipt of Tenant's notice (or in the case of an Emergency, as soon as possible under the circumstances) and thereafter diligently pursue Landlord's Repair Work until completion. If Landlord fails to perform Landlord's Repair Work in accordance with this paragraph, in addition to all other rights Tenant may have, Tenant shall have the right (but not the obligation) to perform Landlord's Repair Work. Landlord shall reimburse Tenant for the reasonable out-of-pocket expenses incurred by Tenant in performing Landlord's Repair Work within thirty (30) days after request therefor, accompanied by invoices or other reasonable supporting documentation. For purposes of this paragraph, an "Emergency" shall mean any circumstance posing an immediate threat of injury to persons or damage to property or material interruption of Tenant's business in the Premises (e.g., leaking roof, burst water pipe, electrical wiring that poses a fire hazard). Except as provided immediately above, Tenant expressly waives the benefit of any statutes now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense and to deduct the cost of such repairs from rent.

# EXHIBIT "E"

8.4 Surrender. On the last day of the term hereof, or on any earlier termination, Tenant shall surrender the Premises in broom-clean condition, reasonable wear and tear, damage by casualty, and Landlord's repair and maintenance obligations excepted. Tenant shall have no obligation to remove any tenant improvements or alterations installed by or on behalf of Tenant, existing in the Premises on September 1, 2004. In addition, Tenant shall not be required to remove any Alterations made after September 1, 2004, unless such Alterations are not typical for buildings similar to the Premises, and Landlord shall have conditioned its approval of such Alterations upon such removal.

8.5 Landlord's Rights. If Tenant fails to perform Tenant's obligations under this Section 8 and such failure continues for more than ten (10) days after written notice to Tenant, Landlord or Landlord's agents may (but shall not be required to), at Landlord's option, enter upon the Premises and perform Tenant's obligations identified in Landlord's notice. Tenant shall pay to Landlord all sums reasonably incurred by Landlord to perform Tenant's obligations within thirty (30) days after receipt of an invoice therefor, accompanied by reasonable supporting documentation.

## 8.6 Alterations and Additions.

(a) Tenant shall not, without Landlord's prior written consent (not to be unreasonably withheld) make any alterations, improvements, additions or Utility Installations (collectively, "Alterations") in, on or about the Premises, except for nonstructural Alterations not exceeding Fifty Thousand Dollars (\$50,000.00) during any ninety (90) day period during the term of this Lease. In any event, regardless of cost, Tenant shall not make any change or alteration to the exterior of the Premises or the exterior of Buildings without Landlord's prior written consent. As used in this Paragraph 8.5, the term "Utility Installation" shall include without limitation carpeting, window coverings, air lines, power panels, electrical distribution systems, lighting or gas fixtures, space heaters, air conditioning, plumbing and fencing. At any time when Pacific Gas and Electric Company is not liable as Tenant under this Lease, Landlord may require Tenant to provide Landlord, at Tenant's sole cost and expense, worker's compensation insurance, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Landlord against any liability for mechanic's and materialmen's liens and to insure completion of the work. Should Tenant make any Alterations not permitted above without the prior approval of Landlord, and in Landlord's good faith judgment, such Alterations impair the structural integrity of the Buildings or materially adversely affect the heating, air conditioning, plumbing, or electrical systems of the Buildings, Landlord may require Tenant to remove the same within thirty (30) days after Landlord's notification.

(b) The identity of the proposed contractor (and reasonable evidence of his financial status) and any Alterations in or about the Premises that Tenant shall desire to make and which require the consent of Landlord shall be presented to Landlord in written form, with proposed detailed plans, to the extent such plans are reasonably necessary. Landlord shall approve or disapprove of any proposed Alterations by written notice to Tenant within ten (10) days following Tenant's written request for approval. If

# EXHIBIT "E"

Landlord shall give its consent, the consent shall be deemed conditioned upon Tenant obtaining a permit to do such work from all required governmental agencies, if required, the furnishing of a copy thereof to Landlord prior to the commencement of the work and the compliance by Tenant of all conditions of said permit in a prompt and expeditious manner. Any disapproval by Landlord shall include specific reasons for such disapproval and any revisions that would make the proposed Alterations acceptable to Landlord. The failure of Landlord to disapprove of any proposed Alterations by written notice received by Tenant within ten (10) days following Tenant's written request shall constitute Landlord's approval of the proposed Alterations.

(c) Unless Landlord requires their removal, as set forth in Paragraph 8.3, all Alterations (whether or not the same constitute trade fixtures of Tenant) which may be made on the Premises, shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the term. Notwithstanding the provisions of this Subparagraph 8.5(c), Tenant's machinery and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of Tenant and may be removed by Tenant subject to the provisions of Paragraph 8.3.

(d) Tenant covenants and agrees to give Landlord written notice of the commencement of any Alterations, which notice shall be given to Landlord within ten (10) days after the commencement of any such work, in order that Landlord may post appropriate notices of Landlord's non-responsibility.

(e) Landlord reserves the right to install new or additional utility facilities throughout the Buildings for the benefit of Landlord or Tenant, including, but not by way of limitation, such utilities as plumbing, electrical systems, communication systems, and fire protection and detection systems, so long as such installations do not unreasonably interfere with Tenant's use of the Premises.

## 9. Insurance.

9.1 Right to Self-Insure. The first sentence of Paragraph 9.4 of the Lease is hereby deleted and the following is substituted in its place:

Notwithstanding Paragraph 9.2 above, Tenant shall have the right to self-insure with respect to all insurance required to be carried by Tenant, at any time that Tenant's net worth is at least Two Hundred Fifty Million Dollars (\$250,000,000.00) and Tenant has an investment grade rating by Moody's or Standard and Poor's.

9.2 Landlord's Insurance. The following new Paragraph 9.5 is hereby added to the Lease:

9.5 Landlord's Insurance. Landlord shall at all times during the term keep in force a Special Causes of Loss ("all risk") policy at least as broad as the coverage afforded by ISO Form CP 1030, insuring all improvements (including the Buildings and all tenant improvements and Alterations within the Buildings) located on the Premises. Such insurance shall be in the amount of the full replacement cost (excluding

# EXHIBIT "E"

foundations) and shall include coverage for additional costs resulting from debris removal and reasonable amounts for the enforcement of any legal requirements. Said policy shall also contain an agreed valuation provision in lieu of any co-insurance clause and inflation guard protection.

9.3 Waiver of Subrogation. The following Paragraph 9.6 is hereby added to the Lease:

9.6 Waiver of Subrogation. Each party hereby waives and releases any and all rights of recovery (whether in contract or tort) against the other party, including such party's officers, employees, agents and authorized representatives, with respect to any loss of or damage to the Premises, including the Buildings and leasehold improvements and Alterations therein, arising from any risk of a nature generally covered by the insurance either party is required to carry pursuant to this Lease. Landlord and, if Tenant carries third party insurance, Tenant, shall have its insurance policies issued in such form as to waive any right of subrogation against the other party and such additional parties as might otherwise exist.

10. Damage or Destruction. Section 10 of the Lease is deleted in its entirety and the following is substituted in its place:

10. Damage or Destruction.

10.1 Right to Cancel. If the Premises or the Buildings are damaged by fire or other casualty, Tenant shall notify Landlord of the occurrence of such damage. Landlord shall notify Tenant within thirty (30) days after such notice from Tenant whether in Landlord's reasonable opinion the necessary repairs would require more than twelve (12) months from the date of damage to complete. If such notice specifies that the repairs would not require more than twelve (12) months from the date of damage to complete, then Landlord shall diligently repair or restore the Premises to the condition existing immediately prior to the damage, and this Lease shall remain in full force and effect, subject to abatement of rent as set forth below. If such notice specifies that the repairs would require more than twelve (12) months from the date of damage to complete, Landlord, in such notice, or Tenant, by written notice given to Landlord within twenty (20) days after receipt of Landlord's notice, may elect to terminate this Lease as of the date specified in the notice making such election, which date of termination shall be not less than thirty (30) nor more than sixty (60) days after the date of the notice making such election, in which case this Lease shall terminate as of the date specified. If neither party elects to terminate this Lease, Landlord shall diligently repair or restore the Premises to the condition existing immediately prior to the damage, and this Lease shall remain in full force and effect, subject to abatement of rent as set forth below.

10.2 Failure to Repair. Notwithstanding the foregoing, Tenant shall have the right to terminate this Lease in the event that Landlord is obligated to make repairs pursuant to Paragraph 10.1 and either (i) Landlord fails to commence said repairs within seventy-five (75) days of the date of damage, or (ii) Landlord fails to complete said repairs within ninety (90) days after the end of the time period specified by Landlord in

# EXHIBIT "E"

its notice to Tenant required pursuant to Paragraph 10.1, plus in either case any period of time work on said repairs is prevented or suspended on account of "force majeure," but as to clause (ii), in no event later than the end of the time period specified by Landlord in such notice plus one hundred eighty (180) days. The term "commence such repairs" as used in this Paragraph 10 shall include, without limitation, the commencement of preparation of architect's or engineer's plans or drawings. The term "force majeure" as used in this Paragraph 10 means any condition or matter beyond Landlord's reasonable control, including, without limitation, fire, earthquake, governmental action or inaction, acts of God, accidents, breakage, repairs, strikes, lockouts, or other labor disputes (including those involving a party to this Lease if such party has used all reasonable means to conclude the strike, lockout or labor disputes short of conceding the party's position in the labor matter), or the inability to obtain an adequate supply of materials, fuel, water, electricity, labor or other supplies.

10.3 Abatement. If such fire or other casualty damages the Premises or common areas of the Buildings necessary for Tenant's use and occupancy of the Premises, during the period the Premises or any part thereof are rendered unusable by such damage and the repair thereof, Tenant shall be entitled to a proportionate reduction of rent on account of such damage and repair, such proportionate reduction to be based upon the extent to which such damage and repair shall interfere with the business carried on by Tenant in the Premises.

10.4 No Repair of Personal Property. Landlord shall not be obligated to repair any damage to, or to make any replacement of, Tenant's moveable furniture, equipment, trade fixtures, and other personal property.

10.5 Total Destruction. Notwithstanding anything herein to the contrary, a total destruction of the Buildings shall automatically terminate this Lease. Tenant hereby waives California Civil Code Sections 1932(2) and 1933(4) providing for termination of hiring upon destruction of the thing hired.

11. Subordination. Section 32 of the Lease is amended by adding the following sentence at the end thereof: "Notwithstanding anything to the contrary set forth in Section 32 above, Tenant's obligation to subordinate this Lease to the lien of a mortgage or deed of trust and to execute any instruments effecting such subordination, shall be conditioned upon the holder of such mortgage or deed of trust executing a non-disturbance agreement satisfactory in form and substance to Tenant."

12. Tenant's Options to Purchase Premises. Section 48 of the Lease is hereby deleted and the following is substituted in its place:

48. Tenant's Options to Purchase Premises.

48.1 Timing and Price of Options. Tenant shall have the following options to purchase the Premises:

(a) If Tenant has previously and timely exercised the next occurring renewal option, by giving Landlord written notice on or before January 31, 2014, but in

# EXHIBIT "E"

no event sooner than August 1, 2012, Tenant shall have the right to purchase the Premises for a purchase price equal to the then fair market value of the Premises.

(b) If Tenant has previously and timely exercised the next occurring renewal option, by giving Landlord written notice on or before the date which is one hundred twenty (120) days prior to the expiration of the extension term then in effect, Tenant shall have the right to purchase the Premises for a purchase price equal to the then fair market value of the Premises.

48.2 Conditions of Sale. In the event that Tenant elects to purchase the Premises under any of the option rights contained in this Section 48, the following shall apply:

(a) Any purchase must be consummated on or before the later of (i) one hundred twenty (120) days after Tenant's notice of exercise or (ii) thirty (30) days after determination of the fair market value of the Premises; provided, however, Landlord may elect to delay consummation of any such sale by up to one hundred fifty (150) days by giving Tenant written notice at least thirty (30) days prior to the otherwise scheduled closing date, so long as such delays shall not have a material adverse effect on Tenant's budgetary constraints.

(b) The purchase price shall be payable in cash by wire transfer or immediately available funds on closing.

(c) The purchase shall be consummated pursuant to an escrow established with an escrow holder selected by Tenant, subject to Landlord's reasonable approval. Each party shall execute escrow instructions consistent with the provisions of this Section 48.

(d) Landlord shall pay for the cost of a CLTA policy of title insurance, which shall indicate on the closing that Tenant has fee simple title to the Land and the improvements thereon, subject to all matters of record which do not materially and adversely affect Tenant's use of the Premises as they have been used prior to such purchase. Landlord shall not be obligated to remove any easements, covenants and conditions, or similar encumbrances which have been put on the Land in the ordinary course of business and which do not interfere with the use of the Premises as contemplated by this Lease; provided, however, that Landlord, at its sole cost and expense, shall be obligated to remove all deeds of trust, mortgages and other security instruments encumbering the Premises.

(e) All escrow fees, transfer taxes and other closing costs shall be allocated between the parties in accordance with custom in Fresno County. Monthly Fixed Rent, Reimbursable Expenses, utilities, and other amounts payable by Tenant under this Lease shall be prorated as of close of escrow based upon a thirty (30) day month.

# EXHIBIT "E"

(f) Tenant shall cooperate if Landlord elects to implement the transfer of the Premises through a tax-deferred exchange, provided such exchange is at no additional cost to Tenant.

(g) The "fair market value" of the Premises shall mean the most probable price in cash for which the Premises would sell on the date Tenant exercises its purchase option within the defined market under all conditions requisite to a fair sale. The term "defined market" shall mean similar office buildings within the greater Fresno area which enjoy comparable amenities and locational attributes. If the parties are unable to agree on the fair market value of the Premises within thirty (30) days after Tenant's notice of option exercise to Landlord, the fair market value shall be determined by the following appraisal process. Either party may initiate the appraisal procedure by sending a written notice to the other party, such notice containing the name of an appraiser appointed by the party giving notice. The party receiving such notice shall have thirty (30) days to appoint an appraiser by giving written notice thereof to the other party. All appointed appraisers must be independent M.A.I. appraisers with at least ten (10) years of experience as appraisers generally and shall have at least three (3) years' experience in the Fresno area. The two appraisers so appointed shall work together in good faith to agree upon the fair market value. If the two appraisers have not agreed upon the fair market value within thirty (30) days after appointment of the second appraiser ("Consultation Period"), then each appraiser shall, within thirty (30) days after expiration of the Consultation Period, place in a sealed envelope his or her determination of the fair market value, and submit such appraisal to Landlord and Tenant. Landlord and Tenant shall meet within forty (40) days after expiration of the Consultation Period and open the sealed envelopes in each other's presence. If the higher appraisal is not more than one hundred ten percent (110%) of the lower appraisal, the fair market value shall be the average of the two appraised fair market values. If the higher appraisal is more than one hundred ten percent (110%) of the lower appraisal, the two appraisers shall select a third appraiser meeting the qualifications set forth herein to determine the fair market value and shall notify Landlord and Tenant of such selection. If the third appraiser has not been selected within ten (10) days after opening of the appraisals, then either party, on behalf of both, may request such appointment by the local office of the American Arbitration Association (or any successor thereto), or in the absence, failure, refusal or inability of such entity to act, then either party may apply to the Presiding Judge of the Fresno County Superior Court, for the appointment of a third appraiser having the qualifications set forth above, and the other party shall not raise any question as to the court's full power and jurisdiction to entertain the application and make the appointment. The third appraiser shall, within thirty (30) days after his or her appointment, independently determine the fair market value and submit such determination to Landlord and Tenant. The two (2) determinations of fair market value that are the closest shall be averaged, and such average shall constitute the fair market value. The third determination shall be disregarded. If a party fails to time the appointed qualified appraiser, the qualified appraiser timely appointed shall determine the fair market value alone. Each party shall pay all the costs of the appraiser appointed by such party and one-half of the cost of the third appraiser, if any.

# EXHIBIT "E"

13. Effective Date; Authority. This Amendment shall not become effective as an amendment to the Lease unless and until it has been executed and delivered by Starpoint and Tenant, and the grant deed conveying title to the Premises to Starpoint is recorded. By executing and delivering this Amendment, the person or persons signing on behalf of each party represent and warrant that they have the requisite authority to bind such party.

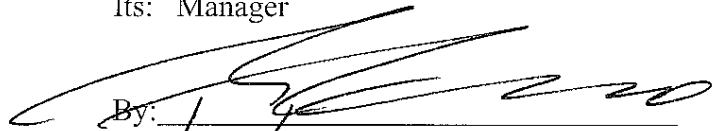
14. Successors and Assigns. Upon acquisition of the Premises by Starpoint, the terms, covenants and conditions of this Amendment shall apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto, including all future landlords as successors in interest to Starpoint.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first set forth above.

STARPOINT:

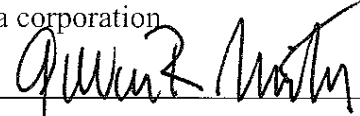
Starpoint Property Exchange, LLC,  
a California limited liability company

By: Starpoint Exchange, LLC,  
a California limited liability company  
Its: Manager

By:   
Peyman Daneshrad, CEO

TENANT:

Pacific Gas and Electric Company,  
a California corporation

TBK By:   
Name: Gordon R. Smith

Title: President & Chief Executive Officer

ACKNOWLEDGED AND CONSENTED TO:

LENDER:

CIBC Inc.,  
a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# EXHIBIT "E"

## FIFTH AMENDMENT OF LEASE

This Fifth Amendment of Lease (this "Amendment" or the "Fifth Amendment") is effective on June 1, 2014 (the "Effective Date"), by and between Starpoint Property Exchange, LLC, a California limited liability company; PGE 1, LLC, a Delaware limited liability company; PGE 2, LLC, a Delaware limited liability company; PGE 3, LLC, a Delaware limited liability company; PGE 4, LLC, a Delaware limited liability company; PGE 5, LLC, a Delaware limited liability company; PGE 6, LLC, a Delaware limited liability company; PGE 7, LLC, a Delaware limited liability company; PGE 8, LLC, a Delaware limited liability company; PGE 9, LLC, a Delaware limited liability company; PGE 10, LLC, a Delaware limited liability company; PGE 11, LLC, a Delaware limited liability company; PGE 12, LLC, a Delaware limited liability company; PGE 13, LLC, a Delaware limited liability company; PGE 14, LLC, a Delaware limited liability company; PGE 15, LLC, a Delaware limited liability company; PGE 16, LLC, a Delaware limited liability company; PGE 17, LLC, a Delaware limited liability company; PGE 18, LLC, a Delaware limited liability company; PGE 19, LLC, a Delaware limited liability company; PGE 20, LLC, a Delaware limited liability company; and PGE 21, LLC, a Delaware limited liability company, all as tenants in common (individually, and collectively, "Landlord") and Pacific Gas and Electric Company, a California corporation ("Tenant").

### R E C I T A L S:

A. Landlord, as successor in interest to Watt Fresno Associates I Limited Partnership, a California limited partnership, who in turn was successor in interest to Klein/Watt Partnership, a California limited partnership, and Tenant are parties to that certain Lease dated March 24, 1988 ("Original Lease"), as amended by the certain First Amendment of Lease and Certificate of Term Commencement Date dated as of August 7, 1989 ("First Amendment"), as supplemented by that certain Letter Agreement dated as of January 25, 1990, as amended by that certain Second Amendment of Lease dated as of July 16, 2004 ("Second Amendment"), that certain Third Amendment of Lease dated as of September 17, 2004 ("Third Amendment"), and that certain Fourth Amendment of Lease dated as of October 13, 2004 ("Fourth Amendment") (collectively, the "Existing Lease"), covering the land and buildings containing approximately 102,580 square feet commonly known as 650 "O" Street and 705 "P" Street, Fresno, California 93763 (the "Premises"), and more particularly described in the Original Lease.

B. The stated expiration date of the Existing Lease is May 31, 2014.

C. Landlord and Tenant desire to further amend the Existing Lease to (i) extend the term of the Existing Lease for an additional period of seven (7) years, (ii) grant Tenant the right to exercise three (3) options to extend the term for successive periods of five (5) years each as provided in Paragraph 4.3 of the Original Lease (as amended by Paragraph 2.2 of the Fourth Amendment and this Amendment), (iii) provide Tenant with a refurbishment allowance in the amount of up to One Million Twenty-Five Thousand Eight Hundred Dollars (\$1,025,800.00), subject to the terms and conditions of this Amendment, (iv) memorialize Landlord's agreement to perform certain work in, on and about the Premises, (v) reinstate Tenant's options to purchase the Premises in accordance with Paragraph 12 of the Fourth Amendment, as amended by this Amendment, and (vi) make certain other modifications to the Existing Lease as set forth herein below.

# EXHIBIT "E"

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Effective Date; Definitions.

1.1 Effective Date. Unless a different date is expressly specified herein, each of the provisions of this Amendment shall take effect and be binding upon the parties as of the Effective Date.

1.2 Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings given to them in the Existing Lease. The term "Lease" shall mean the Existing Lease, as amended by this Amendment.

2. Term.

2.1 Term. The term of the Existing Lease is currently scheduled to expire on May 31, 2014. Landlord and Tenant hereby agree to extend the term of the Existing Lease, as hereby amended, for a period of seven (7) years, commencing on June 1, 2014 and continuing through May 31, 2021, unless earlier terminated pursuant to the terms and conditions of the Lease. All references in the Lease to the term shall mean the term, as extended by this Amendment, unless the context clearly provides to the contrary.

2.2 Renewal Options. Tenant may exercise three (3) successive options to extend the term of the Lease for five (5) years each (with the applicable renewal terms commencing on June 1, 2021, June 1, 2026, and June 1, 2031, respectively), subject to all of the terms and conditions provided in Paragraph 4.3 of the Original Agreement, as amended by Paragraph 2.2 of the Fourth Amendment (including, without limitation, the condition that Tenant provide no less than eighteen (18) months prior written notice of its intention to extend the term).

3. Rent.

3.1 Monthly Fixed Rental. Tenant shall pay to Landlord, without prior demand and without any deduction, set off, or counterclaim whatsoever, for each of the following years of the Lease, a monthly fixed minimum amount (the "Monthly Fixed Rent") as set forth below:

<u>Time Period</u>	<u>Rental Rate Per Rentable Square Foot</u>	<u>Monthly Fixed Rent</u>
June 1, 2014 through May 31, 2015	\$1.68 per month	\$172,334.40
June 1, 2015 through May 31, 2016	\$1.71 per month	\$175,411.80

# EXHIBIT "E"

<u>Time Period</u>	<u>Rental Rate Per Rentable Square Foot</u>	<u>Monthly Fixed Rent</u>
June 1, 2016 through May 31, 2017	\$1.75 per month	\$179,515.00
June 1, 2017 through May 31, 2018	\$1.78 per month	\$182,592.40
June 1, 2018 through May 31, 2019	\$1.82 per month	\$186,695.60
June 1, 2019 through May 31, 2020	\$1.85 per month	\$189,773.00
June 1, 2020 through May 31, 2021	\$1.89 per month	\$193,876.20

4. Landlord's Work. Landlord, at Landlord's sole expense (and not as a Reimbursable Expense), shall diligently perform the work described in Exhibit A attached hereto (collectively, "Landlord's Work") in a good and workmanlike manner, in compliance with all applicable laws, and in substantial conformance with a scope of work and plans and specifications prepared by Landlord (collectively, "Landlord's Plans"). Prior to the commencement of Landlord's Work, Tenant shall have a right to view (but shall have no right to approve or disapprove) Landlord's Plans. Landlord shall use commercially reasonable efforts to coordinate the scheduling of Landlord's Work with Tenant, and perform such work in a manner that minimizes material interference with Tenant's use of the Premises; provided, however, Landlord shall be permitted to perform Landlord's Work during Tenant's occupancy of the Premises, during normal business hours (or any other hours), without any obligation to pay overtime or other premiums. Tenant hereby agrees that the performance of Landlord's Work shall in no way constitute a constructive eviction of Tenant or entitle Tenant to any abatement of rent payable pursuant to the Lease. Landlord shall have no responsibility for, or for any reason be liable to Tenant, for any direct or indirect injury to or interference with Tenant's business arising from the performance of Landlord's Work, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from, or for any inconvenience or annoyance occasioned by the performance of Landlord's Work or Landlord's or Landlord's contractor's or agent's actions in connection with the performance of Landlord's Work. Tenant shall not (and Tenant shall ensure that its agents, employees, contractors, licensees and invitees do not) interfere with the performance of Landlord's Work and shall cooperate with Landlord in connection with the performance of Landlord's Work, including, without limitation, by moving any equipment and other property which Landlord or its contractor may request be moved. Tenant shall be responsible for any increase in the costs or expenses incurred by Landlord in connection with Landlord's Work resulting from any act or omission of Tenant or any agents, employees, contractors, licensees or invitees of Tenant (including, without limitation, any delays resulting from any act or omission of any such party), and Tenant shall pay

# EXHIBIT "E"

any such increase in such costs or expenses to Landlord within thirty (30) days after demand accompanied by reasonable supporting documentation. In addition, should Tenant request any change in the scope of Landlord's Work, then Tenant shall be responsible for all costs and expenses incurred by Landlord in connection therewith (payable within thirty (30) days after demand accompanied by reasonable supporting documentation); provided, however, Landlord shall have no obligation to change the scope of Landlord's Work (and any election to do so shall be in Landlord's sole and absolute discretion).

5. Refurbishment Allowance. Subject to the provisions of this Paragraph, and provided that Tenant is not in default in the payment of Monthly Fixed Rent under the Lease after notice and expiration of applicable cure periods, Landlord agrees to provide Tenant with an allowance in the amount of up to One Million Twenty-Five Thousand Eight Hundred Dollars (\$1,025,800.00) (calculated at the rate of \$10.00 per rentable square foot of the Buildings) ("Refurbishment Allowance"). The Refurbishment Allowance shall be used by Tenant to pay for Tenant's actual and commercially reasonable costs and expenses payable to unaffiliated third parties for painting, re-carpeting and other Alterations to the Premises (all of which must be performed by Tenant in accordance with all terms and conditions of the Lease), as well as unaffiliated third party design and permit fees, and construction management fees paid to third parties (collectively, "Tenant Refurbishment Work"), but shall specifically exclude and shall not be applied toward the cost of furniture, trade fixtures and/or equipment (other than telecommunications cabling and telecommunications equipment in connection with Tenant's use of the Premises), or any costs incurred by Tenant prior to the Effective Date of this Amendment. Landlord shall pay the Refurbishment Allowance to Tenant within thirty (30) days after receipt of Tenant's written request for disbursement accompanied by (i) reasonably detailed invoices or other reasonably satisfactory evidence of such costs, (ii) conditional lien releases from all contractors and subcontractors who will be paid from the Refurbishment Allowance disbursement, and who have filed preliminary lien notices, and (iii) evidence that all work or materials for which Tenant seeks reimbursement have been completed or installed. Tenant may submit multiple requests for disbursement of portions of the Refurbishment Allowance, provided that Tenant shall not submit more than one (1) request for disbursement per month, and provided further that Landlord shall charge Tenant a processing fee of One Hundred Fifty and 00/100 Dollars (\$150.00) (which processing fee may be deducted from the Refurbishment Allowance) for each disbursement request made by Tenant to reimburse Landlord for charges and expenses assessed against Landlord by Landlord's lender in connection with such reimbursement requests. Notwithstanding the foregoing, in no event shall Landlord be obligated to make disbursements pursuant to this Paragraph in a total amount which exceeds the Refurbishment Allowance, and in no event shall Tenant be entitled to any portion of the Refurbishment Allowance not requested by Tenant in writing (in accordance with the terms and conditions hereof) on or prior to April 30, 2015. Promptly following the conclusion of performing the Tenant Refurbishment Work, Tenant shall deliver to Landlord (x) final lien releases from all contractors and subcontractors who have performed work in or about the Premises, and who have filed preliminary lien notices, (y) a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems constructed within the Premises (if applicable), and (z) as-built drawings (if applicable).

6. Condition of the Premises. Subject to Paragraph 4 above with respect to Landlord's Work and the other obligations of Landlord expressly set forth in the Lease (if any)

# EXHIBIT "E"

relating to the condition of the Premises, Tenant shall continue to lease the Premises "as-is," "with all faults," and "without any representations or warranties." Tenant agrees and warrants that it is familiar with the condition of the Premises and the suitability of same for Tenant's purposes, and subject to Landlord's performing of its express obligations under the Lease (if any) relating to the condition of the Premises, Tenant hereby waives and disclaims any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises or the suitability of same for Tenant's purposes. Tenant acknowledges that neither Landlord nor any agent or employee of Landlord has made any representations or warranty with respect to the Premises or with respect to its suitability for the conduct of Tenant's business, and Tenant expressly warrants and represents that Tenant has relied solely on its own investigation and inspection of the Premises in its decision to enter into this Amendment and to continue to let the Premises in its "as-is" condition (subject to the terms set forth in this Paragraph).

7. Utilities and Services. Paragraph 5.3(a) of the Original Lease, as amended by Paragraph 4 of the Fourth Amendment, and Paragraph 5.4 of the Original Lease, are deleted in their entirety, and the following paragraphs are substituted in their place:

**"5.3 Utilities and Services.**

**(a) Tenant shall pay directly to the billing entity all charges for gas, heat, light, power, telephone and other utilities specifically or exclusively supplied and/or metered exclusively to the Premises or to Tenant, together with any taxes thereon.**

**5.4 Payment. Rent and all other charges payable to Landlord shall be payable in lawful money of the United States to Landlord at Landlord's address for notices set forth in Paragraph 23 below, or to such other persons or at such other place as Landlord may designate in writing."**

8. Janitorial Services. Paragraph 5.6 of the Existing Lease (which was added pursuant to Paragraph 6 of the Fourth Amendment), is hereby deleted in its entirety and the following paragraph is substituted in its place:

**"5.6 Janitorial Services. Landlord shall continue to provide janitorial services to the Premises through July 31, 2014. Commencing on August 1, 2014, Tenant (not Landlord) shall provide janitorial services to the Premises, and the cost of such janitorial services shall no longer be included in the Reimbursable Expenses."**

9. Expense Reimbursement. Paragraph 6.1 of the Existing Lease, added pursuant to Paragraph 7 of the Fourth Amendment, is hereby amended as follows: As of June 1, 2014, the phrase "janitorial services," is deleted from the first sentence of Paragraph 6.1(a). In addition, the following text is added as the end of Paragraph 6.1(a):

# EXHIBIT "E"

"Tenant's obligation to pay Reimbursable Expenses during the term shall be as set forth below:

<u>Time Period</u>	<u>Limit on Reimbursable Expenses</u>
January 1, 2014 through July 31, 2014	\$174,125.00
August 1, 2014 through December 31, 2014	\$89,500.00
January 1, 2015 through December 31, 2015	\$221,243.01

Commencing on January 1, 2016, and thereafter throughout the term of the Lease, including all renewal terms, the foregoing limit on Reimbursable Expenses payable by Tenant during any calendar year of the term of the Lease shall increase by an amount equal to three percent (3%) of the limit on Reimbursable Expenses payable by Tenant during the immediately preceding calendar year.

Promptly after request by Landlord, Tenant shall provide reasonable backup documentation substantiating Tenant's cost of providing janitorial services to the Premises. The figures for any partial calendar year shall be appropriately prorated, and if the rentable square footage of the Premises shall change, the figures shall be appropriately adjusted. In addition to the foregoing limitations, in no event shall the expenses related to the management fee charged by Landlord under this Lease for any calendar year during the term, including renewal terms, exceed three percent (3%) of the total aggregate sum of Monthly Fixed Rent for such calendar year plus the total amount of Reimbursable Expenses (excluding the management fee expense) payable by Tenant during such applicable calendar year."

10. Use. Paragraph 7.1 of the Original Lease is deleted and the following Paragraph 7.1 is substituted in its place:

"7.1 Use. The Buildings shall be used and occupied for general office and related purposes, a call center, a customer service office open to the public and for no other purposes whatsoever. The parking lot located on the Premises shall only be used for parking purposes related to the foregoing uses and for no other purposes whatsoever. In addition, Landlord acknowledges that Tenant (at Tenant's sole cost and risk) has installed and has the right to maintain and operate (subject to all of the applicable terms and conditions contained in this Lease) emergency generators, including above-ground fuel storage tanks and other directly related equipment in

# EXHIBIT "E"

**compliance with all applicable laws, rules and ordinances, and Landlord shall have no liability or responsibility for same."**

11. CASp Inspection:

11.1 Disclosure. Landlord hereby discloses to Tenant, in accordance with California Civil Code Section 1938, and Tenant hereby acknowledges, that as of the Effective Date, the Premises and the Buildings have not undergone an inspection by a Certified Access Specialist (CASp), to determine whether the Premises and/or the Buildings meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 *et seq.*

11.2 Landlord's Accessibility Work. Landlord, at Landlord's expense (and not as part of Reimbursable Expenses), agrees to engage a CASp (as defined in California Civil Code Section 55.52) to inspect all exterior areas of the Premises, such as the parking lots, sidewalks, stairways, and the entrances and exits to the Buildings, and to cause the inspection report to be completed by the CASp no later than August 31, 2014. Landlord shall deliver a true and complete copy of the inspection report prepared by the CASp to Tenant within three (3) business days after Landlord's receipt thereof. Landlord, at Landlord's expense (and not as part of Reimbursable Expenses), on a one-time basis only, using industry standard materials, guidelines, specifications and procedures (except to the extent otherwise reasonably designated by Landlord), agrees to complete in a good and workmanlike manner, on or before December 31, 2014, the work necessary to cause the exterior areas of the Premises, and the entrances and exits to the Buildings, to meet the minimum applicable construction-related accessibility standards to the extent necessary to correct any deficiencies noted in the report prepared by the CASp ("Landlord's Accessibility Work"). After satisfactory completion of Landlord's Accessibility Work, if any Alterations performed by or on behalf of Tenant shall trigger accessibility or other compliance work, then Tenant, at Tenant's sole cost and expense, shall perform all of such compliance work.

12. Landlord Services. As of the Effective Date, Paragraph 6 of the First Amendment entitled "Landlord's Obligations" and Exhibit "C" attached to the First Amendment are deleted in their entirety and the following sentence is added to the end of Paragraph 8.2, which was added to the Existing Lease pursuant to the Fourth Amendment: "Landlord shall provide services to the Premises in accordance with the schedule attached to the Fifth Amendment as Exhibit B."

13. Landlord's Insurance. The following is hereby added to the end of Paragraph 9.5 of the Existing Lease, which was added pursuant to the Fourth Amendment:

**"In addition, Landlord shall at all times during the term of this Lease, carry commercial general liability insurance with such limits and coverage as is carried by prudent owners of comparable buildings in the Fresno central business district. Landlord's commercial general liability policy relating to the Premises shall be endorsed to name Tenant as an additional insured, and Landlord shall provide Tenant with satisfactory evidence of such coverage and endorsement, from time to time, within ten (10) days after written request by Tenant."**

# EXHIBIT "E"

14. Assignment and Subletting.

14.1 Occupancy by Service Providers. The following sentence is added at the end of Paragraph 13.2 of the Original Lease:

**"In addition, Tenant may, without Landlord's prior consent, allow any person or company that is providing professional services to Tenant to occupy a portion of the Premises, and without such occupancy being deemed an assignment or subletting, provided that all of the following conditions are met: (a) Tenant does not construct any demising walls, separate entrances and/or realize a profit in connection with such occupancies; and (b) Tenant shall continue to remain liable under the Lease for the performance of all of the terms and conditions of the Lease."**

15. Default. Paragraph 14.1(a) of the Original Lease is amended to delete the words "vacation or".

16. Late Charges. The following sentence is added to the end of Paragraph 14.3 of the Original Lease:

**"Landlord shall waive the imposition of such late charge for the first late payment in any twelve (12) month period during the term of this Lease provided Tenant makes such payment within five (5) days following written notice from Landlord that such payment is past due."**

17. Notices. Paragraph 23 of the Original Lease is deleted and the following Paragraph 23 is substituted in its place:

**"23. Notices.**

**Any notice to be given in connection with this Lease shall be in writing and shall be served by personal delivery or be sent by certified mail, post pre-paid, return receipt requested, or by reputable courier service that provides written evidence of delivery, addressed as specified herein or to such other address as requested by either party in the manner specified herein. Notices shall be effective upon actual receipt or upon refusal to accept delivery.**

**Landlord's Address:**

**Starpoint Property Exchange, LLC  
c/o Exchange Point Property Management LLC  
450 N. Roxbury Drive, Suite 1050  
Beverly Hills, CA 90210**

# EXHIBIT "E"

**Tenant's Address:**

**If by certified mail, postage pre-paid, return receipt requested:**

**Corporate Real Estate Transactions Department  
Pacific Gas and Electric Company  
P.O. Box 770000, Mail Code N15G  
San Francisco, CA 94177**

**With a concurrent copy to:**

**Law Department  
Pacific Gas and Electric Company  
P.O. Box 7442  
San Francisco, CA 94120  
Attn: Senior Director and Lead Counsel  
Corporate and Commercial Group (Real Estate)**

**If by personal delivery or courier service:**

**Corporate Real Estate Transactions Department  
Pacific Gas and Electric Company  
245 Market Street, Room 1550  
San Francisco, CA 94105**

**With a concurrent copy to:**

**Law Department  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B30A  
San Francisco, CA 94105  
Attn: Senior Director and Lead Counsel  
Corporate and Commercial Group (Real Estate)"**

18. Tenant's Options to Purchase Premises. Paragraphs 48.1(a) of the Original Lease, as amended pursuant to Paragraph 12 of the Fourth Amendment, is hereby deleted (but the remainder of Paragraph 48 [including, but not limited to, Paragraph 48.2] shall remain in full force and effect) and the following Paragraph 48.1(a) is substituted in its place:

**"48.1 Tenant's Option to Purchase Premises.**

**48.1 Timing and Price of Option. Tenant shall have the following option to purchase the Premises:**

**(a) If Tenant has previously and timely exercised the next occurring renewal option, and Tenant gives Landlord written notice on or before January 31, 2021, but in no event sooner than August 1, 2019, Tenant**

# EXHIBIT "E"

shall have the right to purchase the Premises for a purchase price equal to the then fair market value of the Premises."

19. Use of Roof. The following new Paragraph 49 is hereby added to the Existing Lease:

**"49. Use of Roof. Landlord hereby grants to Tenant the nonexclusive right to occupy portions of the roof of the Buildings, as designated by Landlord in Landlord's sole and absolute discretion (hereinafter called the "Rooftop Premises") so that Tenant may install, use, operate and maintain antennas, microwave dishes and appurtenant conduit and cabling (the "Rooftop Equipment"), only until the expiration or termination of the term of this Lease. Landlord may, from time to time, upon not less than thirty (30) days prior written notice to Tenant, require Tenant to relocate the Rooftop Equipment to other locations on the roof of the Buildings as designated by Landlord (which new locations shall thereafter be deemed the Rooftop Premises). Tenant shall perform any such relocation at Tenant's sole cost and expense in accordance with the terms of this Paragraph 49 and this Lease. Notwithstanding anything to the contrary set forth in this Paragraph 49, neither the Rooftop Equipment, nor any work or act in connection with the Rooftop Equipment, by or on behalf of Tenant may invalidate or otherwise affect the warranty relating to the roofs, unless otherwise specified by Landlord in writing in its sole and absolute discretion. The Rooftop Equipment shall have commercially reasonable specifications commonly found in communications Rooftop Equipment of comparable tenants at comparable buildings in the general vicinity of the Buildings (as reasonably determined by Landlord) and shall be in accordance with the additional following conditions:**

**(a) The use of the Rooftop Equipment shall be restricted to Tenant's internal communications purposes only and shall not be used for profit making purposes or available for use by any party except Tenant.**

**(b) Tenant shall pay Landlord or Landlord's agent or contractor, within thirty (30) days after demand accompanied by reasonable supporting documentation (which demand may be made from time to time), all reasonable costs and expenses incurred by Landlord for any architectural, engineering, supervisory and/or reasonable legal services in connection with the Rooftop Equipment, including, without limitation, Landlord's review of the plans and specifications for the Rooftop Equipment. Without limiting the foregoing, Tenant shall immediately, at its sole cost and expense, repair any and all damage resulting from the presence and/or use of the Rooftop Equipment and pay to Landlord any and all other costs actually incurred by Landlord in connection with the Rooftop Equipment. Notwithstanding the foregoing, there shall be no monthly rental for the use of the rooftop for Tenant's satellite/communications equipment.**

# EXHIBIT "E"

(c) The Rooftop Equipment shall be installed, used, operated and maintained solely on the Rooftop Premises and solely at the expense of Tenant. Tenant shall perform the installation of the Rooftop Equipment in accordance with an installation program reasonably approved and supervised by Landlord or Landlord's contractor, and Tenant shall neither bring the Rooftop Equipment nor any associated equipment to the Premises or Rooftop Premises without first giving Landlord at least thirty (30) days' prior written notice of the date and time of the planned installation. Tenant shall ensure that the Rooftop Equipment shall in all cases be installed, used, operated, maintained and removed in compliance with the following requirements (all as determined by Landlord in its sole and absolute discretion): (i) the Rooftop Equipment shall not interfere in any way with the Buildings' existing engineering or other maintenance functions or duties; (ii) the Rooftop Equipment must be properly secured and installed so as not to be affected by high winds or other weather elements; (iii) the Rooftop Equipment must be properly grounded; (iv) the weight of the Rooftop Equipment shall not exceed the load limits of the Buildings; and (v) in no event shall the Rooftop Equipment or any appurtenant wiring or cable interfere with or otherwise adversely affect the electrical, mechanical, structural, life safety or other building systems of the Buildings. Tenant shall bear all costs and expenses in connection with the installation, use, operation, maintenance and removal of the Rooftop Equipment, including all costs relating to the repair of any damage to the roof or other parts of the Building caused directly or indirectly by any such installation, use, operation, maintenance or removal, including, without limitation, water damage or other damage resulting from weather elements.

(d) The installation of the Rooftop Equipment, excluding any necessary penetration of the roof of the Buildings, shall be performed by Tenant's contractor, as approved by Landlord, and at Tenant's expense (or, at Landlord's option, by Landlord's contractor, at Tenant's expense), provided such installation is of a non-penetrating surface mount only. Tenant may not install the Rooftop Equipment in a manner that penetrates the roof membrane of the Buildings, without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. Without limiting Tenant's other obligations, Tenant shall reimburse Landlord for all reasonable costs associated with obtaining confirmation that Landlord's roof warranty will not be affected by any penetration. All work done in connection with any permitted roof penetration shall be performed by Landlord or Landlord's agent at Tenant's sole cost and expense. The installation of the Rooftop Equipment shall not damage the Buildings or existing structures thereon. Landlord may obtain the services of a structural engineer to design any additional supports required to support the Rooftop Equipment, and to monitor the installation thereof, and Tenant shall reimburse Landlord, within thirty (30) days after receipt by Tenant of an invoice, and Tenant's receipt of reasonable supporting documentation, for Landlord's actual and reasonable the cost of

# EXHIBIT "E"

such services and such supports. The Rooftop Equipment shall remain the personal property of Tenant and shall be removed by Tenant prior to the expiration or earlier termination of the Lease, and Tenant shall repair any damage caused by the removal of the Rooftop Equipment and its associated wiring, cables and other components and immediately, at Tenant's sole cost and expense, restore the Rooftop Premises to the condition which existed prior to the installation of the Rooftop Equipment.

(e) Tenant may, at Tenant's own cost and expense, upon reasonable prior written notice to Landlord (except in an Emergency), access the Rooftop Premises to repair, replace, reorient or remove the Rooftop Equipment, or replace it with generally similar equipment, provided that (i) any new equipment does not weigh more than the original Rooftop Equipment and can be properly accommodated on Rooftop Premises without placing materially greater demands upon the electrical, mechanical, structural, life safety or other building systems of the Buildings than the original Rooftop Equipment; (ii) Tenant at its cost shall restore the Buildings to the condition in which it was prior to such repair, reorientation, removal or replacement, and all of such repair, reorientation, removal or replacement shall be performed in accordance with Landlord's and industry standard engineering practices and by contractors or other persons approved by Landlord; and (iii) all plans and designs of Tenant relating to such repair, reorientation, removal or replacement shall in any case be subject to the prior written approval of Landlord.

(f) Tenant hereby agrees that the Rooftop Premises shall be taken "as is", "with all faults", without any representations and warranties, and Tenant hereby agrees and warrants that it has investigated and inspected the condition of the Rooftop Premises and the suitability of same for Tenant's purposes.

(g) Tenant, at Tenant's sole cost and expense, will, at all times in connection with the installation, use, operation and maintenance of the Rooftop Equipment, comply with all governmental and legal requirements affecting the installation, use, operation and maintenance of the Rooftop Equipment, including, without limitation, applicable building and fire codes, and will comply with all requirements of the Federal Aviation Administration and Federal Communications Commission in respect thereof. Tenant, at Tenant's sole cost and expense, shall be obligated to secure and obtain and provide Landlord with copies of all required permits, approvals and licenses for or with respect to the installation or operation of the Rooftop Equipment prior to the commencement of any installation activities hereunder, and Tenant shall be obligated to keep in full force and effect and renew, as applicable, all required permits, approvals and licenses required hereunder.

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(h) During the entire period that the Rooftop Equipment is situated in the Rooftop Premises, Tenant agrees to maintain comprehensive general public liability insurance against all claims for bodily injury, death and property damage occurring in the Rooftop Premises and the area surrounding or in any way related to the Rooftop Equipment in the amounts and in accordance with the terms set forth in the Lease and as otherwise reasonably designated by Landlord; Tenant shall ensure that all insurance policies shall name Landlord and any other party reasonably designated by Landlord as additional insureds. Notwithstanding the preceding sentence, Tenant shall have the right to self-insure with respect to all such insurance required to be carried by Tenant with respect to the Rooftop Equipment and Rooftop Premises, subject to Paragraph 9.4 of the Existing Lease, as amended by Paragraph 9.1 of the Fourth Amendment. Tenant shall pay, immediately upon demand, for the cost of any additional insurance incurred by Landlord or the increase in any premiums on insurance maintained by Landlord arising by reason of the erection or installation and maintenance of the Rooftop Equipment.

(i) Landlord shall not be liable in any respect for damages to either person or property nor shall Tenant be relieved from fulfilling any covenant or agreement hereof as a result of any temporary or permanent interruption of electrical service. Landlord shall use reasonable diligence to restore any interruption in electrical service promptly, but Tenant shall have no claim for damages, consequential or otherwise, on account of any interruption. Tenant acknowledges that Landlord may, as part of its maintenance and repair obligations at the Buildings, require a temporary interruption of electrical service that may cause a temporary disruption of service to Tenant or the Rooftop Equipment. Landlord shall have no obligation hereunder to provide alternate power from emergency power sources.

(j) Each contractor performing any portion of Tenant's installation of the Rooftop Equipment shall be subject to Landlord's approval and shall maintain the insurance required by the terms of the Lease. All work performed by or on behalf of Tenant pursuant to this Paragraph 49 shall be subject to all of the terms and conditions of the Lease.

(k) Landlord acknowledges that prior to the Effective Date of the Fifth Amendment, Tenant installed certain equipment on the roof of the Buildings (the "Pre-Existing Rooftop Equipment"). Subject to the terms, conditions and covenants contained in this Paragraph 49, the space on the roof of the Buildings occupied by such Pre-Existing Rooftop Equipment shall be deemed to be a part of the Rooftop Premises from and after the Effective Date of the Fifth Amendment. Such Pre-Existing Rooftop Equipment shall be subject to all of the terms, conditions and covenants contained in this Paragraph 49 relating to the Rooftop Equipment (including, without limitation, the terms, conditions and covenants relating to operation,

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**maintenance, repair, replacement, relocation and removal); provided, however, the provisions relating to the initial installation of the Rooftop Equipment shall not apply to such Pre-Existing Rooftop Equipment (it being acknowledged that the Pre-Existing Rooftop Equipment has already been installed by Tenant), unless and until such time that Tenant relocates, moves, uninstalls, or replaces such Pre-Existing Rooftop Equipment, at which point, Tenant shall be obligated to install or reinstall (as the case may be) such Pre-Existing Rooftop Equipment in accordance with the terms, conditions and covenants contained in this Paragraph 49."**

20. Spare Compressor. Landlord agrees throughout the term of this Lease, including renewal terms, to purchase (subject to reimbursement as a Reimbursable Expense, to the extent otherwise permitted under this Lease) and store at the Premises (in a location reasonably determined by Landlord) a spare 35 HP compressor. Without relieving Tenant of liability resulting from Tenant's failure to exercise and perform good maintenance practices in accordance with the requirements of this Lease, in the event of the failure of a compressor at the Premises, Tenant shall provide written notice to Landlord of such failure and as soon as reasonably possible after receipt of such notice from Tenant, Landlord shall determine (in its reasonable discretion) whether such failed compressor can be repaired or if such failed compressor shall be replaced with the spare compressor stored at the Premises. In the event Landlord reasonably determines that the compressor can be repaired, Landlord shall repair the failed compressor as soon as reasonably possible after making such determination. In the event Landlord determines that the failed compressor cannot be repaired and should be replaced with the spare compressor, Landlord shall install the spare compressor as soon as reasonably possible after making such determination, and promptly replace the used spare compressor with another spare compressor to be stored at the Premises. Notwithstanding the foregoing, Tenant shall pay for the cost of any repairs or replacements of any compressor resulting from (i) the negligence or willful misconduct of Tenant, its employees, agents and/or contractors, or (ii) Tenant's failure to observe or perform any condition or agreement contained in this Lease relating to maintenance and repair obligations of Tenant, or (iii) any alterations, additions or improvements made by Tenant or anyone claiming under Tenant.

21. Broker Commissions.

21.1 Landlord's Broker. Landlord represents and warrants to Tenant that it has not authorized or employed, or acted by implication to authorize or employ, any real estate broker or salesman to act for it in connection with this Lease. Landlord shall indemnify, defend and hold Tenant harmless from and against any and all any and all loss, liability, damages, costs and expenses (including reasonable attorneys' fees) resulting from a breach of the foregoing representation. The terms of this Paragraph shall survive the expiration or earlier termination of this Lease.

21.2 Tenant's Broker. Tenant represents and warrants to Landlord that it has not authorized or employed, or acted by implication to authorize or employ, any real estate broker or salesman to act for it in connection with this Lease, except for Cushman & Wakefield of California, Inc. and Newmark Grubb Pearson Commercial (collectively, "**Tenant's Broker**"). Landlord shall pay all commissions owing to Tenant's Broker in connection with this Lease

# EXHIBIT "E"

pursuant to a separate written agreement. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all any and all loss, liability, damages, costs and expenses (including reasonable attorneys' fees) resulting from a breach of the foregoing representation. The terms of this Paragraph shall survive the expiration or earlier termination of this Lease.

22. Energy Performance Disclosure Information. Tenant acknowledges that Landlord is required to disclose certain information concerning the energy performance of the Buildings pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto (collectively the "Energy Disclosure Requirements"). Tenant hereby acknowledges prior receipt of the Data Verification Checklist, as defined in the Energy Disclosure Requirements (collectively, the "Energy Disclosure Information"), and agrees that Landlord has timely complied in full with Landlord's obligations under the Energy Disclosure Requirements. Tenant acknowledges and agrees that (i) Landlord makes no representation or warranty regarding the energy performance of the Buildings or the accuracy or completeness of the Energy Disclosure Information, (ii) the Energy Disclosure Information is for the current occupancy and use of the Buildings and that the energy performance of the Buildings may vary depending on future occupancy and/or use of the Buildings, and (iii) Landlord shall have no liability to Tenant for any errors or omissions in the Energy Disclosure Information. Further, Tenant hereby releases Landlord from any liability Landlord may have to Tenant relating to the Energy Disclosure Information, including, without limitation, any liability arising as a result of Landlord's failure to disclose the Energy Disclosure Information to Tenant prior to the execution of this Amendment. Tenant's execution of this Amendment shall be deemed to be Tenant's approval of the energy performance of the Buildings and the Energy Performance Disclosure Information. Tenant agrees to cooperate with Landlord to the extent required by Landlord to comply with California Public Resources Code Section 25402.10, including, without limitation, providing or consenting to any utility company providing Tenant's energy consumption information for the Premises to Landlord. The terms of this Paragraph shall survive the expiration or earlier termination of the Lease.

23. Consent of Lender. Landlord agrees to obtain the consent of Landlord's lender to this Amendment, whereby the lender agrees to be bound by this Amendment, without excluding any obligations of Landlord (including payment of the Refurbishment Allowance), and Landlord shall deliver such lender's written consent to Tenant within ten (10) business days after the mutual execution and delivery of this Amendment.

24. Miscellaneous.

(a) Relationship of Parties. Landlord acknowledges that Tenant is acting under the Lease in its capacity as a tenant, and not as a provider of electricity and natural gas. No act or omission of Tenant, its employees, agents or contractors as a provider of electricity and natural gas shall affect the respective rights, obligations or liabilities of Landlord and Tenant under the Lease.

(b) Effective Date; Authority. This Amendment shall not become effective as an amendment to the Existing Lease unless and until it has been executed and delivered by Landlord and Tenant, but upon such execution and delivery, it shall be effective as of the Effective Date. Tenant represents and warrants that all action has been taken by Tenant to

# EXHIBIT "E"

approve this Amendment and the person signing this Amendment on behalf of Tenant has been duly authorized to sign and deliver this Amendment on behalf of Tenant. Landlord represents and warrants that all action has been taken by Landlord to approve this Amendment and the person signing this Amendment on behalf of Landlord has been duly authorized to sign and deliver this Amendment on behalf of Landlord. By signing below, Exchangepoint Property Management, LLC ("Exchangepoint") represents and warrants that: (i) Exchangepoint is the duly authorized agent of the Tenants in Common comprising Landlord; (ii) Exchangepoint has taken all actions required to obtain necessary approvals of this Amendment, including the unanimous approval of all Tenants in Common comprising Landlord; and (iii) Exchangepoint is authorized to sign and deliver this Amendment on behalf of Landlord, and the person signing this Amendment on behalf of Exchangepoint has been duly authorized to sign and deliver this Amendment on behalf of Exchangepoint.

(c) Inconsistency. To the extent the provisions of the Existing Lease and this Amendment are inconsistent, the provisions of this Amendment shall control.

(d) Successors and Assigns. The terms, covenants and conditions of this Amendment shall apply to and bind the successors, assigns, heirs, executors, and administrators of the parties hereto.

(e) Exhibits. The following Exhibits and Schedules are attached hereto and incorporated by reference into this Amendment:

Exhibit A Landlord's Work

Schedule 1 Site Plan Showing Parking Lot Repairs

Exhibit B Service Schedule

(f) Interpretation. This Amendment shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amendment. Unless the context clearly requires otherwise: (a) the plural and singular shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; (e) "include," "includes," and "including" are not intended to be restrictive, and lists following such words shall not be interpreted to be exhaustive or limited to items of the same type as those enumerated; and (f) "days" means calendar days, except if the last day for performance occurs on a Saturday, Sunday, or any legal holiday, then the next succeeding business day shall be the last day for performance.

(g) Severability. If any provision of this Amendment shall be held to be unenforceable or invalid for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Amendment and the Existing Lease shall be deemed valid and enforceable to the fullest extent.

# EXHIBIT "E"

(h) Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(i) Survival. The obligations of the parties set forth in this Amendment that, by their express terms or nature, are to be performed after the expiration or earlier termination of the Lease, shall survive the expiration or earlier termination of the Lease.

(j) Ratification. The Existing Lease, as modified by this Amendment, is ratified and confirmed in all respects.

(k) Entire Agreement. This Amendment contains the entire agreement of Landlord and Tenant with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

LANDLORD:

EXCHANGEPOINT PROPERTY  
MANAGEMENT, LLC, a California limited  
liability company, as agent on behalf of the  
Landlord: PGE 1, LLC, PGE 2, LLC, PGE 3, LLC,  
PGE 4, LLC, PGE 5, LLC, PGE 6, LLC, PGE 7,  
LLC, PGE 8, LLC, PGE 9, LLC, PGE 10, LLC,  
PGE 11, LLC, PGE 12, LLC, PGE 13, LLC, PGE  
14, LLC, PGE 15, LLC, PGE 16, LLC, PGE 17,  
LLC, PGE 18, LLC, PGE 19, LLC, PGE 20, LLC,  
PGE 21, LLC and STARPOINT PROPERTY  
EXCHANGE, LLC

By: 

Paul Daneshrad, CEO

Date: Aug. 15, 2014

TENANT:

Pacific Gas and Electric Company,  
a California corporation

By: 

Christopher P. Johns, President

Date: 2/18/14

# EXHIBIT "E"

## EXHIBIT A

### LANDLORD'S WORK

<u>Description of Work</u>	<u>Completion Date</u>
1. Paint the exterior of the Buildings (including trim), breezeway, fencing, enclosures and other exterior elements in existing colors or other colors reasonably approved by Tenant.	September 30, 2014
2. Paint, purchase and install new flooring and fixtures, and otherwise renovate all restrooms in the Premises to comply with all applicable laws as required.	December 31, 2014
3. Roof Replacement on both Buildings	September 30, 2014
4. Replace fire brick lining in the boiler located in the 705 P Street Building.	October 31, 2014
5. Replace all ionization smoke detectors with new smoke detectors in both Buildings.	December 31, 2014
6. Repair parking lot in accordance with Site Plan attached hereto as Schedule 1.	September 30, 2014
7. Seal and re-stripe parking lot.	July 31, 2015

# EXHIBIT "E"

## SCHEDULE 1

### SITE PLAN SHOWING PARKING LOT REPAIRS



Asphalt on noted areas will be replaced.

# EXHIBIT "E"

## EXHIBIT B

### SERVICE SCHEDULE

<u>DESCRIPTION OF WORK</u>	<u>FREQUENCY OF SERVICE</u>
1. Window Washing (interior/exterior)	2 times per year
2. Elevator Maintenance Emergency Service*	1 time per month maximum response time of 2 hours
3. a) Landscape Maintenance b) Irrigation System (adjustments and repairs) c) Clean, sweep and maintain sidewalks	1 time per week as needed as needed
4. Seal and re-stripe Parking Lot	1 time every 4 years
5. Routine HVAC Maintenance Emergency Service**	1 time per month maximum response time of 2 hours
6. Lighting Ballast Maintenance Replace lamps	as needed
7. Parking Lot Sweeping	4 times per year
8. Pest Control	as needed

#### Notes:

\* Elevator not working with someone trapped inside

\*\* Total failure of entire unit

# EXHIBIT "E"

## SIXTH AMENDMENT OF LEASE

This Sixth Amendment of Lease (this "Amendment" or the "Sixth Amendment") is effective on \_\_\_\_\_, 2015 (the "Effective Date"), by and between PGE Starpoint, LLC, a Delaware limited liability company; PGE 1, LLC, a Delaware limited liability company; PGE 2, LLC, a Delaware limited liability company; PGE 3, LLC, a Delaware limited liability company; PGE 4, LLC, a Delaware limited liability company; PGE 5, LLC, a Delaware limited liability company; PGE 6, LLC, a Delaware limited liability company; PGE 7, LLC, a Delaware limited liability company; PGE 8, LLC, a Delaware limited liability company; PGE 9, LLC, a Delaware limited liability company; PGE 10, LLC, a Delaware limited liability company; PGE 11, LLC, a Delaware limited liability company; PGE 12, LLC, a Delaware limited liability company; PGE 13, LLC, a Delaware limited liability company; PGE 14, LLC, a Delaware limited liability company; PGE 15, LLC, a Delaware limited liability company; PGE 16, LLC, a Delaware limited liability company; PGE 17, LLC, a Delaware limited liability company; PGE 18, LLC, a Delaware limited liability company; PGE 19, LLC, a Delaware limited liability company; PGE 20, LLC, a Delaware limited liability company; PGE 21, LLC, a Delaware limited liability company, and PGE 26, LLC, a Delaware limited liability company, all as tenants in common (individually, and collectively, "Landlord") and Pacific Gas and Electric Company, a California corporation ("Tenant").

### RECITALS:

A. Landlord, as successor in interest to Watt Fresno Associates I Limited Partnership, a California limited partnership, who in turn was successor in interest to Klein/Watt Partnership, a California limited partnership, and Tenant are parties to that certain Lease dated March 24, 1988 ("Original Lease"), as amended by the certain First Amendment of Lease and Certificate of Term Commencement Date dated as of August 7, 1989 ("First Amendment"), as supplemented by that certain Letter Agreement dated as of January 25, 1990, as amended by that certain Second Amendment of Lease dated as of July 16, 2004 ("Second Amendment"), that certain Third Amendment of Lease dated as of September 17, 2004 ("Third Amendment"), that certain Fourth Amendment of Lease dated as of October 13, 2004 ("Fourth Amendment"), and that certain Fifth Amendment of Lease dated as of June 1, 2014 ("Fifth Amendment") (collectively, the "Existing Lease"), covering the land and buildings containing approximately 102,580 square feet commonly known as 650 "O" Street and 705 "P" Street, Fresno, California 93763 (the "Premises"), and more particularly described in the Original Lease.

B. Landlord and Tenant desire to further amend the Existing Lease to: (i) modify certain provisions in the Fifth Amendment relating to Landlord's agreement to perform certain work in, on and about the Premises, (ii) modify the date by which Tenant must request payment of the refurbishment allowance, and (iii) make certain other modifications to the Existing Lease as set forth herein below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

# EXHIBIT "E"

## 1. Effective Date; Definitions; Exhibit and Schedule.

1.1 Effective Date. Unless a different date is expressly specified herein, each of the provisions of this Amendment shall take effect and be binding upon the parties as of the Effective Date.

1.2 Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings given to them in the Existing Lease. The term "Lease" shall mean the Existing Lease, as amended by this Amendment.

1.3 Exhibit A and Schedule 1. Exhibit A and Schedule 1 attached to the Fifth Amendment are deleted and the Exhibit A and Schedule 1 attached hereto are substituted in their place.

2. Landlord's Work. Paragraph 4 of the Fifth Amendment is deleted in its entirety and the following Paragraph 4 is substituted in its place:

### "4. Landlord's Work.

#### 4.1 Landlord's Work.

(a) Landlord, at Landlord's sole expense (and not as a Reimbursable Expense), shall diligently perform the work described in Exhibit A and Schedule 1 attached hereto (collectively, "Landlord's Work") in a good and workmanlike manner, in compliance with all applicable laws, on or before the applicable Completion Dates set forth in Exhibit A. At least fifteen (15) days prior to the commencement of each item of Landlord's Work described in Exhibit A attached hereto, Landlord shall provide Tenant with written notice (each, "Landlord's Work Notice") containing the following information: (i) a detailed description of the proposed work, including materials and techniques to be used; (ii) plans and specifications, if applicable; (iii) Material Safety Data Sheets for any products being used; (iv) the name of the contractor engaged to perform such work; (v) a detailed work plan for the proposed work, including the proposed staging of materials and equipment and transport of materials and equipment through the Buildings; (vi) a formal job hazard analysis and safety plan for the proposed work in the form attached hereto as Exhibit B; (vii) a description of the commercially reasonable measures to be taken to mitigate noxious or offensive odors (if any) or other material and adverse impacts (if any) on employees of Tenant and/or the operation of Tenant's business in the Premises; and (viii) the proposed scheduling of such work, including the dates, times and duration. Landlord and Tenant agree that the restrooms will be renovated on a floor-by-floor basis, and that no more than one (1) women's restroom and one (1) men's restroom in the "O" Street Building and no more than one (1) women's restroom and one (1) men's restroom in the "P" Street Building may be closed for renovation at any given time. Landlord's contractor must complete the applicable work for each restroom and leave the renovated restrooms on a floor in a clean and fully operable condition before starting restroom renovation work on another floor. In addition, prior to

# EXHIBIT "E"

commencing the restroom renovation work, Landlord shall provide Tenant with a sample board showing tiles, countertops, paint, partitions, and other materials to be used in the restrooms. Landlord shall utilize different colors or substitute materials reasonably selected by Tenant, subject to the other provisions of this Paragraph 4.

(b) Tenant may, within ten (10) business days after receipt of any Landlord's Work Notice, provide Landlord with written notice that Tenant wishes to consult with Landlord regarding the proposed work described in Landlord's Work Notice. If Tenant fails to provide Landlord with such written notice within said ten (10) business day period, Tenant shall be deemed to have unconditionally and irrevocably waived its right to discuss the proposed work, and Landlord shall proceed with completing the proposed work in accordance with the applicable Landlord's Work Notice. If Tenant timely provides such notice, the parties shall promptly meet or participate in a conference call to discuss Tenant's comments and concerns. Landlord agrees to reasonably modify the proposed work and/or schedule as reasonably necessary to address Tenant's reasonable comments and concerns, provided that (i) the respective deadlines for completion of the applicable portions of Landlord's Work shall be extended as set forth in Paragraph 4.2 below and (ii) any documented increase in costs resulting from modifications requested by Tenant or any Tenant Caused Delay (as defined in Paragraph 4.2 below) shall be the sole responsibility of Tenant, but only to the extent such modifications or Tenant Caused Delay result in an increase in the total cost of Landlord's Work. By way of example and not of limitation, (A) if Tenant requests that any Landlord Work be performed after normal business hours, Tenant shall be responsible for any overtime or other premiums resulting from such after-hours scheduling but only to the extent such overtime or other premiums result in an increase in the total cost of Landlord's Work as evidenced by the Final Accounting (as defined in Paragraph 4.1(d) below), or (B) if Tenant requests any materials, finishes, or installations which are not readily available, or requests any meetings in connection with Landlord's Work, the delay in obtaining such materials, finishes, installations, or resulting from such meetings, shall constitute a Tenant Caused Delay. Landlord agrees to exercise commercially reasonable efforts to minimize such increases in costs and shall cause the applicable contractor to separately identify such increased costs. Once Landlord and Tenant have resolved issues raised by Tenant regarding Landlord's Work Notice, the parties agree to initial the Landlord's Work Notice to indicate their approval. Notwithstanding the foregoing provisions of this Paragraph 4.1(b), Landlord agrees that if Tenant wishes to discuss or consult with Landlord regarding a Landlord Work Notice due to the fact that such Landlord Work Notice fails to contain the information required pursuant to Paragraph 4.1(a), then the time taken to discuss and consult on the applicable Landlord Work Notice shall not constitute a Tenant Caused Delay.

(c) Once Landlord's Work Notice is approved or deemed approved, Landlord shall cause its contractor to diligently complete the applicable work in

# EXHIBIT "E"

accordance with Landlord's Work Notice, subject to Tenant Caused Delays and Force Majeure Delays.

(d) Within ninety (90) days after completion of Landlord's Work, Landlord shall provide a final accounting (the "Final Accounting") of the increase, if any, in the total cost of Landlord's Work payable by Tenant pursuant to Paragraph 4.1(b) above. If Tenant gives Landlord written notice that Tenant disputes the Final Accounting within thirty (30) days after receipt thereof, Landlord and Tenant agree to first negotiate and then mediate such dispute. Either party may initiate settlement negotiations by providing written notice to the other party, setting forth the subject of the claim or dispute. Landlord and Tenant agree to cooperate in scheduling negotiations and to participate in the settlement negotiations in good faith. If Landlord and Tenant fail to settle such claim or dispute within forty-five (45) days after the date of mailing of the notice initiating settlement negotiations or within such additional time period as the parties may agree in writing, the parties agree to submit the matter to mediation administered by JAMS in the JAMS office located closest to the Premises. Unless Tenant timely disputes the Final Accounting, Tenant shall pay the increased costs shown on the Final Accounting within thirty (30) days after receipt thereof, provided that Tenant shall be entitled to apply the Refurbishment Allowance to pay for such costs, as stated in Paragraph 3(c) of the Sixth Amendment.

(e) Landlord shall closely coordinate the performance of Landlord's Work with Tenant, and Landlord shall use commercially reasonable efforts to not (and Landlord shall use commercially reasonable efforts to ensure that its employees, agents, contractors and subcontractors do not) materially interfere with Tenant's business operations in or access to the Premises. Landlord shall provide at least two (2) business days' prior written notice of the commencement of any work to Laurie Maxwell at LAM9@pge.com, or if Laurie Maxwell is out of the office, to Mark Redford at M2Rw@pge.com. In addition, each day any contractor of Landlord is present at the Premises, Landlord shall cause such contractor, prior to commencing any work, to identify the individual who is supervising the work at the Premises and to cause such supervisor to meet with Tenant's on-site representative and to advise Tenant of the nature and duration of the work to be performed that day, and Tenant shall cause an on-site representative to be available at such times. If no on-site representative of Tenant is available, Landlord's contractor may nevertheless proceed with commencing the work scheduled for such day. Landlord must designate a representative located in Fresno who will be available by phone within two (2) hours, or upon 24 hours' prior notice, in person, to assist in resolving any issues that arise in connection with the performance of Landlord's Work.

(f) Landlord shall cause all contractors performing Landlord's Work to maintain commercial general liability insurance issued by companies licensed to do business in the State of California in the minimum amount of \$2,000,000.00 per occurrence and annual aggregate.

# EXHIBIT "E"

(g) Provided that Landlord performs Landlord's Work in material compliance with provisions of this Paragraph 4.1, Tenant hereby agrees that (i) the performance of Landlord's Work shall in no way entitle Tenant to terminate the Lease based on a claim of constructive eviction; and (ii) Landlord shall have no responsibility for, or for any reason be liable to Tenant, for any loss of income or profits arising from the performance of Landlord's Work. Tenant reserves the right to pursue claims against Landlord's contractor and/or subcontractors relating to Landlord's Work.

4.2 Extension of Time for Performance. The deadlines for completion of portions of Landlord's Work set forth in Exhibit A attached hereto shall be extended one (1) day for each day that completion of the applicable portion of Landlord's Work is delayed due to Force Majeure Delays or a Tenant Caused Delay. The term "Tenant Caused Delay" shall mean an actual delay in the completion of the applicable portion of Landlord's Work resulting from: (i) Tenant's requested modifications pursuant to Paragraph 4.1 above, or (ii) Tenant's breach of its obligations pursuant to Paragraph 4.3 below, or (iii) Tenant's failure to timely perform any of its obligations pursuant to the Existing Lease and/or this Amendment, including any failure to complete, on or before the due date therefor, any action item which is Tenant's responsibility pursuant to the Lease and/or this Amendment, including Tenant's failure to grant approvals or requests for meetings within any time frames required, or (iv) Tenant's request for materials, finishes, or installations which are not readily available, or (v) delays resulting from Tenant's request for meetings (provided that Landlord shall use commercially reasonable efforts to make an authorized representative available to attend such meetings within one (1) business day after request), or (vi) any other act or failure to act by Tenant, Tenant's representative(s), architect(s), employees, agents, independent contractors, consultants and/or any other person performing or required to perform services on behalf of Tenant. "Force Majeure Delays" as used in the Sixth Amendment means delays resulting from causes beyond the reasonable control of Landlord or its contractor, including, without limitation, any delay caused by any action, inaction, order, ruling, moratorium, regulation, statute, condition or other decision of any private party or governmental agency having jurisdiction over any portion of the Premises, over the construction of Landlord's Work or over any uses thereof, or by delays in inspections or in issuing approvals by private parties or permits by governmental agencies, or by fire, flood, unusual inclement weather (i.e., inclement weather patterns inconsistent with weather patterns occurring in the previous ten (10) years in the immediate vicinity of the Premises), strikes, lockouts or other labor or industrial disturbance (whether or not on the part of agents or employees of either party hereto engaged in the construction of Landlord's Work), civil disturbance, order of any government, court or regulatory body claiming jurisdiction or otherwise, act of public enemy, war, riot, sabotage, blockage, embargo, failure or inability to secure materials, supplies or labor through ordinary sources by reason of shortages or priority, discovery of hazardous or toxic materials, earthquake, or other natural disaster, delays caused by any dispute resolution process, or any cause whatsoever beyond the reasonable

# EXHIBIT "E"

control (excluding financial inability) of the party whose performance is required, or any of its contractors or other representatives, whether or not similar to any of the causes hereinabove stated. Notwithstanding the foregoing, Force Majeure Delays shall exclude delays caused by acts or omissions within the reasonable control of Landlord, its employees, agents, contractors or subcontractors. By way of illustration and not limitation, delays in the issuance of permits due to deficiencies in plans prepared by and submitted to governmental authorities by Landlord, its employees, agents, contractors or subcontractors, or delays in approvals by governmental authorities due to defective work performed by Landlord, its employees, agents, contractors or subcontractors shall not constitute Force Majeure Delays. If Landlord contends that a Force Majeure Delay or Tenant Caused Delay has occurred, Landlord shall notify Tenant in writing of the event which constitutes such Force Majeure Delay and/or Tenant Delay (as applicable) within five (5) days after the date such delay becomes actually known to Landlord. If such actions, inaction or circumstance described in such notice (the "Delay Notice") do not cease (in the event of a Force Majeure Delay) or are not cured by Tenant (in the event of a Tenant Caused Delay) within one (1) business day of Tenant's receipt of the Delay Notice, then a Force Majeure Delay and/or Tenant Delay (as applicable) shall be deemed to have occurred commencing as of the date of Tenant's receipt of the Delay Notice and ending as of the date such delay ends.

4.3 Tenant's Cooperation. Provided that Landlord complies with the provisions of Paragraph 4.1 above, Tenant shall not (and Tenant shall ensure that its agents, employees, contractors, licensees and invitees do not) materially interfere with the performance of Landlord's Work, and Tenant shall reasonably cooperate with Landlord in connection with the performance of Landlord's Work, including, without limitation, by moving any equipment and other property which Landlord or its contractor may request be moved upon reasonable advance notice. In addition to Tenant's obligation to pay for increased costs resulting from modifications to Landlord's Work as provided in Paragraph 4.1 above, provided that Landlord complies with the provisions of Paragraph 4.1 above, Tenant shall be responsible for any increase in the costs or expenses or delays incurred by Landlord in connection with Landlord's Work resulting from any other negligent act or omission of Tenant or any agents, employees, contractors, licensees or invitees of Tenant, with such expenses and costs, if any, to be included in the Final Accounting.

4.4 Failure to Complete Restrooms. The parties acknowledge that Landlord's restroom renovation work will be completed pursuant to the permit issued to Tenant for the Tenant Improvement Plans. Landlord agrees to diligently complete all restroom renovation work on or before the Completion Date specified in Exhibit A (the "Restroom Completion Deadline"), so that issuance of the certificate of occupancy or final signoff on the job card for the other work depicted in the Tenant Improvement Plans will not be delayed. Landlord further acknowledges that timely completion of the restroom renovation work is critical to Tenant's full use and enjoyment of the Premises. If Landlord fails to complete

# EXHIBIT "E"

the restroom renovation work on or before the Restroom Completion Deadline, as said date may be extended due to Tenant Caused Delays and Force Majeure Delays, Landlord will pay to Tenant liquidated damages equal to \$500.00 per day for each day after the Restroom Completion Date that the restroom renovation work is not completed. The parties have determined and agreed that the actual amount of damages that will be suffered by Tenant as a result of Landlord's failure to complete the restroom renovation work in a timely manner is difficult or impracticable to determine as of the date of the Sixth Amendment, and that \$500.00 per day is a reasonable estimate of the amount of such damages. If Landlord fails to pay Tenant the liquidated damages owing pursuant to this paragraph within thirty (30) days after demand, Tenant shall be entitled to offset the amount of the liquidated damages against Tenant's obligation to pay Monthly Fixed Rent until Tenant is reimbursed in full; provided, however, that if Landlord gives Tenant written notice that Landlord disputes the amount of the liquidated damages demanded by Tenant, Landlord and Tenant agree to first negotiate and then mediate the dispute as set forth in Paragraph 4.1(d) above. Unless Landlord timely disputes the liquidated damages demanded by Tenant, Tenant shall be entitled to offset the liquidated damages against Monthly Fixed Rent as provided above."

### 3. Refurbishment Allowance.

(a) In connection with the Refurbishment Allowance set forth in Paragraph 5 of the Fifth Amendment, Tenant shall complete the Tenant Refurbishment Work substantially in accordance with those certain plans for (i) 650 'O' Street dated 12/15/14 and labeled 90% Submittal Review, and (ii) 705 'P' Street dated 1/12/15 and labeled City Approved Set (collectively, the "Tenant Improvement Plans"), provided that notwithstanding that such work is depicted on the Tenant Improvement Plans, Landlord, and not Tenant, is required to perform the work relating to the restrooms. Landlord hereby approves the Tenant Improvement Plans. In addition, the deadline for Tenant's right to use the Refurbishment Allowance shall be amended from April 30, 2015, as set forth in Paragraph 5 of the Fifth Amendment, to December 31, 2015; and provided further, to the extent Tenant elects to use the Refurbishment Allowance to pay the increase, if any, in the total cost of Landlord's Work payable by Tenant pursuant to Paragraph 4.1(b), the deadline for Tenant's right to use the Refurbishment Allowance shall be extended until thirty (30) days after a final determination is made regarding the amount owing by Tenant pursuant to Paragraph 4.1(b).

(b) If Landlord shall fail to pay the Refurbishment Allowance when due as set forth in Paragraph 5 of the Fifth Amendment, Tenant shall be entitled to deliver a written notice (the "Payment Notice") to Landlord. If Landlord still fails to fulfill any such obligation within thirty (30) days after Landlord's receipt of the Payment Notice from Tenant, and if Landlord fails to deliver notice to Tenant within such thirty (30) day period explaining Landlord's reasons that Landlord reasonably believes that the amounts described in Tenant's Payment Notice are not due and payable by Landlord (the "Refusal Notice"), Tenant shall be entitled to offset the amount so owed to Tenant by Landlord but not paid by Landlord against Tenant's next obligations to pay Monthly Fixed Rental until Tenant is reimbursed in full. If Landlord delivers a Refusal Notice, Landlord shall pay to Tenant, concurrently with the delivery of the Refusal Notice, the

# EXHIBIT "E"

undisputed portion of the amount set forth in the Payment Notice. If Landlord delivers a Refusal Notice, and Landlord fails to pay to Tenant, concurrently with the delivery of the Refusal Notice, the undisputed portion of the amount set forth in the Payment Notice, then Tenant shall be entitled to offset the undisputed portion of the amount so owed to Tenant by Landlord but not paid by Landlord against Tenant's next obligations to pay Monthly Fixed Rental until Tenant is reimbursed in full. However, if Tenant is in default under the Lease (after notice and expiration of applicable cure periods) at the time that such offset would otherwise be applicable, Tenant shall not be entitled to such offset until such default is cured. If Landlord delivers a Refusal Notice, and if Landlord and Tenant are not able to agree on the disputed amounts to be so paid by Landlord, if any, within thirty (30) days after Tenant's receipt of a Refusal Notice, Tenant shall have no right to offset the disputed amounts, but may pursue a claim in a court of competent jurisdiction. If Tenant prevails in any such action and all appeal periods have expired without an appeal having been filed, and Landlord fails to pay the same within thirty (30) days following such judgment, then Tenant shall be entitled to apply such award, including reasonable attorneys' fees and costs, as a credit against Tenant's obligation to pay Monthly Fixed Rental until Tenant is reimbursed in full.

(c) Notwithstanding anything to the contrary set forth in Paragraph 5 of the Fifth Amendment, Tenant shall be allowed to apply the Refurbishment Allowance to the increased costs of performing Landlord's Work payable by Tenant pursuant to Paragraph 4.1 of the Sixth Amendment. Tenant shall so apply the Refurbishment Allowance by giving Landlord written authorization to apply the Refurbishment Allowance, which authorization shall state the amount of the Refurbishment Allowance to be applied to such increased costs and attach the relevant invoice(s) from Landlord.

4. CASp Inspection. Paragraphs 11, 11.1 and 11.2 of the Fifth Amendment are hereby deleted in their entirety and of no further force or effect.

4.1 Disclosure. Landlord hereby discloses to Tenant, in accordance with California Civil Code Section 1938, and Tenant hereby acknowledges, that as of the Effective Date, the interior areas of the Premises and the Buildings have not undergone an inspection by a Certified Access Specialist (CASp), to determine whether the interior portions of the Premises and/or the Buildings meet all applicable construction- related accessibility standards pursuant to California Civil Code §55.51 *et seq.* Landlord hereby discloses to Tenant, in accordance with California Civil Code Section 1938, and Tenant hereby acknowledges, that as of the Effective Date, the exterior areas of the Premises have undergone an inspection by a Certified Access Specialist (CASp), to determine whether the exterior areas of the Premises meet all applicable construction- related accessibility standards pursuant to California Civil Code §55.51 *et seq.* A copy of the CASp's inspection report prepared by David R. Little, CASp #302, Certificate #13350, Inspection Date 8-25-2014 (the "CASp Report"), was provided to Tenant, and Tenant hereby acknowledges receipt of such report.

4.2 Landlord's Accessibility Work. Pursuant to the aforementioned CASp inspection and CASp Report, it was determined that certain portions of the exterior areas of the Premises and exterior entrances and exits to the Buildings did not meet certain applicable "construction-related accessibility standards" (as defined in California Civil Code Section 55.52(a)(6)). Landlord, at Landlord's expense (and not as part of Reimbursable Expenses), using

# EXHIBIT "E"

industry standard materials, guidelines, specifications and procedures (except to the extent otherwise reasonably designated by Landlord), agrees to complete in a good and workmanlike manner, the work necessary to cause the exterior areas of the Premises, and the exterior entrances and exits to the Buildings (excluding Tenant's Accessibility Work, as defined below), to meet the applicable "construction-related accessibility standards," but only with respect to the deficiencies noted in the CASp Report and to the extent such deficiencies (i) are required to be corrected by a governmental agency or authority with jurisdiction or authority regarding the Premises and/or accessibility issues or (ii) correction of such deficiencies is demanded in a "construction-related accessibility claim" (as defined in California Civil Code Section 55.52(a)(1)) brought by a third party or demanded in writing by a third party (whether or not an action is filed) ("Landlord's Accessibility Work"); provided, however, that Landlord shall correct the deficiencies relating to signage identified in the CASp Report to meet the applicable "construction-related accessibility standards" (excluding any deficiencies involving Tenant's Accessibility Work) on or before December 31, 2015 (subject to extension for any Tenant Delays and/or Force Majeure Delays). In no event shall Landlord's Accessibility Work include or cover (nor shall Landlord have any responsibility or liability for) the deficiencies depicted in the photos identified and described in the CASp Report as photos #45 through #49, #53 through #58, and #108 through #119. Tenant hereby acknowledges and agrees that any work required to meet the applicable "construction-related accessibility standards" and to correct the deficiencies noted in the CASp Report with respect to the improvements and portions of the Premises depicted in the photos listed above shall be Tenant's sole responsibility and shall be performed at Tenant's sole cost and expense to the extent such deficiencies (i) are required to be corrected by a governmental agency or authority with jurisdiction or authority regarding the Premises and/or accessibility issues or (ii) correction of such deficiencies is demanded in a "construction-related accessibility claim" brought by a third party or demanded in writing by a third party (whether or not an action is filed) ("Tenant's Accessibility Work"). In correcting the deficiencies noted in the CASp Report, to the extent required to be corrected by Landlord or Tenant herein, Landlord and Tenant shall comply with applicable laws in effect as of the date Landlord's Accessibility Work or Tenant's Accessibility Work (as applicable) is performed. Except for Landlord's Accessibility Work and/or Tenant's Accessibility Work (as applicable), Landlord's and Tenant's maintenance and repair obligations with respect to the exterior areas of the Premises, and the entrances and exits to the Buildings, shall be performed in accordance with, and subject to the terms and conditions contained in, Paragraph 8 of the Fourth Amendment. Subject to extension for any Tenant Delays and/or Force Majeure Delays, Landlord's Accessibility Work shall be completed by Landlord in a timely manner (as and when required by this Paragraph 4.2), so that Tenant is not delayed (solely by reason of Landlord's failure to timely perform Landlord's Accessibility Work in accordance with this Paragraph 4.2) in receiving temporary or final Certificates of Occupancy, final sign-off or equivalent approvals for the applicable Alterations or Tenant Refurbishment Work. In the event a "construction-related accessibility claim" is brought by a third party or written demand is made by a third party (whether or not an action is filed) and to the extent such claim or demand relates to Landlord's failure to perform Landlord's Accessibility Work, then Landlord agrees to defend and indemnify Tenant against any liability arising out of or in connection with such claim or demand, including, but not limited to, damages, penalties, fines, and reasonable attorneys' fees and costs incurred in connection therewith, utilizing counsel selected by Landlord in Landlord's sole discretion. In the event a "construction-related accessibility claim" is brought by a third party or written demand is made by a third party

# EXHIBIT "E"

(whether or not an action is filed), and to the extent such claim or demand relates to Tenant's failure to perform Tenant's Accessibility Work, then Tenant agrees to defend and indemnify Landlord against any liability arising out of or in connection with such claim or demand, including, but not limited to, damages, penalties, fines, and reasonable attorneys' fees and costs incurred in connection therewith, utilizing counsel selected by Tenant in Tenant's sole discretion.

5. Deletion of Tenant's Option to Purchase Premises. Paragraphs 48, 48.1, and 48.2 (including all subsections of such Paragraphs) of the Original Lease, Paragraph 12 of the Fourth Amendment, and Paragraph 18 of the Fifth Amendment are all hereby deleted in their entirety and of no further force or effect. Notwithstanding anything to the contrary contained in the Lease, Tenant shall not have any option to purchase all or any portion of the Premises under any circumstances whatsoever and Tenant hereby waives and relinquishes any such right or option previously granted by Landlord pursuant to the Lease (including, without limitation, the aforementioned paragraphs).

6. Adverse Condition. The following new Paragraph 50 is hereby added to the Existing Lease:

"50. Abatement of Rent.

(a) Notwithstanding anything to the contrary contained in this Lease, if at any time during the term, Tenant is prevented from using, and does not use, all or any material portion of the Premises as a result of (i) the negligence or willful misconduct of Landlord, its employees, agents and/or contractors, or (ii) Landlord's failure to perform required maintenance or repair work to the extent required to be performed by Landlord pursuant to the terms and conditions of the Lease, and to the extent such prevention or failure was not caused directly or indirectly by the negligence or willful misconduct of Tenant, its agents, employees and/or contractors (an "Abatement Event"), then Tenant shall give written notice of such Abatement Event to Landlord. If the Abatement Event continues for five (5) consecutive business days (the "Landlord-Caused Abatement Period") after Landlord's receipt of Tenant's written notice, then Monthly Fixed Rent and Reimbursable Expenses shall be abated or reduced beginning on the day after the Landlord-Caused Abatement Period for such time that Tenant continues (as a result of the Abatement Event) to be so prevented from using, and does not use, the Premises or any material portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises.

(b) Landlord shall use commercially reasonable, diligent efforts to cure the Abatement Event as soon as practicable. Notwithstanding anything to the contrary contained herein, the provisions of this Paragraph shall not apply to a casualty or an eminent domain taking and under no circumstances shall a casualty or eminent domain taking be considered an Abatement Event.

# EXHIBIT "E"

(c) If Landlord objects to any Abatement Event claimed by Tenant (or Landlord's responsibility for same), then prior to Monthly Fixed Rent and Reimbursable Expenses being abated or reduced, Landlord and Tenant agree to promptly submit the dispute to arbitration administered by JAMS before three (3) arbitrators in the JAMS office located closest to the Premises. The judgment on the award may be entered by any court having jurisdiction.

7. Right of Self-Help. The parties agree that Landlord's Work and Landlord's Accessibility Work shall be deemed "Landlord's Repair Work" for purposes of Paragraph 8.3 (Right of Self-Help) added pursuant to Paragraph 8 of the Fourth Amendment.

8. Consent of Lender. Landlord agrees to obtain the consent of Landlord's lender to this Amendment, whereby the lender agrees to be bound by this Amendment, without excluding any obligations of Landlord (including payment of the Refurbishment Allowance), and Landlord shall deliver such lender's written consent to Tenant within ten (10) business days after the mutual execution and delivery of this Amendment.

9. Miscellaneous.

(a) Relationship of Parties. Landlord acknowledges that Tenant is acting under the Lease in its capacity as a tenant, and not as a provider of electricity and natural gas. No act or omission of Tenant, its employees, agents or contractors as a provider of electricity and natural gas shall affect the respective rights, obligations or liabilities of Landlord and Tenant under the Lease.

(b) Effective Date; Authority. This Amendment shall not become effective as an amendment to the Existing Lease unless and until it has been executed and delivered by Landlord and Tenant, but upon such execution and delivery, it shall be effective as of the Effective Date. Tenant represents and warrants that all action has been taken by Tenant to approve this Amendment and the person signing this Amendment on behalf of Tenant has been duly authorized to sign and deliver this Amendment on behalf of Tenant. Landlord represents and warrants that all action has been taken by Landlord to approve this Amendment and the person signing this Amendment on behalf of Landlord has been duly authorized to sign and deliver this Amendment on behalf of Landlord. By signing below, ExchangePoint Property Management Fresno, LLC ("ExchangePoint") represents and warrants that: (i) ExchangePoint is the duly authorized agent of the Tenants in Common comprising Landlord; (ii) ExchangePoint has taken all actions required to obtain necessary approvals of this Amendment, including the unanimous approval of all Tenants in Common comprising Landlord; and (iii) ExchangePoint is authorized to sign and deliver this Amendment on behalf of Landlord, and the person signing this Amendment on behalf of ExchangePoint has been duly authorized to sign and deliver this Amendment on behalf of ExchangePoint.

(c) Inconsistency. To the extent the provisions of the Existing Lease and this Amendment are inconsistent, the provisions of this Amendment shall control.

# EXHIBIT "E"

(d) Successors and Assigns. The terms, covenants and conditions of this Amendment shall apply to and bind the successors, assigns, heirs, executors, and administrators of the parties hereto.

(e) Exhibits. The following Exhibits and Schedule are attached hereto and incorporated by reference into this Amendment:

<u>Exhibit A</u>	Landlord's Work
<u>Schedule 1</u>	Site Plan Showing Parking Lot Repairs
<u>Exhibit B</u>	Form of Job Hazard Analysis

(f) Interpretation. This Amendment shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amendment. Unless the context clearly requires otherwise: (a) the plural and singular shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; (e) "include," "includes," and "including" are not intended to be restrictive, and lists following such words shall not be interpreted to be exhaustive or limited to items of the same type as those enumerated; and (f) "days" means calendar days, except if the last day for performance occurs on a Saturday, Sunday, or any legal holiday, then the next succeeding business day shall be the last day for performance.

(g) Severability. If any provision of this Amendment shall be held to be unenforceable or invalid for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Amendment and the Existing Lease shall be deemed valid and enforceable to the fullest extent.

(h) Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(i) Survival. The obligations of the parties set forth in this Amendment that, by their express terms or nature, are to be performed after the expiration or earlier termination of the Lease, shall survive the expiration or earlier termination of the Lease.

(j) Ratification. The Existing Lease, as modified by this Amendment, is ratified and confirmed in all respects.

(k) Entire Agreement. This Amendment contains the entire agreement of Landlord and Tenant with respect to the subject matter hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

# EXHIBIT "E"

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

LANDLORD:

ExchangePoint Property Management Fresno, LLC, a Delaware limited liability company, as agent on behalf of the Landlord: PGE STARPOINT, LLC, a Delaware limited liability company, PGE 1, LLC, PGE 2, LLC, PGE 3, LLC, PGE 4, LLC, PGE 5, LLC, PGE 6, LLC, PGE 7, LLC, PGE 8, LLC, PGE 9, LLC, PGE 10, LLC, PGE 11, LLC, PGE 12, LLC, PGE 13, LLC, PGE 14, LLC, PGE 15, LLC, PGE 16, LLC, PGE 17, LLC, PGE 18, LLC, PGE 19, LLC, PGE 20, LLC, PGE 21, LLC, and PGE 26, LLC

By: \_\_\_\_\_  
Paul Daneshrad, Manager


Date: \_\_\_\_\_

# EXHIBIT "E"

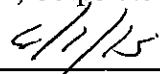
TENANT:

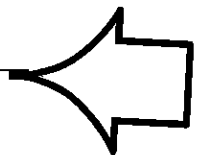
Pacific Gas and Electric Company,  
a California corporation

By:

  
\_\_\_\_\_  
Ronald Craig Garcia  
Director, Corporate Real Estate Strategy

Date:

  
\_\_\_\_\_  
4/1/15



# EXHIBIT "E"

## EXHIBIT A

### LANDLORD'S WORK

<u>Description of Work</u>	<u>Completion Date</u>
1. Paint the exterior of both Buildings (including trim), breezeway, fencing, enclosures and other exterior elements in existing colors or other colors reasonably approved by Tenant.	December 31, 2015
2. Paint, purchase and install new flooring and fixtures, and otherwise renovate all restrooms in the Premises to comply with the Tenant Improvement Plans and all applicable laws, including, but not limited to, the ADA and Title 24.	The later of: (i) the date on which Tenant has substantially completed the balance of the work depicted on the Tenant Improvement Plans; or (ii) December 31, 2015.
3. On both Buildings, install single ply roof membrane over the entire roof, mechanically fastened through the insulation and existing roof system to the existing wood roof deck. (Landlord shall not apply hot asphalt to the roofs.)	December 31, 2015
4. Replace fire brick lining in the boiler located in the 705 P Street Building.	Completed
5. Replace all ionization smoke detectors with new smoke detectors in both Buildings.	Completed
6. Repair parking lot in accordance with Site Plan attached hereto as Schedule 1.	December 31, 2015
7. Seal and re-stripe parking lot.	December 31, 2015



# EXHIBIT "E"

## EXHIBIT B

### FORM OF JOB HAZARD ANALYSIS



**Pacific Gas and  
Electric Company**

#### ***Daily Safety Analysis and Field Evaluation (SAFE)***

Project Number: \_\_\_\_\_ Project Name: \_\_\_\_\_

Location: \_\_\_\_\_

Description of Work: \_\_\_\_\_

<b>Tasks</b>	<b>Potential Hazards</b>	<b>Control Measures</b>
Trenching		
Work at Heights Ladder Safety		
Work In Electrical Panel Safe Off		
Concrete Foundations		

Hazard Analysis Completed by: \_\_\_\_\_  
(Name – printed) (Signature) (Date)

<b>Equipment/Materials</b>		<b>Work Conditions</b>	
<input type="checkbox"/> Hand tools	<input type="checkbox"/> Welding machine(s)	<input type="checkbox"/> Energized equipment	<input type="checkbox"/> Site contamination
<input type="checkbox"/> Power tools	<input type="checkbox"/> Power lines	<input type="checkbox"/> Confined spaces	<input type="checkbox"/> Slip/trip hazards
<input type="checkbox"/> Pneumatic equipment	<input type="checkbox"/> Gas lines	<input type="checkbox"/> Enclosed areas	<input type="checkbox"/> Plant/animal hazards
<input type="checkbox"/> Hydraulic equipment	<input type="checkbox"/> Cables/wire	<input type="checkbox"/> Work at heights	<input type="checkbox"/>
<input type="checkbox"/> Earthmoving equipment	<input type="checkbox"/> Pipeline materials	<input type="checkbox"/> Work in excavations	<input type="checkbox"/>
<input type="checkbox"/> Ladder(s)/scaffold(s)	<input type="checkbox"/> Grouting /concrete	<input type="checkbox"/> Rotating equipment	<input type="checkbox"/>
<input type="checkbox"/> Forklifts	<input type="checkbox"/> Fuel products	<input type="checkbox"/> Traffic concerns	<input type="checkbox"/>
<input type="checkbox"/> Trucks	<input type="checkbox"/> Cements/glues	<input type="checkbox"/> Uneven work surfaces	<input type="checkbox"/>
<input type="checkbox"/> Drums/drum dories	<input type="checkbox"/> Paints/solvents	<input type="checkbox"/> Weather concerns	<input type="checkbox"/>
<input type="checkbox"/> Vacuum trucks	<input type="checkbox"/>	<input type="checkbox"/> Poor lighting	<input type="checkbox"/>

# EXHIBIT "E"

**Engineering/ Protective Measures and Equipment:**

<input type="checkbox"/> Long pants	<input type="checkbox"/> Hard hat	<input type="checkbox"/> Grounding equipment	<input type="checkbox"/> Welding goggles/hood
<input type="checkbox"/> Long sleeves	<input type="checkbox"/> Work shoes/boots	<input type="checkbox"/> Insulating blanket	<input type="checkbox"/> Drinking water
<input type="checkbox"/> Cotton/natural fiber	<input type="checkbox"/> Work shoes/boots	<input type="checkbox"/> Fall protection	<input type="checkbox"/> Eye wash
<input type="checkbox"/> Rain gear	<input type="checkbox"/> Metatarsal guards	<input type="checkbox"/> Double-belt use	<input type="checkbox"/> Hand-washing facilities
<input type="checkbox"/> Reflective/high visibility	<input type="checkbox"/> Rubber boots	<input type="checkbox"/> Ergonomic padding	<input type="checkbox"/> Dilution ventilation
<input type="checkbox"/> Welding leathers	<input type="checkbox"/> Climbing spurs	<input type="checkbox"/> Barricade tape	<input type="checkbox"/> Local exhaust ventilation
<input type="checkbox"/> Coveralls/Tyvek	<input type="checkbox"/> Safety glasses	<input type="checkbox"/> Traffic control/cones	<input type="checkbox"/> Fire extinguisher
<input type="checkbox"/> Fire resistant clothing	<input type="checkbox"/> Goggles	<input type="checkbox"/> Trenching/shoring	<input type="checkbox"/> First aid kit
<input type="checkbox"/> Flash suit	<input type="checkbox"/> Face shield	<input type="checkbox"/> Trench plates	<input type="checkbox"/> Blood borne pathogen kit
<input type="checkbox"/> Insulated gloves Type:	<input type="checkbox"/> Hearing protection Type:	<input type="checkbox"/> Pedestrian controls	<input type="checkbox"/> Sunscreen
		<input type="checkbox"/> Additional lighting	<input type="checkbox"/> Insect repellent
<input type="checkbox"/> Impermeable gloves Type:	<input type="checkbox"/> Respirator(s)	<input type="checkbox"/> PAPR loose-fitting	<input type="checkbox"/> Airline (Pressure demand)
	<input type="checkbox"/> Nuisance dust	<input type="checkbox"/> PAPR tight-fitting	<input type="checkbox"/> Airline (Continuous flow)
	<input type="checkbox"/> APR half-face	<input type="checkbox"/> SCBA	<input type="checkbox"/> Escape bottle
	<input type="checkbox"/> APR full-face		
<input type="checkbox"/> Work gloves			

Special concerns/hazards: \_\_\_\_\_

**Emergency Information**

Hospital: \_\_\_\_\_  
(Name) (Address) (Phone number)

Fire: \_\_\_\_\_ Paramedic: \_\_\_\_\_ Police: \_\_\_\_\_

Special instructions/comments: \_\_\_\_\_

**Attendees**

Name (printed)	Signature	Company	Date/Time

Conducted by: \_\_\_\_\_ Date: \_\_\_\_\_  
(Name - printed) (Signature)

# EXHIBIT "E"

## SEVENTH AMENDMENT OF LEASE

This Seventh Amendment of Lease (this "Amendment" or the "Seventh Amendment") is effective on November 19, 2015 (the "Effective Date"), by and between PGE Starpoint, LLC, a Delaware limited liability company; PGE 1, LLC, a Delaware limited liability company; PGE 2, LLC, a Delaware limited liability company; PGE 3, LLC, a Delaware limited liability company; PGE 4, LLC, a Delaware limited liability company; PGE 5, LLC, a Delaware limited liability company; PGE 6, LLC, a Delaware limited liability company; PGE 7, LLC, a Delaware limited liability company; PGE 8, LLC, a Delaware limited liability company; PGE 9, LLC, a Delaware limited liability company; PGE 10, LLC, a Delaware limited liability company; PGE 11, LLC, a Delaware limited liability company; PGE 12, LLC, a Delaware limited liability company; PGE 13, LLC, a Delaware limited liability company; PGE 14, LLC, a Delaware limited liability company; PGE 15, LLC, a Delaware limited liability company; PGE 16, LLC, a Delaware limited liability company; PGE 17, LLC, a Delaware limited liability company; PGE 18, LLC, a Delaware limited liability company; PGE 19, LLC, a Delaware limited liability company; PGE 20, LLC, a Delaware limited liability company; PGE 21, LLC, a Delaware limited liability company, and PGE 26, LLC, a Delaware limited liability company, all as tenants in common (individually, and collectively, "Landlord") and Pacific Gas and Electric Company, a California corporation ("Tenant").

### RECITALS:

A. Landlord, as successor in interest to Watt Fresno Associates I Limited Partnership, a California limited partnership, who in turn was successor in interest to Klein/Watt Partnership, a California limited partnership, and Tenant are parties to that certain Lease dated March 24, 1988 ("Original Lease"), as amended by the certain First Amendment of Lease and Certificate of Term Commencement Date dated as of August 7, 1989 ("First Amendment"), as supplemented by that certain Letter Agreement dated as of January 25, 1990, as amended by that certain Second Amendment of Lease dated as of July 16, 2004 ("Second Amendment"), that certain Third Amendment of Lease dated as of September 17, 2004 ("Third Amendment"), that certain Fourth Amendment of Lease dated as of October 13, 2004 ("Fourth Amendment"), that certain Fifth Amendment of Lease dated as of June 1, 2014 ("Fifth Amendment"), and that certain Sixth Amendment of Lease dated July 15, 2015 ("Sixth Amendment") (collectively, the "Existing Lease"), covering the land and buildings containing approximately 102,580 square feet commonly known as 650 "O" Street and 705 "P" Street, Fresno, California 93763 (the "Premises"), and more particularly described in the Original Lease.

B. Landlord and Tenant desire to further amend the Existing Lease to modify the date by which Tenant must request payment of the refurbishment allowance.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

# EXHIBIT "E"

1. Effective Date; Definitions; Exhibit and Schedule.

1.1 Effective Date. Unless a different date is expressly specified herein, each of the provisions of this Amendment shall take effect and be binding upon the parties as of the Effective Date.

1.2 Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings given to them in the Existing Lease. The term "Lease" shall mean the Existing Lease, as amended by this Amendment.

2. Refurbishment Allowance. Paragraph 3(a) of the Sixth Amendment is deleted and the following Paragraph 3(a) is substituted in its place:

(a) In connection with the Refurbishment Allowance set forth in Paragraph 5 of the Fifth Amendment, Tenant shall complete the Tenant Refurbishment Work substantially in accordance with those certain plans for (i) 650 'O' Street dated 12/15/14 and labeled 90% Submittal Review, and (ii) 705 'P' Street dated 1/12/15 and labeled City Approved Set, as amended, including revisions outlined in the City of Fresno Plan Change Memoranda issued by Teter dated 5/5/15, 9/30/15 and 10/2/15 (collectively, the "Tenant Improvement Plans"), provided that notwithstanding that such work is depicted on the Tenant Improvement Plans, Landlord, and not Tenant, is required to perform the work relating to the restrooms. Landlord hereby approves the Tenant Improvement Plans. In addition, the deadline for Tenant's right to use the Refurbishment Allowance, which was originally April 30, 2015, pursuant Paragraph 5 of the Fifth Amendment, and which was subsequently extended to December 31, 2015, pursuant to Paragraph 3(a) of the Sixth Amendment, is hereby further extended to March 31, 2016; and provided further, to the extent Tenant elects to use the Refurbishment Allowance to pay the increase, if any, in the total cost of Landlord's Work payable by Tenant pursuant to Paragraph 4.1(b), the deadline for Tenant's right to use the Refurbishment Allowance shall be extended until thirty (30) days after a final determination is made regarding the amount owing by Tenant pursuant to Paragraph 4.1(b). The parties confirm that as of November 10, 2015, Tenant has not elected to use any portion of the Refurbishment Allowance to pay for any Landlord's Work pursuant to Paragraph 4.1(b).

3. Extension of Deadline for Completion of Certain Landlord Work. The parties have agreed to extend the deadline for the completion of certain work to be performed by Landlord pursuant to the Sixth Amendment. Accordingly, the Exhibit A attached to the Sixth Amendment, which is referenced, among other places, in Section 2 of the Sixth Amendment, at page 2 thereof, is deleted in its entirety and the Exhibit A attached hereto is substituted in its place. In addition, in the second sentence of Section 4.2 of the Sixth Amendment, at page 9 thereof, the date "December 31, 2015" is deleted and the date "March 31, 2016" is substituted in its place.

4. Miscellaneous.

(a) Relationship of Parties. Landlord acknowledges that Tenant is acting under the Lease in its capacity as a tenant, and not as a provider of electricity and natural gas.

# EXHIBIT "E"

No act or omission of Tenant, its employees, agents or contractors as a provider of electricity and natural gas shall affect the respective rights, obligations or liabilities of Landlord and Tenant under the Lease.

(b) Effective Date; Authority. This Amendment shall not become effective as an amendment to the Existing Lease unless and until it has been executed and delivered by Landlord and Tenant, but upon such execution and delivery, it shall be effective as of the Effective Date. Tenant represents and warrants that all action has been taken by Tenant to approve this Amendment and the person signing this Amendment on behalf of Tenant has been duly authorized to sign and deliver this Amendment on behalf of Tenant. Landlord represents and warrants that all action has been taken by Landlord to approve this Amendment and the person signing this Amendment on behalf of Landlord has been duly authorized to sign and deliver this Amendment on behalf of Landlord. By signing below, ExchangePoint Property Management Fresno, LLC ("ExchangePoint") represents and warrants that: (i) ExchangePoint is the duly authorized agent of the Tenants in Common comprising Landlord; (ii) ExchangePoint has taken all actions required to obtain necessary approvals of this Amendment, including the unanimous approval of all Tenants in Common comprising Landlord; and (iii) ExchangePoint is authorized to sign and deliver this Amendment on behalf of Landlord, and the person signing this Amendment on behalf of ExchangePoint has been duly authorized to sign and deliver this Amendment on behalf of ExchangePoint.

(c) Inconsistency. To the extent the provisions of the Existing Lease and this Amendment are inconsistent, the provisions of this Amendment shall control.

(d) Interpretation. This Amendment shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amendment. Unless the context clearly requires otherwise: (a) the plural and singular shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; (e) "include," "includes," and "including" are not intended to be restrictive, and lists following such words shall not be interpreted to be exhaustive or limited to items of the same type as those enumerated; and (f) "days" means calendar days, except if the last day for performance occurs on a Saturday, Sunday, or any legal holiday, then the next succeeding business day shall be the last day for performance.

(e) Severability. If any provision of this Amendment shall be held to be unenforceable or invalid for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Amendment and the Existing Lease shall be deemed valid and enforceable to the fullest extent.

(f) Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

# EXHIBIT "E"

(g) Survival. The obligations of the parties set forth in this Amendment that, by their express terms or nature, are to be performed after the expiration or earlier termination of the Lease, shall survive the expiration or earlier termination of the Lease.

(h) Ratification. The Existing Lease, as modified by this Amendment, is ratified and confirmed in all respects.

(i) Entire Agreement. This Amendment contains the entire agreement of Landlord and Tenant with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Seventh Amendment as of the Effective Date.

LANDLORD:

ExchangePoint Property Management Fresno, LLC,  
a Delaware limited liability company, as agent on  
behalf of the Landlord: PGE STARPOINT, LLC, a  
Delaware limited liability company, PGE 1, LLC,  
PGE 2, LLC, PGE 3, LLC, PGE 4, LLC, PGE 5,  
LLC, PGE 6, LLC, PGE 7, LLC, PGE 8, LLC, PGE  
9, LLC, PGE 10, LLC, PGE 11, LLC, PGE 12,  
LLC, PGE 13, LLC, PGE 14, LLC, PGE 15, LLC,  
PGE 16, LLC, PGE 17, LLC, PGE 18, LLC, PGE  
19, LLC, PGE 20, LLC, PGE 21, LLC, and PGE  
26, LLC

By: 

Paul Daneshrad, Manager

Date: 12/17/15

TENANT:

Pacific Gas and Electric Company,  
a California corporation

By: 

Ronald Craig Garcia  
Director, Corporate Real Estate Strategy

Date: 11/19/2015

# EXHIBIT "E"

## EXHIBIT A LANDLORD'S WORK

<u>Description of Work</u>	<u>Completion Date</u>
1. Paint the exterior of both Buildings (including trim), breezeway, fencing, enclosures and other exterior elements in existing colors or other colors reasonably approved by Tenant.	March 31, 2016
2. Paint, purchase and install new flooring and fixtures, and otherwise renovate all restrooms in the Premises to comply with the Tenant Improvement Plans and all applicable laws, including, but not limited to, the ADA and Title 24.	The later of: (i) the date on which Tenant has substantially completed the balance of the work depicted on the Tenant Improvement Plans; or (ii) March 31, 2016.
3. On both Buildings, install single ply roof membrane over the entire roof, mechanically fastened through the insulation and existing roof system to the existing wood roof deck. (Landlord shall not apply hot asphalt to the roofs.)	March 31, 2016
4. Replace fire brick lining in the boiler located in the 705 P Street Building.	Completed
5. Replace all ionization smoke detectors with new smoke detectors in both Buildings.	Completed
6. Repair parking lot in accordance with Site Plan attached hereto as Schedule 1.	March 31, 2016
7. Seal and re-stripe parking lot.	March 31, 2016

# EXHIBIT "E"

## EIGHTH AMENDMENT OF LEASE

This Eighth Amendment of Lease (this "Amendment" or the "Eighth Amendment") is effective on December 11, 2020 (the "Effective Date"), by and between PGE Starpoint, LLC, a Delaware limited liability company; PGE 1, LLC, a Delaware limited liability company; PGE 2, LLC, a Delaware limited liability company; PGE 3, LLC, a Delaware limited liability company; PGE 4, LLC, a Delaware limited liability company; PGE 5, LLC, a Delaware limited liability company; PGE 6, LLC, a Delaware limited liability company; PGE 7, LLC, a Delaware limited liability company; PGE 8, LLC, a Delaware limited liability company; PGE 9, LLC, a Delaware limited liability company; PGE 10, LLC, a Delaware limited liability company; PGE 11, LLC, a Delaware limited liability company; PGE 12, LLC, a Delaware limited liability company; PGE 13, LLC, a Delaware limited liability company; PGE 14, LLC, a Delaware limited liability company; PGE 15, LLC, a Delaware limited liability company; PGE 16, LLC, a Delaware limited liability company; PGE 17, LLC, a Delaware limited liability company; PGE 18, LLC, a Delaware limited liability company; PGE 19, LLC, a Delaware limited liability company; PGE 20, LLC, a Delaware limited liability company; PGE 21, LLC, a Delaware limited liability company, and PGE 26, LLC, a Delaware limited liability company, all as tenants in common (individually, and collectively, "Landlord") and Pacific Gas and Electric Company, a California corporation ("Tenant").

### RECITALS:

A. Landlord, as successor in interest to Watt Fresno Associates I Limited Partnership, a California limited partnership, who in turn was successor in interest to Klein/Watt Partnership, a California limited partnership, and Tenant are parties to that certain Lease dated March 24, 1988 ("Original Lease"), as amended by the certain First Amendment of Lease and Certificate of Term Commencement Date dated as of August 7, 1989 ("First Amendment"), as supplemented by that certain Letter Agreement dated as of January 25, 1990, as amended by that certain Second Amendment of Lease dated as of July 16, 2004 ("Second Amendment"), that certain Third Amendment of Lease dated as of September 17, 2004 ("Third Amendment"), that certain Fourth Amendment of Lease dated as of October 13, 2004 ("Fourth Amendment"), that certain Fifth Amendment of Lease dated as of June 1, 2014 ("Fifth Amendment"), that certain Sixth Amendment of Lease dated July 15, 2015 ("Sixth Amendment"), and that certain Seventh Amendment of Lease dated November 19, 2015 ("Seventh Amendment") (collectively, the "Existing Lease"), covering the land and buildings containing approximately 102,580 square feet commonly known as 650 "O" Street and 705 "P" Street, Fresno, California 93763 (the "Premises"), and more particularly described in the Original Lease.

B. The Existing Lease is currently scheduled to expire on May 31, 2021.

C. Landlord and Tenant now desire to further amend the Existing Lease to memorialize the exercise of Tenant's option under the Existing Lease to extend the term for an additional period of five (5) years.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

# EXHIBIT "E"

1. Effective Date; Definitions.

1.1 Effective Date. Unless a different date is expressly specified herein, each of the provisions of this Amendment shall take effect and be binding upon the parties as of the Effective Date.

1.2 Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings given to them in the Existing Lease. The term "Lease" shall mean the Existing Lease, as amended by this Amendment.

2. Amendments to Existing Lease. The Existing Lease is amended as follows:

2.1 Term. The term of the Existing Lease is currently scheduled to expire on May 31, 2021. Landlord and Tenant hereby agree that Tenant has exercised its option to extend the term of the Existing Lease for a period of five (5) years. Accordingly, the term of the Existing Lease is hereby extended for the period commencing on June 1, 2021 and continuing through May 31, 2026, unless earlier terminated or extended pursuant to the terms and conditions of the Lease. All references in the Lease to the term shall mean the term, as extended by this Amendment, unless the context clearly provides to the contrary.

2.2 Renewal Options. Tenant has exercised its first (1<sup>st</sup>) of three (3) successive options to extend the term of the Lease for five (5) years. Tenant has two (2) remaining renewal option terms commencing on June 1, 2026, and June 1, 2031, respectively, subject to all of the terms and conditions provided in Paragraph 4.3 of the Original Lease, as amended by Paragraph 2.2 of the Fourth Amendment and Paragraph 2.2 of the Fifth Amendment (including, without limitation, the condition that Tenant provide no less than eighteen (18) months prior written notice of its intention to extend the term).

2.3 Renewal Option Fixed Rental. Monthly Fixed Rent during the extended term shall be as set forth below. The parties agree that the initial rental rate set forth below represents 90% of the fair market rental rate for the Premises (agreed to be \$1.80 per square foot per month), and that said rate was arrived at in accordance with Section 4.3 of the Original Lease, as amended by Section 2.2 of the Fourth Amendment.

<u>Time Period</u>	<u>Rental Rate Per Rentable Square Foot</u>	<u>Monthly Fixed Rent</u>
June 1, 2021 through May 31, 2022	\$1.62 per month	\$166,179.60
June 1, 2022 through May 31, 2023	\$1.66 per month	\$170,282.80
June 1, 2023 through May 31, 2024	\$1.70 per month	\$174,386.00

# EXHIBIT "E"

June 1, 2024 through May 31, 2025	\$1.74 per month	\$178,489.20
June 1, 2025 through May 31, 2026	\$1.79 per month	\$183,618.20

2.4 Notices. Paragraph 17 of the Fifth Amendment, which modified Paragraph 23 of the Original Lease, is hereby deleted and the following Paragraph 23 is substituted in its place:

"23. Notices.

Any notice to be given in connection with this Lease shall be in writing and shall be served by personal delivery or be sent by certified mail, postage pre-paid, return receipt requested, or by reputable courier service that provides written evidence of delivery, addressed as specified herein or to such other address as requested by either party in the manner specified herein. Notices shall be effective upon actual receipt or upon refusal to accept delivery.

Landlord's Address:

Starpoint Property Exchange, LLC  
c/o ExchangePoint Property Management LLC  
433 N. Camden Drive, Suite 1000  
Beverly Hills, CA 90210

In addition, Landlord shall at all times designate an emergency contact person who is available twenty-four (24) hours per day, seven (7) days per week. Landlord's current emergency contact person is Robert Jensen phone: (559) 281-1308, email: robertjensen@robertljensen.com. Landlord may change its emergency contact person at any time or from time to time by giving written notice to Tenant in accordance with this Lease.

Tenant's Address:

If by certified mail, return receipt requested:

Corporate Real Estate Transactions Department  
Pacific Gas and Electric Company  
P.O. Box 770000, Mail Code N15G  
San Francisco, CA 94177

# EXHIBIT "E"

With a concurrent copy to:

Law Department  
Pacific Gas and Electric Company  
P.O. Box 7442  
San Francisco, CA 94120  
Attn: Managing Counsel,  
Commercial and Environmental Group  
(Corporate Real Estate)

If by personal delivery or courier service:

Corporate Real Estate Transactions Department  
Pacific Gas and Electric Company  
245 Market Street, Room 1550  
San Francisco, CA 94105

With a concurrent copy to:

Law Department  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B30A  
San Francisco, CA 94105  
Attn: Managing Counsel,  
Commercial and Environmental Group  
(Corporate Real Estate)

In addition, In the event of an Emergency, contact Laurie Maxwell, phone: (559) 978-3261, email: LAM9@pge.com. Tenant may change its emergency contact person at any time and from time to time by giving written notice to Landlord in accordance with this Lease."

### 3. Miscellaneous.

(a) Effective Date; Authority. This Amendment shall not become effective as an amendment to the Existing Lease unless and until it has been executed and delivered by Landlord and Tenant, but upon such execution and delivery, it shall be effective as of the Effective Date. Tenant represents and warrants that all action has been taken by Tenant to approve this Amendment and the person signing this Amendment on behalf of Tenant has been duly authorized to sign and deliver this Amendment on behalf of Tenant. Landlord represents and warrants that all action has been taken by Landlord to approve this Amendment and the person signing this Amendment on behalf of Landlord has been duly authorized to sign and deliver this Amendment on behalf of Landlord. By signing below, ExchangePoint Property Management, Fresno LLC ("ExchangePoint") represents and warrants that: (i) ExchangePoint is the duly authorized agent of the Tenants in Common comprising Landlord; (ii) ExchangePoint has taken all actions required to obtain necessary approvals of this Amendment, including the unanimous approval of all Tenants in Common comprising Landlord; and (iii) ExchangePoint is authorized to sign and deliver this Amendment on behalf of Landlord, and the person signing this

# EXHIBIT "E"

Amendment on behalf of ExchangePoint has been duly authorized to sign and deliver this Amendment on behalf of ExchangePoint.

(b) Inconsistency. To the extent the provisions of the Existing Lease and this Amendment are inconsistent, the provisions of this Amendment shall control.

(c) Interpretation. This Amendment shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amendment. Unless the context clearly requires otherwise: (a) the plural and singular shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall, will," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; (e) "include," "includes," and "including" are not intended to be restrictive, and lists following such words shall not be interpreted to be exhaustive or limited to items of the same type as those enumerated; and (f) "days" means calendar days, except if the last day for performance occurs on a Saturday, Sunday, or any legal holiday, then the next succeeding business day shall be the last day for performance.

(d) Severability. If any provision of this Amendment shall be held to be unenforceable or invalid for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Amendment and the Existing Lease shall be deemed valid and enforceable to the fullest extent.

(e) Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(f) Ratification. Except as modified by this Amendment, all of the terms and conditions of the Existing Lease shall remain in full force and effect, and the Existing Lease, as modified by this Amendment, is ratified and confirmed in all respects.

(g) Electronic Signatures. This Amendment may be executed by electronic signatures (e.g., using DocuSign or e-SignLive) or signatures transmitted in portable document format ("pdf"), and copies of this Amendment executed and delivered by means of electronic or pdf signatures shall have the same force and effect as copies hereof executed and delivered with original manually executed signatures. The parties may rely upon electronic and pdf signatures as if such signatures were manually executed originals and agree that an electronic or pdf signature page may be introduced into evidence in any proceeding arising out of or related to this Amendment as if it were an original manually executed signature page.

(h) Lender Consent. Prior to execution of this Amendment by the parties, Landlord has provided to Tenant the written consent of its lender, Pillar Multifamily, LLC, a Delaware limited liability company, to this Amendment, in a form satisfactory to Tenant.

(i) Entire Agreement. This Amendment contains the entire agreement of Landlord and Tenant with respect to the subject matter hereof.

# EXHIBIT "E"

IN WITNESS WHEREOF, the parties have executed this Eighth Amendment as of the Effective Date.

LANDLORD:

EXCHANGEPOINT PROPERTY  
MANAGEMENT FRESNO LLC, a California  
limited liability company, as agent on behalf of the  
Landlord: PGE STARPOINT, LLC, a Delaware  
limited liability company, PGE 1, LLC, PGE 2,  
LLC, PGE 3, LLC, PGE 4, LLC, PGE 5, LLC, PGE  
6, LLC, PGE 7, LLC, PGE 8, LLC, PGE 9, LLC,  
PGE 10, LLC, PGE 11, LLC, PGE 12, LLC, PGE  
13, LLC, PGE 14, LLC, PGE 15, LLC, PGE 16,  
LLC, PGE 17, LLC, PGE 18, LLC, PGE 19, LLC,  
PGE 20, LLC, PGE 21, LLC, AND PGE 26, LLC



By: E-SIGNED by Paul Daneshrad  
on 2020-12-16 08:26:15 PST  
Paul Daneshrad, Manager

Date: \_\_\_\_\_

TENANT:

Pacific Gas and Electric Company,  
a California corporation

By: E-SIGNED by Michael Lewis  
on 2020-12-11 18:11:22 PST  
Michael Lewis, Interim President

Date: \_\_\_\_\_

# CERTIFICATE *of* SIGNATURE

REF. NUMBER  
6XM4H-XCYUZ-VHRPQ-5SPXY

DOCUMENT COMPLETED BY ALL PARTIES ON  
20 MAR 2026 18:10:45  
UTC

## SIGNER

## TIMESTAMP

## SIGNATURE

**FARSHID ASSEMI**

EMAIL  
FARSHIDA@CDFRESNO.COM

SENT  
18 MAR 2026 21:57:06

VIEWED  
19 MAR 2026 00:04:46

SIGNED  
19 MAR 2026 00:05:26



IP ADDRESS  
146.75.136.138

LOCATION  
SACRAMENTO, UNITED STATES

## RECIPIENT VERIFICATION

EMAIL VERIFIED  
19 MAR 2026 00:04:46

**DARIUS ASSEMI**

EMAIL  
DASSEMI@GVHOMES.COM

SENT  
18 MAR 2026 21:57:06

VIEWED  
18 MAR 2026 22:07:24

SIGNED  
20 MAR 2026 18:10:45



IP ADDRESS  
50.115.206.34

LOCATION  
FRESNO, UNITED STATES

## RECIPIENT VERIFICATION

EMAIL VERIFIED  
18 MAR 2026 22:07:24



# CERTIFICATE *of* SIGNATURE

REF. NUMBER  
CCBT3-WTNNX-DNF6V-SECMT

DOCUMENT COMPLETED BY ALL PARTIES ON  
23 MAR 2026 19:40:29  
UTC

## SIGNER

## TIMESTAMP

## SIGNATURE

**FARID ASSEMI**

EMAIL  
FARID@ASSEMIGROUP.COM

SENT  
20 MAR 2026 18:37:32

VIEWED  
20 MAR 2026 19:10:58

SIGNED  
20 MAR 2026 19:11:17



IP ADDRESS  
104.249.155.226

LOCATION  
FRESNO, UNITED STATES

## RECIPIENT VERIFICATION

EMAIL VERIFIED  
20 MAR 2026 19:10:58

**NEEMA ASSEMI**

EMAIL  
NEEMA@ASSEMIGROUP.COM

SENT  
20 MAR 2026 18:37:32

VIEWED  
23 MAR 2026 19:39:54

SIGNED  
23 MAR 2026 19:40:29



IP ADDRESS  
174.255.217.40

LOCATION  
DENVER, UNITED STATES

## RECIPIENT VERIFICATION

EMAIL VERIFIED  
23 MAR 2026 19:39:54

