



**MEETING AGENDA**  
**REGULAR MEETING OF THE GOVERNING BOARD OF SRFECC**

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**Tuesday, May 14, 2024, 9:00 AM Sacramento Metropolitan Fire Department**  
**10545 Armstrong Avenue, CA 95655**

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**THE BOARD WILL CONVENE IN AN OPEN SESSION AT 9:00 A.M.**

Call to Order Chairperson  
Roll Call of Member Agencies Clerk of the Board

**PRIMARY BOARD MEMBERS**

Chad Wilson, Chairperson	Assistant Chief, Folsom Fire Department
Scott Williams, Vice Chairperson	Assistant Chief, Sacramento Fire Department
Christopher Greene, Board Member	Assistant Chief, Sacramento Metropolitan Fire District
Troy A. Bair, Board Member	Deputy Chief, Cosumnes Community Services District

**PLEDGE OF ALLEGIANCE**

AGENDA UPDATE: An opportunity for Board members to (1) reorder the agenda; and (2) remove agenda items that are not ready for presentation and/or action at the present Board meeting.

PUBLIC COMMENT: An opportunity for members of the public to address the Governing Board on items within the subject matter jurisdiction of the Board. The duration of the comment is limited to three (3) minutes.

**PRESENTATION:**

None

**RECESS TO CLOSED SESSION:**

**1. CONFERENCE WITH LABOR NEGOTIATOR\***

Pursuant to Government Code Section 54957.6

Center Negotiator(s)	Lindsay Moore, Counsel Josh Freeman, Chief Executive Director
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Employee Organization(s)	Teamsters Local 150/Local 522 Teamsters Local 856/Local 522 Unrepresented Administrators
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**2. PERSONNEL ISSUES\***

Pursuant to California Governing Code Section 54957

Employee Evaluation:	Chief Executive Director Operations Manager Administrative Manager
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\*INDICATES NO ATTACHMENT

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3. **CONFERENCE WITH LEGAL COUNSEL:** Anticipated Litigation\*

Pursuant to California Government Code Section 54956.9(b) The Board will meet in closed session to discuss significant exposure to litigation.

One (1) potential case(s).

**RECONVENE TO OPEN SESSION:**

**CONSENT AGENDA:** Matters of routine approval including, but not limited to Board meeting synopsis, payroll reports, referral of issues to the committee, and other consent matters. The Consent Agenda is acted upon as one unit unless a Board member requests separate discussion and/or action.

- 1. Regular Board Meeting Synopsis (April 23, 2024)

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PROPOSED ACTION: Motion to Approve Consent Agenda

**STAFF REPORTS/ACTION ITEMS:**

- 1. **SUBJECT: Administration Office Space Lease** (Staff Report 24-6)

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***Recommendation:***

- Consider approval of the lease of administrative office space located at 10240 Systems Parkway Suite 200 and authorize the Chief Executive to enter into contract with the International Brotherhood of Electrical Workers, Local 340 (IBEW).
- Authorize the Chief Executive Director to enter into contract with LnL Construction for tenant improvements within the new administrative office space. Staff is requesting a breakroom addition at \$32,276.75 and a contingency amount of \$3,200.00.

**DISCUSSION/POSSIBLE ACTION:**

None

**INFORMATION:**

None

**CORRESPONDENCE:**

None

**CENTER REPORTS:**

None

**ITEMS FOR DISCUSSION AND POTENTIAL PLACEMENT ON A FUTURE AGENDA:**

None

\*INDICATES NO ATTACHMENT

**BOARD MEMBER COMMENTS:**

None

**ADJOURNMENT:**

The next scheduled Board Meeting is Tuesday, May 28, 2024

LOCATION: Sacramento Metropolitan Fire District  
10545 Armstrong Avenue, CA 95655

TIME: 9:00 a.m.  
Board Members, Alternates, and Chiefs

POSTED: 10230 Systems Parkway, Sacramento, CA 95827  
[www.sfecc.ca.gov](http://www.sfecc.ca.gov)  
10545 Armstrong Ave, Mather, CA 95655-4102

**DISABILITY INFORMATION:**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Chief Executive Director's Office at (916) 228-3070. Notification at least 48 hours prior to the meeting will enable the Center to make reasonable arrangements to ensure accessibility to this meeting.

**POSTING:**

This is to certify that on May 8, 2024, a copy of the agenda was posted at the following locations:

- 10230 Systems Parkway, Sacramento, CA 95827
- 10411 Old Placerville Rd – Suite #210, Sacramento, CA 95827
- The Center's website at – [www.sfecc.ca.gov](http://www.sfecc.ca.gov)
- 10545 Armstrong Ave, Mather, CA 95655-4102

ATTEST:



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MELLISA BERNETT  
CLERK OF THE BOARD

\*INDICATES NO ATTACHMENT

**MEETING MINUTES  
GOVERNING BOARD MEETING**

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**Tuesday, April 23, 2024,      9:00 AM      Sacramento Metropolitan Fire Department  
10545 Armstrong Avenue, CA 95655**

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**GOVERNING BOARD MEMBERS PRESENT**

Chad Wilson, Chairperson	Assistant Chief, Folsom Fire Department
Scott Williams, Vice Chairperson	Assistant Chief, Sacramento Fire Department
Christopher Greene, Board Member	Assistant Chief, Sacramento Metropolitan Fire District
Dan Quiggle, Alternate	Deputy Chief, Cosumnes Community Services District

**GOVERNING BOARD MEMBERS ABSENT**

Troy A. Bair, Board Member	Deputy Chief, Cosumnes Community Services District
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**COMMUNICATIONS CENTER MANAGEMENT**

Josh Freeman	Executive Director
Julee Todd	Operations Manager
Marissa Shmatovich	Administration Manager

**OTHERS IN ATTENDANCE**

Lindsay Moore	Counsel, SRFECC
Cierra Lewandowski	Payroll and Benefits Administrator, SRFECC
Yvonne Vazquez	Training Supervisor, SRFECC

The meeting was called to order and roll call was taken at 9:00 a.m.

1. The Pledge of Allegiance was recited.
2. There were no agenda updates.
3. There was no public comment.

**PRESENTATION:**

None

**CLOSED SESSION:**

1. CONFERENCE WITH LABOR NEGOTIATOR\*  
Pursuant to Government Code Section 54957.6

Center Negotiator(s)	Lindsay Moore, Counsel Josh Freeman, Chief Executive Director
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\*INDICATES NO ATTACHMENT

Employee Organization(s)

Teamsters Local 150  
Teamsters Local 856  
Unrepresented Administrators

2. PERSONNEL ISSUES\*

Pursuant to California Governing Code Section 54957

- a. Employee Evaluation: Chief Executive Director  
Operations Manager  
Administration Manager

3. CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation\*

Pursuant to California Government Code Section 54956.9 (b) The Board will meet in closed session to discuss significant exposure to litigation.

One (1) potential case(s)

The closed session was convened at 9:01 a.m.

The open session was reconvened at 10:04 a.m.

1. The Board received an update; no formal action was taken.
2. The Board received an update; no formal action was taken.
3. The Board received an update; no formal action was taken.

**CONSENT AGENDA:** Matters of routine approval including, but not limited to Board meeting synopsis, payroll reports, referral of issues to committee, other consent matters. A Consent Agenda is acted upon as one unit unless a Board member requests separate discussion and/or action.

1. A motion was made by Chief Quiggle and seconded by Chief Greene to approve the Consent Agenda for the following:

- a. Regular Board Meeting Synopsis – April 9, 2024

AYES: Sacramento Fire Department, Sacramento Metropolitan Fire, Cosumnes Community Services District, Folsom Fire Department

NOES:  
ABSENT:  
ABSTAIN:

Motion passed.

**ACTION ITEMS:**

1. Peraton Enhancement Quote (Staff Report 24-5)

- a. A motion was made by Chief Wilson and seconded by Chief Greene to reject the Peraton enhancement quote.

\*INDICATES NO ATTACHMENT

AYES: Sacramento Fire Department, Sacramento Metropolitan Fire, Cosumnes Community Services District, Folsom Fire Department

NOES:  
ABSENT:  
ABSTAIN:

Motion passed.

**DISCUSSION/POSSIBLE ACTION:**

None

**INFORMATION:**

None

**CENTER REPORTS:**

1. Operations Manager Julee Todd

Todd recognized Public Safety Telecommunicator Appreciation Week observed last week. Acknowledged Marlo Swett as Dispatcher of The Year (DOTY) and Tara Poirier as Supervisor of The Year (SOTY). Todd highlighted the selection of Casey Quintard and Yvonne Vazquez to present at the Navigator Conference on the PODs training method. It was noted that there were no updates on ACE Accreditation at this conference. It was advised that there would be a new academy beginning on May 6<sup>th</sup>.

2. Administration Manager Marissa Shmatovich

Shmatovich noted that the selection process for the Office Specialist position has concluded, resulting in the appointment of Bayleigh Nichols. Congratulations were extended to Bayleigh on her successful candidacy, recognizing the competitive nature of the selection process and commending all participants. Updates were provided on the ongoing partnership with IBEW regarding access controls and the fencing project. Shmatovich highlighted that the finance team is actively engaged in developing the preliminary budget. Gratitude was expressed for the hard work and dedication exhibited by the staff, acknowledging the significant daily contributions made and expressing pride in their achievements.

3. Chief Executive Director Josh Freeman

Chief Freeman provided an update on his participation in the Capitol-to-Capitol event that yielded opportunities for identified advancements. Ongoing progress was reported on various projects, with an invitation extended to board members to visit and observe the developments firsthand. Recognition was given to Dispatcher Appreciation Week. The Chief highlighted that Mellisa Bernett has assumed the role of Executive Assistant, while Bayleigh Nichols has been appointed as the Office Specialist. Bernett will continue to fulfill both positions until Nichol's return. Updates from the Navigator Conference revealed challenges in obtaining ACE Accreditation information. However, it was subsequently announced that the Center has been granted ACE accreditation, as confirmed in a recent notification.

**CORRESPONDENCE:**

None

**ITEMS FOR DISCUSSION AND POTENTIAL PLACEMENT ON A FUTURE AGENDA:**

None

**BOARD MEMBER COMMENTS:**

1. Chief Quiggle

Chief Quiggle expressed his appreciation for the meeting. He acknowledged the center's achievement in receiving ACE accreditation and commended staff for their hard work and dedication shown in his recent visit during dispatcher appreciation week.

2. Chief Greene

Chief Greene congratulated DOTY Marlo and SOTY Tara and to the new Office Specialist and Executive Assistant. He recognized the center for their recent achievements.

3. Chief Williams

Chief Williams extended his appreciation to the Center for their outstanding work and congratulated the staff on their achievements.

4. Chief Wilson

Chief Wilson praised the ACE accreditation achievement and highlighted the center's leadership and staff dedication. Welcomed staff into their new roles as OS and EA and congratulated DOTY Marlo and SOTY Tara.

**ADJOURNMENT:**

The meeting was adjourned at 10:19 a.m.

ATTEST:



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MELLISA BERNETT

CLERK OF THE BOARD

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CHAD WILSON  
CHAIRPERSON

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SCOTT WILLIAMS  
VICE CHAIRPERSON

\*INDICATES NO ATTACHMENT





## **Sacramento Regional Fire/EMS Communications Center**

10230 Systems Parkway, Sacramento, CA 95827-3007

[www.srfecc.ca.gov](http://www.srfecc.ca.gov)

### STAFF REPORT (REPORT 24-6)

DATE: May 7, 2024  
TO: Board of Directors  
FROM: Josh Freeman, Chief Executive Director  
**SUBJECT: ADMINISTRATION OFFICE SPACE LEASE**

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### RECOMMENDATION

The Board of Directors:

1. Approve the lease of administrative office space located at 10240 Systems Parkway Suite 200 and authorize the Chief Executive Director to enter into a contract with the International Brotherhood of Electrical Workers, Local 340 (IBEW).
2. Authorize the Chief Executive Director to enter into a contract with LnL Construction for tenant improvements within the new administrative office space. Staff is requesting a \$32,276.75 breakroom addition and a \$3,200.00 contingency amount.

### BACKGROUND/ANALYSIS

The administration team, including executive management of SRF ECC, is currently located approximately half a mile from the Center. The separation of personnel was identified in the Strategic Blueprint and Growth Strategy as an opportunity for improvement and it has been recommended to consolidate location of personnel. Through conversations and partnership with IBEW, SRF ECC executive management is prepared to take advantage of an opportunity to consolidate personnel in office space at the IBEW building adjacent to the dispatch center.

The current office space lease at 10411 Old Placerville Rd Suite 200 will end in April 2025. The IBEW building, which shares the parking lot with SRF ECC, has recently completed renovations to allow for tenant occupancy. This space includes approximately double the usable square footage of the current space as well as a large warehouse storage portion. Additionally, IBEW is partnering with SRF ECC and agreeing to share space for SRF ECC and IBEW personnel to use for physical fitness.

Tenant improvements are required to ensure staff needs are met within the new office space. The first of these is the addition of a breakroom. SRF ECC has received a quote from LnL Construction for the break room improvement. This quote is exempt from the bid process as LnL Construction is the preferred vendor for IBEW and improvements within the structure. LnL Construction is currently on site finishing up other projects and is available to begin work immediately.

Staff Report: Administration Office Space Lease, Report #24-6

Date: May 7, 2024

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IBEW has been an amazing neighbor and continues to partner with SRFECC whenever possible. Recently, IBEW partnered with the Center to install the security fence around the common parking lot. This partnership is no different. IBEW has agreed to allow SRFECC to take possession of the office space to initiate tenant improvements and the move-in process. Possession will begin upon entering the lease agreement and deposit payment, and lease payments will commence on 10/01/2024.

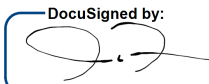
### FINANCIAL ANALYSIS

The lease agreement for the property located at 10240 Systems Parkway Suite 200 includes a deposit amount of \$9,023.20 and a monthly rent amount of \$8,017.00. The lease includes an annual rent escalator of approximately \$250.00. Included in the lease agreement, the landlord will provide all power, water, and landscaping needs. This rent cost is approximately \$1,000 more per month than the current lease (inclusive of Common Area Maintenance fees and exclusive of utilities) and translates to a significant per-square-foot cost savings with a larger office space in addition to the proximity benefits and positive partnership with IBEW.

Capital improvement funds will be utilized to fund tenant improvements and the overlap in occupancy (the lease of two spaces simultaneously).

These requests are in alignment and support the 2030 Strategic Blueprint and Growth Strategy focus areas:

- 2D - *Evaluate consolidating the location of operations for dispatching and Center administration when and if feasible.*
- 4 - *Taking Actions to Prepare SRFECC for Sustained Future Growth*

DocuSigned by:  


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JOSH FREEMAN  
CHIEF EXECUTIVE DIRECTOR

Attachments:

Lease

LnL Quote

**LEASE AGREEMENT  
(10240 Systems Parkway, Sacramento, California)**

**Basic Lease Information**

**Defined Terms:** Information:

**Lease Date:** June 1, 2024

**Landlord:** **International Brotherhood of Electrical Workers, Local 340**  
10240 Systems Parkway, Suite 100  
Sacramento, California 95827  
Attention: Matt Nootenboom

**Tenant:** **Sacramento Regional Fire/EMS Communications Center**, a joint powers authority organized and existing under and by virtue of the laws of the State of California  
10230 Systems Parkway  
Sacramento, California 95827  
Attention: Chief Executive Director  
Marissa Shmatovich, Administration Manager

**Premises:** The Premises referred to in this Lease are located in the Building (as defined below), and consists of approximately seven thousand six hundred sixty-six (7,666) square feet (+/- 2,483 square feet of warehouse space; and +/- 5,183 square feet of office space) as shown in Exhibit A.

**Term:** The term shall be five (5) years from the Commencement Date (as hereinafter defined).

**Base Rent:** Eight Thousand Seventeen and No/100ths Dollars (\$8,017.00) per month payable in advance on the first day of each month, subject to Section 5 hereof.

**Use:** Administrative offices for the Sacramento Regional Fire/EMS Communications Center, as permitted under existing zoning.

**Security Deposit:** \$9,023.20.

**Broker for Tenant:** None

**Broker for Landlord:** None

**LIST OF EXHIBITS**

A. Description of Premises

## LEASE AGREEMENT

This Lease is made and entered into by the Landlord and Tenant referred to in the Basic Lease Information. The Basic Lease Information attached to this Lease as page 1 is hereby incorporated into this Lease by this reference.

### 1. PREMISES:

(a) This Lease shall be effective as between Landlord and Tenant as of the Lease Date. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord upon the terms and conditions contained herein the Premises, which are more particularly described in Exhibit A attached hereto and made a part hereof (the "**Premises**").

(b) Landlord hereby grants Tenant a non-exclusive license (the "**License**"), to use the workout facilities located in the Building (the "**Gym Facilities**") during the Term of the Lease, on the following terms and conditions:

(i) The License is granted expressly and solely for the use of the Gym Facilities by Tenant's employees. Tenant shall not permit use of the Gym Facilities by any guests or invitees.

(ii) The License may not be assigned or otherwise transferred except to an assignee of all of Tenant's rights under the Lease or a subtenant of all of the Premises pursuant to an assignment or sublease made in compliance with this Lease.

(iii) The Gym Facilities are being provided solely as an accommodation to Tenant and Landlord reserves the right, in Landlord's sole discretion, to modify, change or otherwise eliminate the Gym Facilities.

(iv) Tenant therefore agrees that use of such Gym Facilities, if available, shall be used at Tenant's and its employees' sole risk and any interruption, modification, or discontinuance in the character of the service furnished, or damages or harm caused by use of the Gym Facilities by Tenant or Tenant's employees shall not be cause for damages or for the termination of this Lease. Tenant's employees must follow the rules posted for use for any of the Gym Facilities.

(v) In furtherance of the foregoing, Landlord shall not be liable for any damages or injury sustained by Tenant, Tenant's employees or any other party using the Gym Facilities by or through Tenant, in the use of the Gym Facilities, and Tenant hereby waives and releases and further agrees to indemnify, defend, protect and hold the Landlord Group (as defined below) harmless from and against any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, including reasonable attorneys' fees and expenses, consultant fees, and expert fees, together with all other costs and expenses of any kind or nature, that arise during or after the Term directly or indirectly from or in connection with use of the Gym Facilities by Tenant, Tenant's employees or any other party using the Gym Facilities by or through Tenant.

2. **ACCEPTANCE OF PREMISES:** Tenant's taking possession of the Premises shall constitute Tenant's acknowledgment that the Premises are in good condition and that Tenant agrees to accept the same in its condition existing as of the date hereof and subject to all applicable municipal, county, state and federal statutes, laws, ordinances, including zoning ordinances, and regulations governing and relating to the use, occupancy or possession of the Premises. Tenant will obtain all required use permits (including any necessary conditional use permits) at its sole cost and expense and using its own consultants. No promise of Landlord to alter, remodel, repair or improve the Premises and no representation, express or implied, respecting any matter or thing related to the Premises or this Lease (including, without limitation, the condition of the Premises) have been made to Tenant by Landlord, its agents or employees. Tenant agrees to accept the Premises in their AS-IS, WHERE IS, WITH ALL FAULTS CONDITION, and agrees that any improvements to the Premises, after Tenant takes possession, shall be

at Tenant's sole cost and expense, including, without limitation, any alterations necessary to comply with applicable fire-life safety requirements and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et. seq.), as may be amended from time to time. Notwithstanding the foregoing, Landlord shall, at Landlord's sole expense, separately demise the Premises and deliver the Premises to Tenant in a broom clean condition.

3. **DEFINITIONS**

(a) **"Building"** shall refer to the entire structure in which the Premises are located and having an address of 10240 Systems Parkway, Sacramento, California. This Lease confers no rights either with regard to the subsurface of the land below the ground level of the Building or with regard to airspace above the roof of the Building.

4. **COMMENCEMENT DATE:**

(a) The Term of this Lease shall be for the period specified in the Basic Lease Information, commencement shall be the date that Landlord delivers the Premises to Tenant (the **"Commencement Date"**). When the Commencement Date has been established, and within five (5) days after Landlord's written request, Tenant shall confirm the Commencement Date and Expiration Date in writing, using a form of Commencement Date Memorandum provided by Landlord.

5. **RENT:**

(a) Tenant agrees to pay Landlord, without prior notice, demand, deduction or offset, Base Rent in the amount set forth in the Basic Lease Information as adjusted from time to time in the manner set forth in this Section. In addition to the Base Rent, for the purpose of this Lease, **"Rent"** also includes any other amounts owing from Tenant to Landlord pursuant to the terms of this Lease. The Rent shall be payable in advance on or before the first day of each month throughout the term of the Lease, except that the first month's Base Rent shall be paid upon the execution of this Lease. Base Rent for any period during the term hereof which is for less than one month shall be a prorated portion of the monthly installment based upon a 30-day month.

(b) The Monthly Base Rent payable by Tenant to Landlord during the Term of this Lease shall begin on October 1, 2024 and be as follows:

<u>Months During Term (From Commencement Date)</u>	<u>Monthly Base Rent</u>
01 through 12	\$8,017.00
13 through 24	\$8,257.51
25 through 36	\$8,505.24
37 through 48	\$8,760.39
49 through 60	\$9,023.20

6. **SECURITY DEPOSIT:** Upon execution of this Lease, Tenant shall deposit with Landlord the Security Deposit, as security for the full and faithful performance by Tenant of the provisions of this Lease. If Tenant is in default, Landlord may use the Security Deposit, or any portion of it, to cure the default or to compensate Landlord for all damages which Landlord may suffer by reason of Tenant's default. Tenant shall immediately on demand pay to Landlord a sum equal to the portion of the Security Deposit expended or applied by Landlord as provided in this Section so as to maintain the Security Deposit in the sum specified. Tenant's failure to forthwith remit to Landlord an amount in cash sufficient to restore the Security Deposit to the original sum deposited within thirty (30) days after receipt of such demand from Landlord shall constitute an event of default under the terms of this Lease. At the expiration or termination of this Lease, Landlord shall return the Security Deposit to Tenant, less such amounts as are reasonably necessary to remedy Tenant's default, to repair damages to the Premises caused by Tenant other than ordinary wear and tear, or to clean the Premises upon such termination, as soon as is practicable thereafter. Landlord's obligations with respect to the Security Deposit are those of a debtor and not a trustee. Landlord may maintain the Security Deposit with Landlord's general and other funds. Landlord shall not be

required to pay Tenant interest on the Security Deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord. If Landlord sells its interest in the Premises, Landlord may deliver the Security Deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit. Tenant waives the provisions of California Civil Code section 1950.7, and all other provisions of law now in force or that become in force after the date of execution of this Lease, that provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant, or to clean the Premises.

**7. TAXES:**

(a) Tenant shall pay before delinquent all taxes assessed against and upon equipment, furniture, fixtures, and other personal property of Tenant. If any taxes on Tenant's personal property are levied against Landlord or Landlord's property, or if the assessed value of the Building and other improvements is increased by the inclusion of a value placed on Tenant's personal property, and if Landlord pays the taxes on any of these items, Tenant, on demand, shall immediately reimburse Landlord for the sum of the taxes levied against Landlord, or the proportion of the taxes resulting from the increase in Landlord's assessment. Landlord shall have the right to pay these taxes regardless of the validity of the levy.

**8. UTILITIES:**

(a) Landlord shall provide the following services and utilities (collectively, "**Utilities**") on all days during the Term, unless otherwise stated below:

(i) Subject to reasonable changes implemented by Landlord and to all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating and air conditioning when necessary for normal comfort for normal office use in the Premises, from Monday through Friday, during the period from 8:00 a.m. to 6:00 p.m., except for the date of observation of New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and other locally or nationally recognized holidays as designated by Landlord (collectively, the "**Holidays**").

(ii) Landlord shall provide adequate electrical wiring and facilities and power for normal general office use as determined by Landlord.

(iii) Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes.

(b) Tenant shall be solely responsible for obtaining and paying the cost of all other Utilities, that may be required by Tenant with respect to their use of the Premises, including, without limitation, telephone and internet service.

(c) Failure by Landlord to furnish any Utilities, or any cessation thereof, which result from causes beyond the control of Landlord, shall not render Landlord liable in any respect for damages to either person or property, nor be construed as an eviction of Tenant, nor cause an abatement of rent, or relieve Tenant from fulfillment of any covenant or agreement hereof. If any of the equipment or machinery utilized in supplying services and Utilities breaks down, or ceases to function properly, Landlord shall use reasonable diligence to repair the same promptly. Tenant shall have no right to terminate this Lease, and shall have no claim for rebate of rent or damages, on account of any interruptions in services or utilities occasioned thereby or resulting therefrom.

**9. USE:**

(a) Tenant shall use the Premises for the uses set forth in the Basic Lease Information and shall not use the Premises for any other purposes. Tenant shall be solely responsible for obtaining any necessary governmental approvals of such use. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance covering the Premises. If the rate of any insurance carried by Landlord is increased as a result of Tenant's use, Tenant shall pay to Landlord within thirty (30) days before the date Landlord is

obligated to pay a premium on the insurance, or within thirty (30) days after Landlord delivers to Tenant a certified statement from Landlord's insurance carrier stating that the rate increase was caused solely by an activity of Tenant on the Premises as permitted in this Lease, whichever date is later, a sum equal to the difference between the original premium and the increased premium. Landlord reserves the right to prescribe the weight and position of all safes, fixtures and heavy installations that Tenant desires to place in the Premises so as to distribute properly the weight, or to require plans prepared by a qualified structural engineer for such heavy objects, which shall be prepared at Tenant's sole cost and expense.

(b) Tenant acknowledges and agrees that there are two (2) underground pits located within the Premises that are currently covered and sealed by steel covers. In no event shall Tenant access the underground pits or be responsible for the maintenance and safekeeping of the same.

10. **COMPLIANCE WITH THE LAW:** Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, zoning restriction, ordinance or governmental law or rule, regulation, or requirement of any duly constituted public authorities now in force or which may hereafter be enacted or promulgated including, but not limited to, any and all federal, state and local laws, ordinances, regulations, orders and directives pertaining to any substance defined as "hazardous wastes", "hazardous substances", "hazardous materials", "toxic substances" or words to that affect under any applicable current or future federal or state laws or regulations, or subject Landlord to any liability for injury to any person or property by reason of any business operation being conducted in or about the Premises. The final judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance, or governmental rule, regulation, or requirement, shall be conclusive of that fact as between Landlord and Tenant.

11. **ALTERATIONS AND ADDITIONS:**

a. (a) Tenant shall not make or suffer to be made any alterations, additions, or improvements (collectively, "**Alterations**") to or of the Premises, or any part thereof, without first obtaining the written consent of Landlord, which shall not be unreasonably withheld. Any Alterations to the Premises, including, but not limited to, wall covering, paneling, and built-in cabinet work, but excepting movable furniture and trade fixtures, shall on the expiration of the Term become a part of the realty and belong to Landlord, and shall be surrendered with the Premises. However, Landlord can elect to require Tenant to remove any Alterations that Tenant has made to the Premises. If Landlord so elects, Tenant at its own cost shall restore the Premises to the condition upon taking possession, excepting ordinary wear and tear before the last day of the Term. Before Landlord's consent to such Alterations will be given, Tenant shall submit detailed specifications, floor plans and necessary permits (if applicable) to Landlord for review. In no event shall any Alterations affect the structure of the Building or its facade. As a condition to its consent, Landlord may request adequate assurance that all contractors who will perform such work have in force workman's compensation and such other employee and public liability insurance as Landlord deems necessary, and where the Alterations are material, Landlord may require Tenant or its contractors to post adequate completion and performance bonds. In the event Landlord consents to the making of any Alterations to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense, comply with all applicable laws, statutes and ordinances, be completed to the satisfaction of Landlord, and any architect, contractor or person selected by Tenant to make the same must first be approved in writing by Landlord. If Tenant makes any Alterations to the Premises, the Alterations shall not be commenced until ten (10) business days after Landlord has received notice from Tenant stating the date the installation of the alterations is to commence so that Landlord can post and record an appropriate notice of nonresponsibility.

(b) Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances, and governmental rules, regulations, which includes, but is not limited to, the Americans with Disability Act ("**ADA**") of 1990 (42 U.S.C. 12101 *et. seq.*), and any amendment thereto or regulations promulgated thereunder, or requirements of any board or fire insurance underwriters or other similar bodies, now or hereafter constituted, relating to or affecting Alterations or Improvements.

12. **REPAIRS AND MAINTENANCE:**

(a) Tenant shall, at Tenant's sole cost and expense, maintain the Premises in good, clean and safe condition and repair. Without limiting the generality of the foregoing, Tenant shall be solely responsible for maintaining and repairing all fixtures, plumbing, electrical lighting, ceilings and floor coverings, windows, doors, plate glass, skylights, and interior walls within the Premises. In addition, Tenant shall be responsible for all repairs made necessary by Tenant, its employees, agents, contractors or invitees. Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises except as specifically set forth in this Lease. Under no circumstances shall Tenant make any repairs to the Building or to the mechanical, electrical or heating, ventilating or air conditioning systems of the Premises or the Building, unless such repairs are previously approved in writing by Landlord, which shall not be unreasonably withheld.

(b) Landlord shall be responsible for making all structural repairs to the Building, and shall maintain the heating, ventilation and air-conditioning system serving the Premises, the roof, sidewalls, and foundations of the Building in good, clean and safe condition and repair. Landlord shall also maintain all landscaping, driveways, parking lots, signs, sidewalks and other exterior areas of the Building. The foregoing obligations of Landlord contained in this Section 12(b) are collectively referred to as "**Landlord's Repairs**". Except as otherwise provided in this Lease, Landlord shall have no liability to Tenant, nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenants' lease or required by law to make in or to any portion of the Building or the Premises. Landlord shall use reasonable efforts to minimize any interference with Tenant's business at the Premises. If Tenant fails to maintain the Premises in good order, condition and repair, Landlord may give Tenant thirty (30) days written notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work within such time period and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the "Reference Rate" (formerly, "Prime Rate") then being charged by the San Francisco main office of Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum amount then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as the result of performing any such work.

13. **WASTE:** Tenant shall not use the Premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to owners or occupants of adjacent properties or to other tenants of the Building.

14. **LIENS:** Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. Landlord may require, at its sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, labor and materials or a completion bond in an amount equal to one and one-half (1-1/2) times any and all estimated cost of any improvements, additions, or alterations to the Premises to be made by Tenant, to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of work.

15. **ASSIGNMENT AND SUBLETTING:** Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, nor sublet the Premises or any part thereof, or any right or privilege appurtenant thereto or permit the use or occupancy by any other party without the written consent of the Landlord first had and obtained, which consent shall not be unreasonably withheld. Any attempted assignment, transfer, mortgage, encumbrance, or subletting without such consent shall be void and shall constitute a breach of this Lease without the need for notice to Tenant. Tenant shall give Landlord written notice of Tenant's desire to assign or sublet all or some portion of the Premises and the date on which Tenant wishes to make such assignment or sublease, at least thirty (30) days prior to such date. Such written notice shall set forth the name of the proposed assignee or sublessee, the nature of the business to be carried on in the Premises, the space to be assigned or sublet, the material terms and provisions of the proposed sublease or assignment, and such financial information as Landlord may reasonably request. Landlord shall then have a period of thirty (30) days following receipt of such notice and accompanying information within which to notify Tenant of its decision with respect to the proposed sublease or assignment. The withholding of Landlord's consent to the assignment or subletting will be deemed to



have been reasonable where based upon Landlord's good faith determination of: (i) the inability of assignee or sublessee to fulfill the Lease terms; (ii) the financial irresponsibility of assignee or sublessee; (iii) the lack of suitability of assignee's or sublessee's intended use of the Premises; or (iv) the intended unlawful or undesirable use of the Premises by sublessee or assignee; provided, however, that the foregoing enumeration shall not be exclusive. If Landlord's consent to the assignment or subletting cannot reasonably be withheld, Landlord shall then have a period of fifteen (15) days following receipt of such notice within which to notify Tenant in writing that Landlord elects either (i) to terminate this Lease as to that portion of the Premises so affected as of the date so specified by Tenant, in which event Tenant will be relieved of all further obligations hereunder as to such portions of the Premises, or (ii) to permit Tenant to make such assignment or sublease subject to the following:

(a) Any such assignment, sublease or the like must be pursuant to a written agreement in a form acceptable to Landlord in its reasonable discretion and must provide that such assignee, sublessee, or other transferee agrees not to violate the terms and conditions of this Lease. No sublease or assignment by Tenant shall relieve Tenant of any liability hereunder. Any sublease must provide that Tenant (Sublessor) has the right to reenter the Premises upon termination of such sublease. No sublessee or assignee shall further assign or sublet all or any part of the Premises.

(b) One-half (1/2) of any sums or other economic consideration received by Tenant as a result of such subletting, which exceed in the aggregate the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to that portion of the Premises subject to such sublease), shall be payable to Landlord as additional Rent under this Lease without affecting or reducing any other obligation of Tenant hereunder.

(c) No assignment or sublease shall be valid and no assignee or subtenant shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord. Tenant shall have the duty and responsibility to take such actions as are necessary to ensure that such assignee or sublessee does not violate the terms and provisions of the Lease. In the event Tenant assigns or sublets all or a part of the Premises as permitted by this Lease, all options to renew this Lease at the end of the original term, or to lease additional space in the Building, which options, if any, are defined and explained herein or in an addendum to this Lease, shall terminate.

(d) If Tenant requests Landlord to consent to a proposed assignment or subletting, Tenant shall pay Landlord, whether or not consent is ultimately given, Landlord's reasonable costs, including attorneys' fees (which attorneys' fees shall not exceed Two Thousand and No/100ths Dollars (\$2,000.00) for each proposed assignment or subletting) incurred in connection with evaluating such request and/or documenting such sublease or assignment.

16. **INDEMNITY:** Tenant shall indemnify, defend, protect and hold Landlord, any partner, co-venturer, co-tenant, officer, director, employee, agent, or representative of Landlord (collectively, "**Landlord Group**") harmless against and from all claims, damages and liabilities, arising from Tenant's use of the Premises or the conduct of Tenant's business or from any activity, work, or other thing done, permitted or suffered by Tenant in or about the Building, and shall further indemnify and hold the Landlord Group harmless against and from any and all claims, damages and liabilities, directly arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant or any officer, agent, employee, guest, or invitee of Tenant, and from all and against all costs, attorneys' fees, expenses, and liabilities incurred in or about any such claim or any action or proceeding brought thereon, and, in any case, action, or proceeding brought against Landlord by reason of any such claim. Tenant, as a material part of the consideration to Landlord under this Lease, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, except that Tenant shall not assume any risk for damage resulting from the gross negligence or wrongful act of Landlord or its authorized representatives.

Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects from pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or

upon other portions of the Building or from other sources. Landlord shall not be liable for any damages arising from any act or omission from any other tenant of the Building.

17. **DAMAGE TO PREMISES OR BUILDING:** All injury to the Premises or the Building caused by moving the property of Tenant or its employees, agents, guests or invitees into, in or out of the Building and all breakage done by Tenant or the agents, servants, employees, and visitors of Tenant shall be repaired as determined by the Landlord at the expense of the Tenant.

18. **TENANT'S INSURANCE/WAIVER OF SUBROGATION:**

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies which are rated by Best Insurance Reports as A:VII or better and acceptable to Landlord and Landlord's lender and licensed or authorized to do business in the State of California. Each policy shall name Landlord, and at Landlord's request, any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a separation of insureds condition, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance for Landlord's interest only, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is given possession of the Premises, and thereafter, within thirty (30) days after any demand by Landlord therefor. No such policy shall be cancelable, materially changed or reduced in coverage except after thirty (30) days' written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums, which shall be payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee and Tenant as required by this Lease.

(b) Beginning on the Lease Date and continuing until expiration of the Term of the Lease, Tenant shall procure, pay for and maintain in effect policies of property insurance covering (i) all Tenant Improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Section 11 hereof), and (ii) trade fixtures, merchandise and other personal property from time to time, in, on or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against all risks of physical loss or damage. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) shall be paid to Landlord, and the proceeds under (ii) above shall be paid to Tenant.

(c) Beginning on the Lease Date and continuing until expiration of the term of the Lease, Tenant shall procure, pay for and maintain in effect workers' compensation and employer's liability insurance and commercial general liability insurance which includes coverage for personal injury, contractual liability and Tenant's independent contractors. The commercial general liability should be procured and maintained with not less than One Million Dollars (\$1,000,000.00) per occurrence combined single limit for bodily injury, personal injury or property damage liability. If such insurance covers more than one location, and general aggregate limit shall apply on a per location basis.

(d) Whenever, in Landlord's reasonable judgment, good business practice or change in conditions indicate a need for additional or different types of insurance, Tenant shall upon request of Landlord obtain such insurance at its own expense.

(e) Tenant agrees to obtain certificates of insurance evidencing commercial general liability insurance including workers' compensation insurance and employer's liability insurance from any contractors or subcontractors engaged in repairs or maintenance to the Premises during the term of the Lease. Such liability

insurance must be for minimum limits of One Million Dollars (\$1,000,000.00) per occurrence combined single limit for bodily injury including death and property damage liability.

(f) Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against and payment is made under any "all risk" insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation as contained in this Lease.

19. **WAIVER:** No delay or omission in the exercise of any right or remedy of Landlord or Tenant on any default by Tenant or Landlord shall impair such a right or remedy or be construed as a waiver. The subsequent acceptance of Rent by Landlord after breach by Tenant of any covenant or term of this Lease shall not be deemed a waiver of such breach, other than a waiver of timely payment for the particular Rent involved, and shall not prevent Landlord from maintaining an unlawful detainer or other action based on such breach. No act or conduct of Landlord, including without limitation the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Prior to the scheduled expiration of the term of the Lease, only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish an early termination of the Lease. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord or Tenant of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease. The review, approval, or inspection by Landlord of any item to be reviewed, approved, or inspected by Landlord under the terms of this Lease shall not constitute the assumption of any responsibility by Landlord for the accuracy or sufficiency of any such item or the quality or suitability of such item for its intended use.

20. **ENTRY BY LANDLORD:** Landlord reserves, and shall at any and all reasonable times with reasonable notice have the right to enter the Premises to inspect the same, to supply any service to be provided by Landlord to Tenant hereunder, to show the Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to maintain and repair the Premises and any portion of the Building that Landlord may deem necessary or desirable, without abatement of Rent, and may for that purpose erect scaffolding and other necessary structures, where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be blocked thereby and further providing that the business of the Tenant shall not be interfered with unreasonably. Tenant hereby waives any claims for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in the event of an emergency (as determined by Landlord or its employees or representatives acting in good faith), in order to obtain entry to the Premises without liability to Landlord. Any entry to the Premises obtained by Landlord by any of said means or otherwise shall not under any circumstances be construed or be deemed to be a forcible or unlawful entry into, or a detainer of the Premises, or an eviction of Tenant from the Premises or any portion thereof.

21. **CASUALTY DAMAGE:** During the term hereof, if the Premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give prompt written notice thereof to Landlord. In case the Building shall be so damaged by fire or other casualty that substantial alteration or reconstruction of the Building shall be required (whether or not the Premises shall have been damaged by such fire or other casualty), (i) if such damage cannot be repaired within one hundred eighty (180) days thereafter, as reasonably determined by Landlord, (ii) if any mortgagee under a mortgage or deed of trust covering the Building requires that the insurance proceeds payable as a result of said fire or other casualty be used to retire or reduce such mortgage debt, or (iii) if such damage is not covered by insurance carried by Landlord, Landlord may, at its option, terminate this Lease and the term and estate hereby granted by notifying Tenant in writing of such termination within sixty (60) days after the date of such damage, in which event the Rent shall be abated as of the date of such damage. If the damage does not require substantial alteration or reconstruction or if Landlord does not thus elect to terminate this Lease, Landlord shall, within sixty (60) days after the date of such damage, commence to repair and restore the Building and shall proceed with reasonable diligence to restore the Building (except that Landlord shall not be responsible for delays outside its

control) to substantially the same condition in which it was immediately prior to the happening of the casualty, except that Landlord shall not be required to rebuild, repair or replace any part of Tenant's furniture and furnishings or fixtures and equipment removable by Tenant under the provisions of this Lease, but such work shall not exceed the scope of the work done by Landlord in originally constructing the Building. Tenant shall not be entitled to any compensation or damages from Landlord, and Landlord shall not be liable, for any loss of the use of the whole or any part of the Premises, the Building, Tenant's personal property, or any inconvenience or annoyance occasioned by such loss of use, damage, repair, reconstruction or restoration, except that, subject to the provisions of the next sentence, Landlord shall allow Tenant a diminution of Rent on a square footage basis during the time and to the extent the Premises are unfit or unavailable for occupancy. If the Premises or any other portion of the Building are damaged by fire or other casualty resulting from the negligence of Tenant or any of Tenant's agents, employees, or invitees, Tenant shall be liable to Landlord for the cost and expense of the repair and restoration of the Building caused thereby to the extent such cost and expense is not covered by insurance proceeds. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or to the Premises shall be for the sole benefit of the party carrying such insurance and under its sole control. Tenant hereby specifically waives any and all rights it may have under any law, statute, ordinance or regulation to terminate the Lease by reason of casualty or damage to the Premises or Building, and the parties hereto specifically agree that the Lease shall not automatically terminate by law upon destruction of the Premises.

## 22. CONDEMNATION:

(a) If the whole of the Building or Premises should be condemned, this Lease shall terminate as of the date when physical possession of the Building or the Premises is taken by the condemning authority. If less than substantially the whole of the Building or the Premises is thus taken or sold, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by written notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord (whether or not the Premises are affected thereby) may terminate this Lease by giving written notice thereof to Tenant within sixty (60) days after the date of such taking, in which event this Lease shall terminate as of the date when physical possession of such portion of the Building or Premises is taken by the condemning authority. If, upon any such condemnation of less than substantially the whole of the Building or the Premises, this Lease shall not be thus terminated, the Rent payable hereunder shall be diminished by an amount representing that part of the Rent as shall properly be allocable to the portion of the Premises which was so condemned, and Landlord shall, at Landlord's sole expense, restore and reconstruct the remainder of the Building and the Premises to substantially their former condition to the extent that the same, in Landlord's reasonable judgment, may be feasible.. Subject to the rights of any mortgagee under a mortgage or deed of trust covering the Building, Landlord shall be entitled to and shall receive the total amount of any award made with respect to condemnation of the Premises or Building, regardless of whether the award is based on a single award or a separate award as between the respective parties, and to the extent that any such award or awards shall be made to Tenant or to any person claiming through or under Tenant, Tenant hereby irrevocably assigns to Landlord all of its rights, title and interest in and to any such awards. No portion of any such award or awards shall be allocated to or paid to Tenant for any so-called bonus or excess value of this Lease by reason of the relationship between the rental payable under this Lease and what may at the time be a fair market rental for the Premises, nor for Tenant's unamortized costs of leasehold improvements. The foregoing notwithstanding, and if Tenant be not in default for any reason, Landlord shall turn over to Tenant, promptly after receipt thereof by Landlord, that portion of any such award received by Landlord hereunder which is attributable to Tenant's fixtures and equipment which are condemned as part of the property taken but which Tenant would otherwise be entitled to remove, and the appraisal of the condemning authority with respect to the amount of any such award allocable to such items shall be conclusive. The foregoing shall not, however, be deemed to restrict Tenant's right to pursue a separate award specifically for its relocation expenses or the taking of Tenant's personal property or trade fixtures so long as such separate award does not diminish any award otherwise due Landlord as a result of such condemnation or taking. Tenant hereby specifically waives any and all rights it may have under any law, statute, ordinance or regulation (including, without limitation, Sections 1265.120 and 1265.130 of the California Code of Civil Procedure), to terminate or petition to terminate this Lease upon partial condemnation of the Premises or Building, and the parties hereto specifically agree that this Lease shall not automatically terminate upon condemnation.

(b) Landlord may, without any obligation or liability to Tenant and without affecting the validity and existence of this Lease other than as hereafter expressly provided, agree to sell and/or convey to the condemnor the Premises or portion thereof sought by the condemnor, without first requiring that any action or proceeding be instituted, or if such action or proceeding shall have been instituted, without first requiring any trial or hearing thereof (and Landlord is expressly empowered to stipulate to judgment therein), free from this Lease and the rights of Tenant hereunder.

(c) If all or any portion of the Premises is condemned or otherwise taken for a period (i) of less than one hundred twenty (120) days, this Lease shall remain in full force and effect and Tenant shall continue to perform all terms and covenants of this Lease; provided, however, Rent shall abate during such limited period in proportion to the portion of the Premises that is rendered unusable as a result of such condemnation or other taking, or (ii) of one hundred twenty (120) days or more, Tenant shall have the right to terminate this Lease by providing written notice of such election within thirty (30) days of such condemnation. in which case Rent shall be abated as of the date of such condemnation.

(d) The words "condemnation" or "condemned" as used herein shall mean the taking for any public or quasi-public use under any governmental law, ordinance, or regulation, or the exercise of, or the intent to exercise, the power of eminent domain, expressed in writing, as well as the filing of any action or proceeding for such purpose, by any person, entity, body, agency, or authority having the right or power of eminent domain, and shall include a voluntary sale by Landlord to any such person, entity, body agency or authority, either under threat of condemnation expressed in writing or while condemnation proceedings are pending, and shall occur in point of time upon the actual physical taking of possession pursuant to the exercise of said power of eminent domain.

23. **TENANT'S DEFAULT:** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

(a) The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder as and when due, where such failure shall continue for a period of thirty (30) days after written notice of failure to pay after the due date.

(b) Tenant's failure to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than as described in subparagraph (a) above, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(c) The making by Tenant of any general assignment or general arrangement for the benefit of creditors, or the appointment of a trustee or a 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 in thirty (30) days.

(d) The filing of any voluntary petition in bankruptcy by Tenant, or the filing of any involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for a period of thirty (30) days. In the event that under applicable law the trustee in bankruptcy or Tenant has the right to affirm this Lease and perform the obligations of Tenant hereunder, such trustee or Tenant shall, in such time period as may be permitted by the bankruptcy court having jurisdiction, cure all defaults of Tenant hereunder outstanding as of the date of the affirmance of this Lease, and provide to Landlord such adequate assurances as may be necessary to ensure Landlord of the continued performance of Tenant's obligation under this Lease.

24. **REMEDIES FOR TENANT'S DEFAULT:** In the event of Tenant's default, Landlord may:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant:

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

(ii) the worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss which Tenant proves could have been reasonably avoided (but in no event, in excess of six months rent) , plus

(iii) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom (including, without limitation, the cost of recovering possession of the Premises, expenses of reletting including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and real estate commissions actually paid and that portion of the leasing commission paid by Landlord and applicable to the unexpired portion of this Lease), plus

(iv) such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law.

As used in Subsections (1) and (2) above, the "worth at the time of the award" shall be computed by allowing interest at the lesser of ten percent (10%) per annum, or the maximum rate permitted by law per annum. As used in subsection (3) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(b) Continue this Lease in full force and effect, and the 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 may 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 costs Landlord reasonably incurs in reletting the Premises, including, without limitation, brokers' commissions, 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 dates the Rent is due, less the rent Landlord receives from any reletting. In no event shall Tenant be entitled to any excess rent received by Landlord. No act by Landlord allowed by this paragraph shall terminate this Lease unless Landlord notifies Tenant in writing that Landlord elects to terminate this Lease. 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.

(c) Cause a receiver to be appointed to collect Rent. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Landlord to terminate the Lease.

(d) Cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, reasonably pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due within thirty (30) days from Tenant to Landlord at the time the sum is paid, and if paid at a later date shall bear interest at the lesser of ten percent (10%) per annum, or the maximum rate an individual is permitted by law to charge 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.

The foregoing remedies are not exclusive; they are cumulative, in addition to any remedies now or later allowed by law, to any equitable remedies Landlord may have, and to any remedies Landlord may have under bankruptcy laws or laws affecting creditors' rights generally.

25. **SURRENDER OF PREMISES:** On expiration of this Lease or within five (5) days after the earlier termination of the Term, Tenant shall surrender to Landlord the Premises in good condition (except for ordinary wear and tear, repair and maintenance which is the obligation of Landlord, and destruction to the Premises covered by Section 21). Tenant shall remove all its personal property within the above-stated time. Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property within the time periods stated in this paragraph.

26. **DEFAULT BY LANDLORD:** Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligations within thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation, provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion. In no event shall Landlord be liable to Tenant for loss of profits, business interruption, or consequential damages if Landlord performs its obligations within the time periods specified in this paragraph.

27. **ESTOPPEL CERTIFICATE:** Tenant shall at any time and from time to time upon not less than ten (10) days' prior written notice from Landlord execute, acknowledge, and deliver to Landlord a statement in writing, (a) 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 modified is in full force and effect) and the date to which the Rental and other charges are paid in advance, if any; (b) certifying that the Premises have been accepted by Tenant; (c) confirming the Commencement Date and the expiration date of the Lease; (d) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord hereunder, or specifying such defaults, if any are claimed; and (e) such other information as may be reasonably requested by Landlord, Landlord's mortgagee or potential purchaser of the Property. Any such statement may be relied upon by a prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

28. **SALE OF PREMISES:** In the event of any sale of the Building, Landlord shall be and hereby is entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease and the purchaser, at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord will transfer the security deposit and prepaid rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

29. **SUBORDINATION, ATTORNMENT:**

(a) This Lease is and shall be subordinate to any encumbrance now of record or recorded after the date of this Lease affecting the Building, other improvements, and land of which the Premises are a part. Such subordination is effective without any further act of Tenant. If any mortgagee, trustee, or ground lessor shall elect to have this Lease and any options granted hereby prior to the lien of its mortgage, deed of trust, or ground lease, and shall give written notice thereof to Tenant, this Lease and such options shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease or such options are deeded prior or subsequent to the date of said mortgage, deed of trust, or ground lease, or the date of recording thereof.

(b) In the event any proceedings are brought for foreclosure, or in the event of a sale or exchange of the real property on which the Building is located, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease. Tenant agrees to execute any documents required to effectuate an attornment or to make this Lease or any options granted herein prior to the lien of any mortgage, deed of trust, or ground lease, as the case may be.

30. **BROKER:** Landlord and Tenant each warrants that it has had no dealings with any real estate broker or agents in connection with the negotiation of this Lease and it knows of no other real estate broker or agent who is entitled to a commission in connection with the Lease. Tenant agrees to indemnify and defend Landlord and

hold Landlord harmless from any claims for brokerage commissions arising out of any discussion allegedly had by Tenant with any broker.

31. **HOLDING OVER:** Upon termination of the Lease or expiration of the Term hereof, if Tenant retains possession of the Premises without Landlord's written consent first had and obtained, then Tenant's possession shall be deemed a month-to-month tenancy upon all of the terms and conditions contained in this Lease, except the base rent portion of the Rent which shall be increased to one hundred and fifty percent (150%) of the amount of the Base Rent at the expiration or earlier termination of the Lease, as the case may be. Rent, as adjusted pursuant to this Section, shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days' advance written notice of the date of termination. Tenant shall indemnify, defend and hold Landlord harmless from and against all claims arising or resulting directly or indirectly from Tenant's failure to timely surrender the Premises, including (i) any rent payable by or any loss, cost, or damages claimed by any prospective tenant of the Premises, and (ii) Landlord's damages as a result of such prospective tenant rescinding or refusing to enter into the prospective lease of the Premises by reason of such failure to timely surrender the Premises.

32. **NOTICES:** All notices and demands required to be sent to the Landlord or Tenant under the terms of this Lease shall be personally delivered or sent by certified mail, postage prepaid or by overnight courier (i.e. Federal Express), to the addresses indicated in the Basic Lease Information, or to such other addresses as the parties may from time to time designate by notice pursuant to this paragraph. Notices shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice (ii) if mailed, two (2) days following the date of posting by the U.S. Postal Service, and (iii) if by overnight courier, on the business day following the deposit of such notice with such courier.

33. **GENERAL PROVISIONS:**

(a) **Marginal Headings:** The marginal headings and titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) **Time:** Time is of the essence in this Lease and with respect to each and all of its provisions in which performance is a factor.

(c) **Quiet Possession:** Upon Tenant paying the Rent 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.

(d) **Prior Agreements:** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

(e) **Landlord's Personal Liability:** The liability of Landlord (which, for purposes of this paragraph, shall include the owner of the Building if other than Landlord, affiliates, officers, employees, partners or principals) to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord or any of them in the Building, and neither Landlord nor any partner, co-venturer, co-tenant, officer, director, employee, agent, or representative of Landlord shall have any personal liability whatsoever with respect thereto. Tenant hereby waives, to the extent waivable under the law, any right to satisfy any money judgment against Landlord or any partner, co-venturer, co-tenant, officer, director, employee, agent, or representative of Landlord except from Landlord's estate in the Building.

(f) **Separability:** Any provisions of this Lease which shall prove to be invalid, void, and illegal shall in no way affect, impair, or invalidate any other provision hereof, and such other provisions shall remain in full force and effect.



(g) **Late Charges:** Tenant acknowledges that late payment by Tenant to Landlord of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing charges, accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises. Therefore, if any delinquent installment of Rent or other sums due from Tenant is not received by Landlord on the date same are due, Tenant shall pay to Landlord an additional sum equal to ten percent (10.00%) of such overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the administrative and other costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Landlord from exercising any of the other rights and remedies available to Landlord.

(h)

(i) **Attorneys' Fees:** In the event any legal action is brought to enforce or interpret the provisions of this Lease, the prevailing party therein shall be entitled to recover all costs and expenses including reasonable attorneys' fees. In addition, if either party becomes a party to any litigation concerning this Lease, the Premises, or the Building or other improvements, by reason of any act or omission of the other party or its authorized representatives, and not by any act or omission of the party that becomes a party to that litigation or any act or omission of its authorized representatives, the party that causes the other party to become involved in the litigation shall be liable to that party for reasonable attorneys' fees and court costs incurred by it in the litigation.

(j) **Modification:** This Lease contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Lease shall be of no force or effect, excepting a subsequent modification in writing signed by the party to be charged.

(k) **Execution:** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

(l) **Successors and Assigns:** Subject to the provisions of this Lease, this Lease and each of its covenants and conditions shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

(m) **Waiver of California Code Sections:** Notwithstanding any other provision of this Lease and in addition to any waivers which may be contained in this Lease, Tenant waives the provisions of Civil Code Section 1932(2) and 1933(4) with respect to the destruction of the Premises; Civil Code Sections 1932(1), 1941 and 1942 with respect to Landlord's repair duties and Tenant's right of repair; and Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises for public or quasi-public use by statute, by right of eminent domain, or by purchase in lieu of eminent domain; and any right of redemption or reinstatement of Tenant under any present or future case law or statutory provision (including Code of Civil Procedure Section 473, 1174(c) and 1179 and Civil Code Section 3275) in the event Tenant is dispossessed from the premises for any reason. This waiver applies to future statutes enacted in addition or in substitution to the statute specified herein, and this waiver shall apply even though Tenant may be the subject of a voluntary or involuntary petition in bankruptcy.

(n) **Government Energy or Utility Controls:** In the event of imposition of federal, state or local governmental controls, regulations or restrictions on the use or consumption of energy or other utilities during the term, both Landlord and Tenant shall be bound thereby.

(o) **Accord and Satisfaction; Allocation of Payments:** No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this

Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant which is then due or delinquent.

34. **INSPECTION BY A CASP IN ACCORDANCE WITH CIVIL CODE SECTION 1938.** To Landlord's actual knowledge, the Premises has not undergone inspection by a Certified Access Specialist (CASp). A Certified Access Specialist (CASp) can inspect the subject Premises and determine whether the subject Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject Premises, the Landlord may not prohibit the Tenant from obtaining a CASp inspection of the subject Premises for the occupancy or potential occupancy of the Tenant, if requested by the Tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises; provided, however, that, Tenant shall be solely responsible for making any required corrections to accessibility violations identified in any CASp report. The foregoing verification is included in the Lease solely for the purpose of complying with California Civil Code Section 1938 and, except as otherwise expressly stated above, shall not in any manner affect Landlord's and Tenant's respective responsibilities for compliance with construction-related accessibility standards as provided under the Lease.

35. **COVID-19.** Tenant acknowledges and agrees that Landlord has no control over and shall not be liable for any claim, loss, damages, or otherwise, arising out of or resulting from infectious disease, epidemic, pandemic or governmental actions and orders arising out of or resulting therefrom (including, without limitation, with respect to the COVID-19 pandemic). Tenant specifically agrees that any such event shall not give rise to a claim of Landlord default, force majeure, impossibility, frustration of purpose, loss or interruption of use, constructive eviction, right of termination, right of abatement of rent or otherwise, all of which are hereby expressly waived by Tenant. Without limiting the foregoing, Tenant acknowledges and agrees that Landlord is not representing or warranting that the Building or Premises will be free from such infectious disease, that infected individuals will not be present in the Building, or that any prevention or mitigation measures will be effective. Except as required by law, Landlord shall not be required to provide any specific services, equipment, systems, procedures or other prevention or mitigation measures in response to such event, shall not be required to provide notice of any infections within the Building, and Landlord shall have no liability for failure to provide the same or for the ineffectiveness or inadequacy of any measures or notice that are provided. Tenant acknowledges that it has not received and is not relying on any representation or warranty by or on behalf of Landlord regarding these matters, or the effectiveness of any measures now or hereafter provided by Landlord. Tenant acknowledges and agrees that Tenant has and will make its own independent determinations with respect to such matters and the risks resulting therefrom, shall not rely on Landlord, and that the risk associated with any such events, including that any mitigation measures may not be effective, may malfunction or may be circumvented, is assumed by Tenant.

36. **RIGHT OF FIRST OFFER.** Notwithstanding anything contained herein to the contrary, unless this Lease has been earlier terminated, Tenant shall have a one-time Right of First Offer to purchase the Property (as defined below) ("**ROFO**") pursuant to the following process:

(a) Prior to marketing the Building and the parcel upon which the Building is located (collectively, the "**Property**") for sale, Landlord shall give Tenant written notice ("**Offer Notice**") of the terms upon which Landlord intends to offer the Property for sale ("**Offer Terms**"). Tenant shall have five (5) business days to respond to Landlord, in writing, as to whether or not Tenant elects to purchase the Property on the Offer Terms.

(b) Should Tenant fail to give timely notice of its exercise of its ROFO as provided in Section 36(a) above or elects not to exercise its ROFO, all rights of Tenant with respect to the ROFO shall terminate and Landlord may at any time thereafter sell the Property to any third party on such terms and provisions as Landlord may elect without giving Tenant another Offer Notice hereunder.

(c) If Tenant exercises its ROFO in accordance with one of the above applicable provisions of this Section 36, then Landlord will sell the Property to Tenant on the Offer Terms, and Tenant will purchase the Property within thirty (30) days from the date Tenant exercises its ROFO or the date called for in the Offer Terms, whichever comes earlier, provided (i) Landlord's title is free and clear of any liens and encumbrances, except the lien of current taxes and liens created by Tenant and (ii) Landlord, in Landlord's sole discretion, may extend the closing date of

such purchase for a period of up to sixty (60) days after the original scheduled closing date.

(e) For the avoidance of doubt, this ROFO will terminate and expire on any sale, conveyance or transfer of the Property, and not apply to any proposed sale, conveyance or transfer by a successor owner of the Property. The provisions of this Section 36 are personal to the original Tenant and are not subject to transfer or assignment to any other party.

(f) In no event shall any brokers, including (without limitation) those who have been involved in the negotiation of this Lease, be entitled to a commission or other fee in the event of a sale of the Property by Landlord to Tenant. Notwithstanding anything set forth in this Lease to the contrary, any pending acquisition of the Property by means of foreclosure, deed in lieu of foreclosure or other proceeding brought to enforce a deed of trust, mortgage or encumbrance in favor of Landlord's Lender shall not be subject to the ROFO set forth in this Section 36.

**IN WITNESS WHEREOF**, this Lease is executed on the date and year first above written.

**LANDLORD:**

**TENANT:**

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 340**

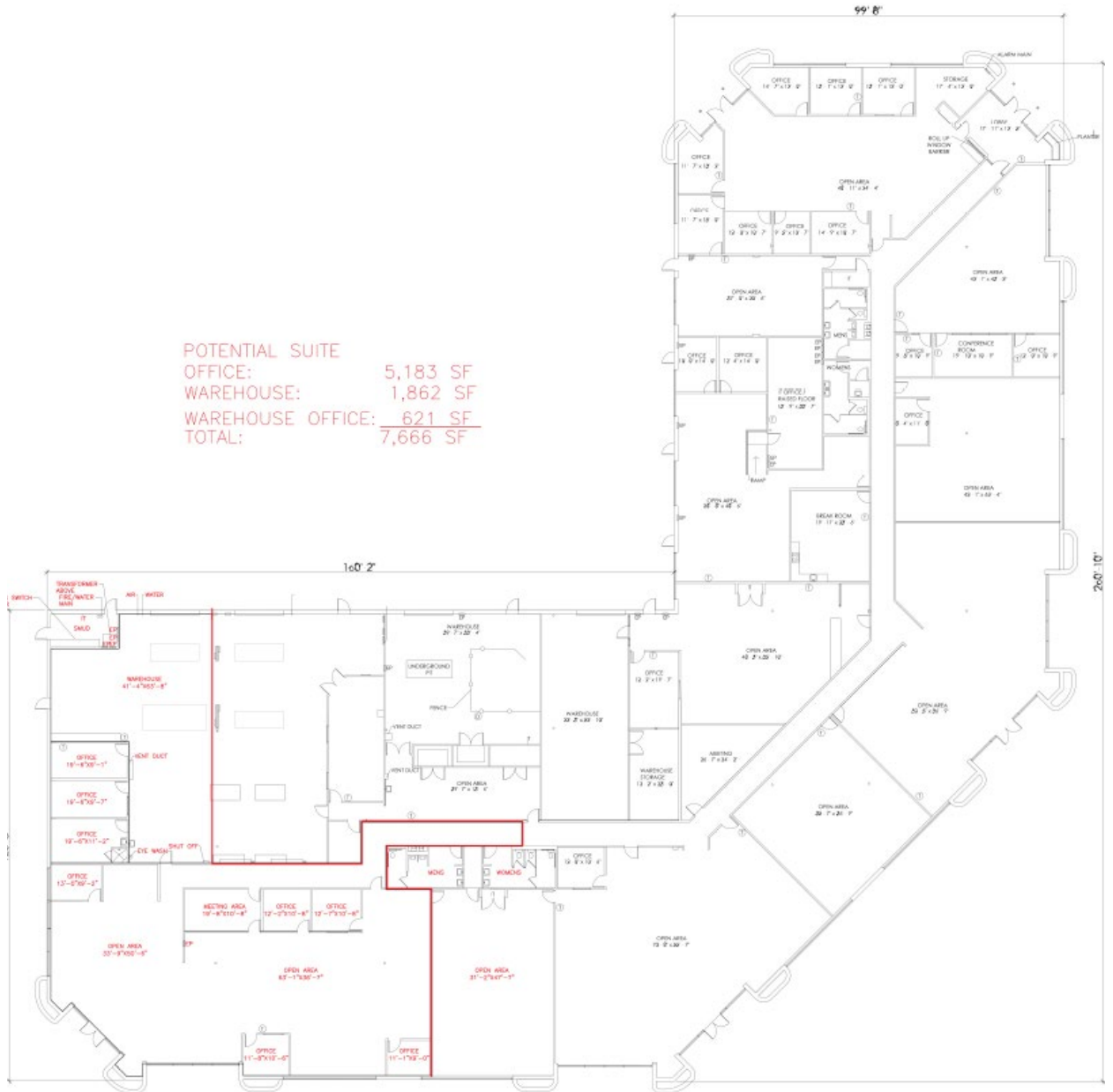
**SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER**, a joint powers authority organized and existing under and by virtue of the laws of the State of California

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**

**DEPICTION OF PREMISES**





# Estimate

2401-1115-9600  
2024-01-17

LnL Construction  
8698 Elk Grove Blvd Ste 1-277  
CSLB 721831  
Elk Grove CA 95624  
lnlconstructionandremodel@gmail.com  
916-247-0770

Sacramento Regional Fire/EMS Communications  
Center - Josh Freeman  
10240 Systems Pkwy  
Sacramento Ca. 95827  
jfreeman@srfecc.ca.gov  
(916) 228-3070

Break room/ IBEW leased area  
10240 Systems Pkwy, Sacramento, Ca., 95827

## Breakroom Demo

<i>Description</i>	<i>Total</i>
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<u>Demo</u> Demolition and Containment Services	\$5,319.44
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LnL Construction is dedicated to delivering efficient and professional demolition services while prioritizing safety and customer satisfaction.

Disposal will be conducted responsibly to minimize environmental impact. Professional and precise demolition of designated areas as per the project requirements. Careful removal of sheetrock and miscellaneous materials to facilitate the construction process. Construction Debris Removal:

Systematic collection and disposal of construction debris, including sheetrock and miscellaneous materials. Utilization of designated disposal methods to ensure compliance with environmental regulations. Dumpster Services:

Provision of a waste dumpster for the duration of the project to facilitate the efficient removal of construction debris. Regular emptying and replacement of the dumpster as needed to maintain a clean and organized worksite.

LnL Construction will supply a dumpster for the duration of the project to manage construction debris. The dumpster will be strategically placed for easy access and efficient disposal.

Debris Disposal:

Responsible disposal of all construction debris generated during the project.

Our team will manage the waste removal process, ensuring a clean and organized work environment. Environmental Responsibility:

LnL Construction is dedicated to eco-friendly practices and will adhere to all relevant disposal regulations. Safety Measures:

Implementation of safety protocols to guarantee the secure removal and disposal of materials. Our team will work diligently to maintain a safe and organized project site.

Complete removal and disposal of all materials related to the scope of work. Our team will efficiently clear the designated areas, leaving them ready for the next phase of your project. Containment Measures:

Containment of affected areas in accordance with the scope of work to minimize dust and debris migration. Implementation of industry-standard containment practices to ensure a clean and safe work environment. Demo Work Disclaimer:

During the demolition process, hidden elements behind solid surfaces (e.g., siding, sheetrock, subfloor) may be revealed. If additional work is identified that was not available for inspection during estimation, a written change order will be prepared. The change order will outline the nature of the additional work and associated costs. It will be signed by both the customer and the contractor before any additional work is initiated.

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## **Breakroom Pony Wall carpentry**

<i>Description</i>	<i>Total</i>
<u>2x4x4 wall framing</u> Project Overview Construct a pony wall within the break room, height 38-42 inches, to segment the space effectively without compromising on the area's openness or light.  Objectives Erect a pony wall complementing the break room's interior design. Ensure minimal disruption during construction. Adhere to specified dimensions and finish quality. Scope Planning: Conduct site evaluation for exact placement and dimension confirmation. Finalize materials and finishes in line with the existing room's decor for client approval.  Materials: Utilize [specify material, e.g., wood] for the wall, topped with a durable Formica cap. All finishes, including the Formica cap, will blend with the existing decor and color scheme of the break room, ensuring a cohesive aesthetic.  Construction: Implement an efficient construction process from setup through cleanup, maintaining the agreed dimensions and quality.  Completion: Conduct a final walkthrough with the client to confirm satisfaction and address any necessary adjustments.	\$2,559.76

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## **Breakroom Plumbing**

<i>Description</i>	<i>Total</i>
<u>General Remodel - Plumbing_(\$)</u> LnL Construction is equipped to provide expert rough plumbing services as needed for your general remodel project. Our team will seamlessly tie into existing plumbing supply lines and drains to accommodate the installation of a new break room sink.	\$4,300.00

Key Features:

Professional rough plumbing services tailored to your remodel project. Tie-in to existing plumbing supply lines, drains and vent pipe. Customized solutions for the installation of a new break room sink, refrigerator, dishwasher, and water cooler.

Angle stop & braided supply line \$775.00  
 Furnish and install new angle stop and water supply line for the following- Water cooler, dishwasher, sink, and refrigerator.

Kitchen dual basin/ top mount stainless sink \$2,850.00  
 Furnish 21" x 32" dual basin top mount stainless steel sink. New garbage disposal, sink strainer, and single handle pull down faucet included.  
 Contractor grade materials

P Trap installation \$350.00  
 Furnish new "P" trap for the sink.

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### Break room countertop

<i>Description</i>	<i>Unit Price</i>	<i>Quantity</i>	<i>Total</i>
<u>Formica countertop</u> LnL Construction will furnish a standard formica countertop for the breakroom countertop and the pony wall cap.	\$94.52	26.00 per ln ft	\$2,457.52

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### Breakroom Cabinetry

<i>Description</i>	<i>Unit Price</i>	<i>Quantity</i>	<i>Total</i>
<u>Modular cabinetry</u> LnL Construction is pleased provide and install 15 linear feet of upper and lower modular cabinets in an L-shape, excluding cabinetry above the refrigerator for appliance ventilation. Sink Basin and Appliances: Integrate a [single/double] ADA-compliant sink basin within the cabinetry, thoughtfully positioned to ensure accessibility. Include designated spaces for the customer's water cooler and dishwasher near the sink, optimizing functionality and compliance with ADA standards. Materials & Finish: Utilize high-quality materials and finishes, selecting colors and hardware that complement the break room's interior. Approval of samples will be obtained prior to purchase.	\$285.00	31.50 Per ln	\$8,977.50

NOTE: Custom additional features: Add specific features such as built-in waste disposal areas, per the client request.

Use of standard 3" drawer/door pulls for a cohesive and functional aesthetic.

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### Breakroom Drywall

<i>Description</i>	<i>Unit Price</i>	<i>Quantity</i>	<i>Total</i>
<p><u>General Remodel - Drywall (\$).</u>  LnL Construction is committed to providing high-quality services for your project. As part of our scope of work, we will furnish and install drywall to replace any missing sections.</p> <p>Scope of work: Careful identification of plumbing locations related to the kitchen back wall and targeted warehouse areas. Wall Section Removal:</p> <p>Strategic removal of wall sections in the kitchen and warehouse to gain unhindered access to the identified plumbing points.</p> <p>Our skilled team will ensure that the new drywall seamlessly blends with the existing texture, creating a uniform and aesthetically pleasing finish. We take pride in our attention to detail and craftsmanship, aiming to exceed your expectations.</p>	\$13.07	160.00 \$sqft	\$2,091.20

## **Break room/interior paint**

<i>Description</i>	<i>Total</i>
<p><u>Interior paint</u>  Scope of Work: Renovation Project - Interior Painting</p> <p>Project Component: Interior Painting and Priming</p> <p>Objective: To refresh and enhance the interior spaces through professional painting, ensuring a high-quality finish and longevity of the paintwork. This includes the application of PVA primer on all new drywall installations to ensure optimal paint adhesion and finish quality.</p> <p>Scope Details:</p> <p>Preparation and Priming:</p> <p>New Drywall Priming: Apply a coat of Polyvinyl Acetate (PVA) primer to all new drywall surfaces. PVA primer is specifically designed to seal the porous surface of the drywall, creating a smooth and uniform base for the topcoat of paint, enhancing its appearance and durability. Surface Preparation: For existing walls, preparation will include cleaning, sanding, and patching as necessary to ensure a smooth surface free of imperfections. This may involve caulking gaps, repairing nail holes, and addressing any stains or damage to achieve a flawless finish. Paint Selection:</p> <p>Materials: Use only high-quality, contractor-grade paints, selected for their durability, coverage, and ease of maintenance. A variety of finishes (e.g., matte, eggshell, satin, semi-gloss) will be available to suit different room functions and client preferences. Colors: Clients can choose from a wide range of colors. Assistance with color selection and matching will be provided to ensure the chosen hues complement the interior design and meet the client's vision. This agreement encompasses the provision of up to two (2) color options for the specified service/product. Should the client wish to explore additional color choices beyond the initial two provided, these can be accommodated subject to an extra charge. Detailed pricing for additional color selections will be provided upon request. Painting Process:</p>	\$2,596.33



Application Techniques: Employ professional painting techniques, including brush, roll, and spray applications as appropriate for different surfaces and areas to ensure even coverage and a smooth finish. Number of Coats: Apply a minimum of two coats of paint over the primed surfaces, or as necessary to achieve complete coverage and the desired color depth. Additional coats may be applied for optimal finish quality or when making significant color changes. Quality Assurance and Client Walk-Through:

Inspection: Conduct thorough inspections after the priming and each coat of paint to ensure quality standards are met. Address any touch-ups or corrections as needed to maintain a high-quality finish. Client Approval: Perform a final walk-through with the client to review the painting work, ensuring satisfaction with the color choices, finish quality, and overall appearance of the painted spaces. Timeline and Cost:

Provide an estimated timeline for the interior painting project, including preparation, priming, painting, and drying times, ensuring minimal disruption to the client's use of the space. Offer a detailed quotation, outlining the costs associated with the painting project, including labor, materials (PVA primer, paints), and any special requirements. This quotation will ensure transparency and allow for client approval before commencing work. Client Approval:

Obtain client approval for the paint colors, finishes, and overall project plan, including timeline and cost estimate. Written approval is required to ensure clear communication and agreement on the project's scope and expectations

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*Total*    \$32,276.75

NOTE: Due to the market instability, estimates will be honored for 10 days.

Compensation - Client shall pay in the form of progress payments, if the project takes longer than 1 business day. Due to the present demand and availability, any/all material pricing are subject to change without notice. ALL OVERHEAD AND PROFIT, IS TO BE PAID IN FULL AT THE TIME OF COMPLETION OF THE PROJECT, ALONG WITH ANY OUTSTANDING PAYMENTS.

LnL Construction, Inc. progress payment schedule

- Demo work- payments to be made throughout the project, due to the ongoing demo work. 40% -25%-25% then final of 10% @ the completion of the project.
- Site work-65% of the payment is due at the start for the procurement of the materials. The remainder 35% is due once the work has been completed.
- Concrete-65% of the payment is due at the start of the concrete work (including all ground & form work) for the procurement of the materials and the form work labor portion. The remainder 35% is due once the work has passed inspection, and the concrete is finished.
- Framing- 65% of the payment is due at the start for the procurement of the materials and the carpentry labor portion. The remainder 35% is due once the work has passed inspection.
- Electrical- 65% of the payment is due at the start for the procurement of the materials and the rough-in labor portion. The remainder 35% is due once Top-out is completed and the work has passed final inspection.
- Plumbing-65% of the payment is due at the start for the procurement of the materials and the rough-in labor portion. The remainder 35% is due once Top-out is completed and the work has passed final inspection.
- Insulation- 65% of the payment is due at the start for the procurement of the materials. The remainder 35% is due once the work has been completed.
- Sheet rock-65% of the payment is due at the start for the procurement of the materials. The remainder 35% is due once the work has completed.
- Stucco-65% of the payment is due at the

start for the procurement of the materials and once the completion of the Lath has passed inspection. The remaining 35% is due once the final coat has been completed. • Siding- 65% is due at the start for the procurement of the materials. The remainder 35% is due once the work has been completed. • Millwork- 65% of the payment is due at the start for the procurement of the materials. The remainder 35% is due once the work has been completed. • Flooring- 65% of the payment is due at the start for the procurement of the materials. The remainder 35% once the work has been completed. • Counter top/Solid surfaces- 65% of the payment is due at the start for the procurement of the materials. The remainder 35% is due once the work has been completed. • Cabinetry-25% of payment is due at the start of the design. 45% is due once the shop drawings have been approved. The remainder 30% is due at the completion of the installation. • Paint- 65% of the payment is due at the start for the procurement of the materials. The remainder 35% is due once the work has been completed.

Invoicing & Payment - Invoice will be issued to Client upon completion of the Work. Client shall pay the outstanding invoice within 5 days of Client's receipt of the invoice. Client shall also pay a late charge of 1-1/2% per month on all balances unpaid 30 days after the invoice date.

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_





Purposed break room location

LNL Construction Inc. Landon Linville 8698 Elk Grove Blvd, suite 1-277 Elk Grove, CA 95624  
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NOTE: Due to the instability in the present economy the estimate is valid for 15 days. After the 15 days has expired, the estimate will be then removed.

PLEASE READ: It is important that you carefully read this proposal and make sure that it contains all aspects of the job that you want and no additional aspects. Anything not mentioned in this proposal is excluded. We want to be as clear as possible to make sure the project to goes as scheduled.

Invoicing & Payment: We will invoice as each phase is completed. Progress payments for rough-in & top-out are due at the completion of each phase. 65% of the rough-in portion is due when completed and has passed inspection. The remaining 35% is due at time of completion of top-out. Refer to the itemized portion of the estimate for clarification of the scope of work, in the Terms portion of this contract.

Payment is due within 5 days of the client's receipt of the invoice. Client shall pay a late charge of 1.5% per month on all unpaid balances 30 days after the invoice date.

THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS.

It is mutually agreed that the Contractor shall render Services as an independent contractor. Contractor maintains his or her independent business, including appropriate business insurance and Workers Compensation Policy. Contractor shall use his or her own tools and equipment to render Services under this Agreement. Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed: LnL Construction Inc. will furnish all labor, equipment, materials, transportation, supervision, coordination, communication, and storage to complete in a good and workmanlike manner the listed work. Business License and Registration Contractor shall comply with all state and local licensing and registration requirements for the type of Services to be rendered under this Agreement. If applicable, the Contractor's license and/or registration number is listed in the header of this Agreement. Confidentiality Under this Agreement, Customer may provide certain confidential Information or Nonpublic Personal Information ("Confidential Information") to the Contractor. Contractor will not disclose any Confidential Information to any third party except to those employees or agents of Contractor who are required to have such information for purposes under this Agreement. Contractor shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information. Without limiting the foregoing, Contractor shall take at least those measures that it employs to protect its own confidential information of a similar nature and shall ensure that its employees and/or agents who have access to Confidential Information employ reasonable measures to protect the secrecy and avoid disclosure and any unauthorized use. Miscellaneous Authority: Each party represents and warrants that, as of the Effective Date, it has all rights, power, and authority to enter into this Agreement and to perform its obligations. Assignment. Neither party may, by operation of law or otherwise, directly or indirectly assign this Agreement without the prior express written consent of the other party. If either party want to provide notices pursuant to this Agreement, the notices will be provided in writing and sent via email to the email addresses listed in the header of this Agreement. Counterparts: This Agreement may be executed in counterparts, each of which will constitute an original, and all of which will constitute one agreement. The parties agree that they will sign this agreement electronically. Attachments: Any photos or images referenced in this Agreement are attached to the Agreement under "Attachments". Notice: The client understands that the contractor does not control

any outside material price increases. Due to the current market status, prices are subject to change at any time, without notice. LNL Construction will do diligence to inform the client in a timely manner, of the increases. Note about Extra Work and Change Orders: Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of any work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments. Release: Upon satisfactory payment being made for any portion of the work performed, the Contractor shall, prior to any further payment being made, furnish to the person contracting for the home improvement or swimming pool work a full and unconditional release from any claim or mechanic's lien pursuant to Section 3114 of the Civil Code for that portion of the work for which payment has been made. List of Documents to be Incorporated into the Contract: Arbitration of Disputes; Mechanics Lien Warning; Note About Change Orders; Notice of Cancellation; Three-Day Right to Cancel (except if damaged by a disaster); Seven-Day Right to Cancel

(only if damaged by a disaster); "Protect Your Family From Lead In Your Home" handout; Commercial General Liability Insurance (CGL): LNL CONSTRUCTION INC. carries commercial general liability insurance written by Houston Casualty Company. Call HCC at (713) 462-1000 to check the contractor's insurance coverage. Workers' Compensation Insurance: N/A Information about the Contractors' State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors. Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB. Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees. For more information: Visit CSLB's Website at <https://www.cslb.ca.gov> Call CSLB at 800-321-CSLB (2752) Write the CSLB at P.O. Box 26000, Sacramento, CA 95826. The law requires that the contractor give you a notice explaining your right to cancel. By signing this contract you are acknowledging the "Notice of the Three-Day Right to Cancel."

"The law requires that the contractor give you a notice explaining your right to cancel. Initial the check box if the contractor has given you a 'Notice of the Five-Day Right to Cancel.'" This applies to anyone over the age of 62.

You, the Owner or Tenant, have the right to require the contractor to furnish you with a performance and payment bond; however, the contractor can require you to pay for that bond. TERMS AND CONDITIONS. 1. CHANGES IN THE WORK- CONCEALED CONDITIONS: Should the Owner, construction lender, or any public body or inspector direct any modification or addition to the work covered by this contract, the contract price shall be adjusted accordingly. NOTE: A remobilization fee of \$2500 will be added to the contract (per occurrence), in form of a change order, along with the additional expenses. The causes for the temporary removal of our teams is defined by any non-agreement to a submitted change order, additional architectural/structural engineering design work, material availability and specialized labor to complete this additional work, that has not cleared the "right of refusal" clause. This includes any client changes in design/materials/services. Modification or addition to the work shall be executed only when a Change Order has been signed by both the Owner and LNL CONSTRUCTION INC. The change in the contract price caused by such Change Order shall be as agreed to in writing, or if the parties are not in agreement as to the change in contract price, LNL CONSTRUCTION INC's actual cost of all labor, equipment, subcontracts and materials, plus 25% for its overhead and 25% for profit shall be the change in contract price. The Change Order may also

increase the time within which the contract is to be completed. Any Change Orders shall be incorporated in, and become a part of the contract. However, in the event that the building department or other governing body requires a change or modification then LNL CONSTRUCTION INC. may make that change prior to receiving written authorization and thereafter negotiate the effect of that change with the Owner. LNL CONSTRUCTION INC. shall promptly notify the Owner of: (a) latent physical conditions at the site differing materially from those indicated in this contract, or (b) unknown physical conditions differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this contract. Any expense incurred due to such conditions shall be paid for by Owner as added work. Payments for extra work will be made as extra work progresses.

2. OWNER'S RESPONSIBILITIES: The Owner is responsible to supply water, gas, sewer and electrical utilities unless otherwise agreed to in writing. Electricity and water to the site is necessary. Owner agrees to allow and provide LNL CONSTRUCTION INC. and LNL CONSTRUCTION INC.'s equipment access to the property. The Owner is responsible for having sufficient funds to comply with this agreement. This is a cash transaction unless otherwise specified. The Owner is responsible to remove or protect any personal property and LNL CONSTRUCTION INC. is not responsible for the same nor for any carpets, drapes, furniture, driveways, lawns, shrubs, etc. The Owner will point out and warrant the property lines to LNL CONSTRUCTION INC..

3. DAMAGE CAUSED BY OTHERS: LNL CONSTRUCTION INC. shall not be responsible for damage caused by others or for damage due to conditions beyond the reasonable control of LNL CONSTRUCTION INC. that were not apparent under normal lighting at the time of the initial painting or decorating. In the event that LNL CONSTRUCTION INC. is asked to correct such damages, LNL CONSTRUCTION INC. will do so only after receiving a change order from the Owner, which includes a time and/or price adjustment agreed to by LNL CONSTRUCTION INC..

4. FEES, TAXES AND ASSESSMENTS; COMPLIANCE WITH LAW: Taxes, Permits, Fees, and assessments of all descriptions will be paid for by the Owner. LNL CONSTRUCTION INC. will obtain all required building permits, at the sole expense of Owner. Upon demand by LNL CONSTRUCTION INC., Owner shall provide ample funds to acquire any and all necessary permits on a timely basis. Owner will pay assessments and charges required by public bodies and utilities for financing or repayment of the cost of sewers, storm drains, water service, schools and school facilities, other utilities, hook-up charges and the like. LNL CONSTRUCTION INC. shall comply with all federal, state, county and local laws, ordinances and regulations.

5. SUBCONTRACTS: Contractor may subcontract portions of this work to properly licensed and qualified subcontractors.

6. LABOR AND MATERIAL: LNL CONSTRUCTION INC. shall pay all valid charges for labor and material incurred by LNL CONSTRUCTION INC. and used in the construction or repair of the Project. LNL CONSTRUCTION INC. is excused from this obligation for bills received in any period during which the Owner is in arrears in making progress payments to LNL CONSTRUCTION INC.. No waiver or release of mechanic's lien given by LNL CONSTRUCTION INC. shall be binding until all payments due to LNL CONSTRUCTION INC. when the release was executed have been made.

7. DESTRUCTION OF WORK, WORKERS' COMP INSURANCE & OTHER FORMS OF INSURANCE: Owner will procure at his own expense and before the commencement of any work hereunder, "all risk" insurance with course of construction, vandalism and malicious mischief clauses attached, such insurance to be a sum at least equal to the Contract price with loss, if any, payable to any beneficiary under any deed of trust covering the project. Such insurance shall also name Contractor and its subcontractors as additional insured, and include sufficient funds to protect Owner, Contractor and its subcontractors and any construction lender as their interests may appear; should Owner fail to do so, Contractor may procure such insurance as agent for and at the expense of Owner, but is not required to do so. If the project is destroyed or damaged by accident, disaster or calamity, such as fire, storm, earthquake, flood, landslide, or by theft or vandalism, any work done by LNL CONSTRUCTION INC. in rebuilding or restoring the project shall be paid by the Owner as extra work. If LNL CONSTRUCTION INC. has employees, LNL CONSTRUCTION INC. shall carry Workers Compensation Insurance for the protection of LNL CONSTRUCTION INC.'s employees during the progress of the work. Owner shall obtain and pay for



insurance against injury to Owner's own employees and persons under Owner's discretion and persons on the job site at Owner's invitation. 8. PAYMENTS AND RIGHT TO STOP WORK: Past due payments shall bear interest at the rate of 1.5% per month (18% per annum), until paid in full. LNL CONSTRUCTION INC. shall have the right to stop work if any payment shall not be made, when due, to LNL CONSTRUCTION INC. under this Agreement; LNL CONSTRUCTION INC. may keep the job idle until all payments due are received. This remedy is in addition to any other right or remedy that LNL CONSTRUCTION INC. may have. Such failure by Owner to make payment, when due, is a material breach of this Agreement. Unless otherwise specified herein, payment is due within 5 days of completion of work. This contract shall be enforceable in the Sacramento Judicial District of Superior Court for Sacramento County, California. All work to be completed in a substantial workmanlike manner according to specifications submitted, per standard practices. Any alteration or deviation from above specifications will involve an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents or delays beyond our control. Owner is to carry fire, tornado and other necessary insurance. 9. CLEAN-UP: LNL CONSTRUCTION INC. will remove from Owner's property debris and surplus material created by its operation and leave it in a neat and broom clean condition. 10. LIMITATIONS: No action of any character arising from or related to this contract, or the performance thereof, shall be commenced by either party against the other more than two years after completion or cessation of work under this contract. 11. VALIDITY: In case one or more of the provisions of this Agreement or any application thereof shall be invalid, unenforceable or illegal, the validity, enforceability and legality of the remaining provisions and any other application shall not in any way be impaired thereby. 12. LIMITED WARRANTY: LNL CONSTRUCTION INC. warrants that all work performed by it and its subcontractors shall be done in a good and workmanlike manner in accordance with accepted trade standards for CSLB contractors. Said warranty shall extend for one year from the date of substantial completion of LNL CONSTRUCTION INC. 's portion of the project. However, the warranties for assemblies, appliance, or any other product which carries its own warranty, shall be those warranties provided exclusively by the manufacturer or supplier of that product and is not covered by LNL CONSTRUCTION INC.s warranty herein. LNL CONSTRUCTION INC. shall assemble and provide to Owner warranty documentation included with such products, if any. 13. EXISTING CONDITIONS: LNL CONSTRUCTION INC. calls attention to Owner the limitations of patching plaster, stucco, matching paint, matching texture and/or matching any finished product, etc... LNL CONSTRUCTION INC. will make every effort to match all existing conditions, i.e., textures and colors, however exact duplication is not promised or guaranteed. Any door alarm and sensors will be removed and reinstalled, at the customers expense. LnL Construction is not alarm company! We will do our best to remove and reinstall the existing alarm sensors. However, if the alarm sensors do not work, after the door installation, the customer will be required to contact their alarm company and make the necessary repairs, at the customers expense.

14. ASBESTOS, MOLD AND HAZARDOUS SUBSTANCES: Owner hereby represents that Owner has no knowledge of the existence on or in any portion of the premises affected by the Project of any asbestos, lead paint, mold (including all types of microbial matter or microbiological contamination, mildew or fungus), or other hazardous materials. Testing for the existence of mold and other hazardous materials shall only be performed as expressly stated in writing. Contractor shall not be testing or performing any work whatsoever in an area that is not identified in the Scope of Work. Unless the contract specifically calls for the removal, disturbance, or transportation of asbestos, polychlorinated biphenyl (PCB), mold, lead paint, or other hazardous substances or materials, the parties acknowledge that such work requires special procedures, precautions, and/or licenses. Therefore, unless the contract specifically calls for the same, if Contractor encounters such substances, Contractor shall immediately stop work and allow the Owner to obtain a duly qualified asbestos and/or hazardous material contractor to perform the work or Contractor may perform the work itself at Contractor's option. Said work will be treated as an extra under this contract, and the Contract Term setting forth the time for completion of the project may be delayed. In the event that

mold or microbial contamination is removed by Contractor, Owner understands and agrees that due to the unpredictable characteristics of mold and microbial contamination, Contractor shall not be responsible for any recurring incidents of mold or microbial contamination appearing in the same or any adjacent location, subsequent to the completion of the work performed by Contractor. Owner agrees to hold Contractor harmless, and shall indemnify Contractor harmless for any recurrence of mold or microbial contamination. Owner also agrees that Contractor shall not be responsible, and agrees to hold Contractor harmless and indemnify Contractor, for the existence of mold or microbial contamination in any area that Contractor was not contracted to test and/or remediate. Further, Owner is hereby informed, and hereby acknowledges, that most insurers expressly disclaim coverage for any actual or alleged damages arising from mold or microbial contamination; Contractor makes no representations whatsoever as to coverage for mold contamination, though at Owner's additional expense, if requested in writing, Contractor will inquire as to the availability of additional coverage for such contamination or remediation, and if available, will obtain such coverage if the additional premium is paid for by Owner as an extra.

15. STANDARDS OF MATERIALS AND WORKMANSHIP: Labor and material pricing are subject to change without notice. LNL CONSTRUCTION INC. shall use and install "Standard grade" or "builder's grade" materials on the project unless otherwise stated in the Scope of Work, the plans and/or specifications provided to Contractor prior to the execution of this Agreement. Unless expressly stated in the Scope of Work, LNL CONSTRUCTION INC. shall have no liability or responsibility to restore or repair the whole or any part of the premises affected by the work of LNL CONSTRUCTION INC. to be performed herein or by any subsequently agreed-upon change order, including as an illustration and not as a limitation, any landscaping, sprinkler system, flooring and carpet, wall coverings, paint, tile, or decorator items.

16. DELAYS AND INCREASES IN MATERIAL COSTS: LNL CONSTRUCTION INC. shall be excused for any delay in completion of the contract caused by acts of God; stormy or inclement weather; strikes, lockouts, boycotts or other labor union activities; acts of Owner, of Owner's agents, or of Owner's employees or independent contractors; disbursement of funds into funding control or escrow; acts of public utilities or public bodies; acts of public enemy, riots or civil commotion; inability to secure material through regular recognized channels; imposition of Government priority or allocation of materials; delays caused by inspection or changes ordered by the inspectors of authorized governmental bodies; changes requested by Owner; Owner's failure to make progress payments promptly; failure of the issuance of all necessary building permits within a reasonable length of time; or other contingencies unforeseen by LNL CONSTRUCTION INC. and beyond its reasonable control. Additionally, while LNL CONSTRUCTION INC. believes that it can complete the Project without any increases in costs, to the extent that material costs increase by more than 25% from the costs of said materials on the date this Agreement was signed, LNL CONSTRUCTION INC. shall be entitled to an increase in the contract price equal to the increased costs above the 25% increase in material cost. To the extent material costs increase due to delay caused by Owner, Owner's agents or separate contractors, LNL CONSTRUCTION INC. shall be entitled to all cost increases incurred as a result, in addition to any extended field and home office expenses. There shall be no additional markup for overhead or profit on the increased cost, except as otherwise indicated.

17. RIGHT TO CURE: In the event that Owner alleges that some of the work is not or has not been done correctly or timely, Owner shall give LNL CONSTRUCTION INC. written notice that LNL CONSTRUCTION INC. shall commence to cure the condition that Owner has alleged is insufficient within ten days of discovering the alleged condition.

18. WEATHER AND OTHER DAMAGE: LNL CONSTRUCTION INC. shall attempt to keep the project reasonably covered during the construction. However, Owner understands that unexpected weather conditions can arise that might cause damage to the project or its contents. LNL CONSTRUCTION INC. shall not be responsible for any such damage beyond its reasonable control.

19. BUILDING INSPECTIONS/INSPECTOR: LNL CONSTRUCTION INC. shall construct your project to the current building codes. NOTE: each building inspector can request additional work to be performed, not shown on the approved set of plans by the local building department. If this happens, we will be

required to perform and complete the requested work by the inspector, at the expense of the client. If the client believes that this is injustice request, they can request a meeting with the building department for a hearing to discuss other options. NOTE: there is a fee that is associated with this course of action and does not mean that the building department will change their position in the disputed complaint. ARBITRATION OF DISPUTES: ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATED TO THIS CONTRACT, OR THE BREACH THEREOF, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE CONSTRUCTION INDUSTRY ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. CLAIMS WITHIN THE MONETARY LIMIT OF THE SMALL CLAIMS COURT SHALL BE LITIGATED IN SUCH COURT AT THE REQUEST OF EITHER PARTY, SO LONG AS BOTH PARTIES LIMIT THEIR RIGHT TO RECOVERY TO THE JURISDICTION OF THE SMALL CLAIMS COURT. ANY CLAIM FILED IN SMALL CLAIMS COURT SHALL NOT BE DEEMED TO BE A WAIVER OF THE RIGHT TO ARBITRATE, AND IF A COUNTER CLAIM IN EXCESS OF THE JURISDICTION OF THE SMALL CLAIMS COURT IS FILED IN THE MUNICIPAL OR SUPERIOR COURT, THEN THE PARTY FILING IN SMALL CLAIMS COURT MAY DEMAND ARBITRATION PURSUANT TO THIS PARAGRAPH. NOTICE: BY SIGNING THIS, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION

AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE `ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION. By accepting the terms and conditions of this agreement, I/We agree to arbitration. NOTE ABOUT CHANGE ORDERS: You, the buyer, may not require a contractor to perform extra or change-order work without providing written authorization prior to the commencement of any work covered by the new change order. Extra work or a change order is not enforceable against a buyer unless the change order also identifies all of the following in writing prior to the commencement of any work covered by the new change order: (i) The scope of work encompassed by the order. (ii) The amount to be added or subtracted from the contract. (iii) The effect the order will make in the progress payments or the completion date. The contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment. In today's electronic world a change order can be approved via email and text, and is legally binding. MECHANICS LIEN WARNING: Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder. Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit. To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid. BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices. You will not get Preliminary Notices from

your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property. PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive. PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier. For other ways to prevent liens, visit CSLB's Web site <https://www.cslb.ca.gov> or call CSLB at 800-321- CSLB (2752). REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe. Three-Day Right to Cancel: You, the buyer, have the right to cancel this contract within three business days.

SENIOR CITIZEN CANCELLATION: FOR ANYONE OVER THE AGE OF 62, YOU MAY CANCEL THIS TRANSACTION WITHOUT PENALTY OR OBLIGATION WITHIN FIVE (5) BUSINESS DAYS FROM THE ABOVE DATE. IF YOU CANCEL ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN TEN (10) BUSINESS DAYS FOLLOWING RECEIPT BY LNL CONSTRUCTION OF YOUR CANCELLATION NOTICE, AND SECURITIES INTEREST ARISING OUT OF THE TRANSACTIONS WILL BE CANCELLED. TO CANCEL THIS TRANSACTION, DELIVER A SIGNED AND DATED COPY OF THE CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A CERTIFIED LETTER --cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice. If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract. You may cancel this transaction, without any penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice within 72 hours of signing this contract.

Remit to the following address-

LNL CONSTRUCTION INC. 8698 Elk Grove BLVD, Suite 1-277 Elk Grove, Ca. 95624 916-247-0770  
Lic#721831 within 72 hours of signing this contract.