

REPORT TO CITY COUNCIL AND REDEVELOPMENT AGENCY

DATE: NOVEMBER 12, 2008

TO: HONORABLE MAYOR/CHAIR AND MEMBERS OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

FROM: GREG RAMIREZ, CITY MANAGER/EXECUTIVE DIRECTOR

SUBJECT: OPTION AGREEMENT AND GROUND LEASE, ASSESSOR PARCEL NUMBER 204-8008-901

In cooperation with staff, the City Attorney's office has prepared for your approval an option agreement regarding the acquisition of approximately one acre of Las Virgenes Unified School District property. The property is located at the northeast most corner of Agoura High School, and is located within the City's Redevelopment Agency area. Through the approved Implementation Strategy, this location has been identified as an excellent site for teacher and other workforce housing that meets California Redevelopment Law requirements.

The property would be leased for 65 years, with payments front-loaded for the first three years at \$250,000 and even payments for the remaining 62 years, with the CPI index to be taken into account every five years after the tenth anniversary of the lease. Total cost, excluding CPI, is approximately \$980,000.

The Redevelopment Agency would accept the property in its current condition, and has looked at very preliminary studies that indicate that the site would support the planning of, and construction of up to, twenty-one (21) living units on the property. Moreover, the City would develop the property in accordance with standards set forth by the California Division of the State Architect, applicable to school facilities, so as not to violate State law. The Redevelopment Agency will hold multiple public workshops on the design and layout of any future projects and maintain total consistency with the neighborhood in the surrounding area.

Staff expects to return to the City Council for the execution of the option and ground lease agreements once all the environmental (CEQA) work has been completed. The proposed ground lease, including all exhibits, will be prepared as part of the final approval process. The timeframe to complete the environmental process is expected to be between ten and twelve months.

Finally, it is anticipated the Las Virgenes Unified School District will take this agreement to their Board of Education within the next week for approval.

RECOMMENDATION

It is respectfully recommended the City Council approve the attached option agreement, for Assessor Parcel Number 204-8008-901, with the Las Virgenes Unified School District.

OPTION AGREEMENT

THIS OPTION AGREEMENT (the “Agreement”) is executed as of October ____, 2008, by and between the LAS VIRGENES UNIFIED SCHOOL DISTRICT, a California public school district (“Optionor”) and the AGOURA HILLS REDEVELOPMENT AGENCY, a public body, corporate and politic (“Optionee”) with respect to the following recitals:

RECITALS

A. Optionor is the owner of certain real property located at _____, in Agoura Hills, Los Angeles County, California, known as Assessor’s Parcel No. _____ and described more particularly on Exhibit A attached hereto (the “Premises”).

B. Optionee wishes to obtain from Optionor, three (3) consecutive options (respectively, the “First Option,” the “Second Option” and the “Third Option,” and collectively, the “Option”) to lease the Premises for the term and purposes, and on the terms and conditions, as set forth in the form of ground lease attached hereto as Exhibit A and incorporated herein by this reference (the “Ground Lease”).

C. Optionor has agreed to grant the Option to Optionee upon and subject to the terms and conditions as set forth in this Agreement.

D. Except as otherwise defined herein, any capitalized term used in this Agreement shall have the same meaning as set forth in the Ground Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the option consideration to be paid hereunder and of the covenants and conditions contained herein, Optionor and Optionee agree as follows:

1. Grant of Option. Optionor hereby grants to Optionee, the right and option to lease the Premises for the term, and upon and subject to the terms and conditions, as set forth in the attached form of Ground Lease. The period of each Option (the “Option Period”), the amounts of consideration payable by Optionee to Optionor for such grants of option (the “Option Consideration”), and the dates upon which the Option Consideration must be paid, are as follows:

	<u>Option Period</u>	<u>Option Consideration</u>	<u>Payment Date</u>
First Option	10/1/08 – 6/30/09	\$250,000	Within seven (7) calendar days after execution of this Agreement
Second Option	7/1/09 – 6/30/10	\$250,000	Later of (i) 7/1/09 or (ii) satisfaction of CEQA requirements for the Development; but in no event later than 1/1/10
Third Option	7/1/10 – 6/30/11	\$250,000	7/1/10

The extension of the Option for the Second Option Period and for the Third Option Period, if any, must be exercised, if at all, by unequivocal written notice delivered to Optionor not later than 5:00 p.m. Pacific time on the last day of the then current Option Period and the timely payment of the applicable Option Consideration. The Option must be exercised, if at all, by unequivocal written notice (together with (i) three (3) executed counterparts of the Ground Lease and (ii) payment of the applicable Rent payment due pursuant to Section 6.1 of the Ground Lease (less the applicable amount of Option Consideration theretofore paid pursuant to this Agreement), delivered to and received by Optionor not later than 5:00 p.m. Pacific time on the last day of the then-current Option Period. If an Option Period is not duly and timely extended, or if the Option is not duly and timely exercised prior to the expiration of the Third Option Period, the Option shall automatically expire and be deemed null and void and of no further force or effect. The Third Option Period shall automatically become null and void if the Second Option Period is not duly and timely extended and/or if the Option Consideration for the Second Option is not duly and timely paid.

2. Option Consideration. Each installment of Option Consideration shall be paid by wire transfer in immediately available funds, and shall be deemed earned and nonfundable as of the due date; provided however, if the Option is duly and timely exercised as provided above, the Option Consideration shall be credited against the Rent payable under the Ground Lease pursuant to Section 6.1 thereof.

3. Due Diligence. During the Option Period, Optionee shall be entitled to conduct such due diligence investigations with respect to the Premises as Optionee deems necessary or advisable, and Optionor shall grant Optionee reasonable access to the Premises for the purpose of conducting such due diligence investigations; provided that Optionee shall indemnify, defend and hold Optionor harmless from and against any and all loss, cost, liability or expense arising out of or relating to any such entry upon the

Premises and/or the conduct of such due diligence investigations. Prior to any such entry on the Premises, Optionee shall provide Optionor with certificates of insurance evidencing Optionee's commercial general liability insurance and naming Optionor and Optionor's additional designees as additional insureds thereunder. Any invasive testing which Optionee may desire to conduct upon the Premises shall be subject to the prior written approval of Optionor, which approval shall not be unreasonably withheld, conditioned or delayed.

4. Contingencies. During the Option Period, Optionee shall satisfy or waive any and all matters which Optionee deems necessary or advisable as conditions to Optionee's execution and performance of the Ground Lease, including without limitation (i) compliance with the California Environmental Quality Act ("CEQA") and/or such other Legal Requirements as may be applicable to the leasing, development and operation of the Property; (ii) applying for and obtaining such permits and other entitlements for the Premises as are necessary for the construction of the Improvements and the operation of a residential development on the Premises as more particularly described in the Ground Lease; and (iii) procuring a qualified developer who shall sublease the Premises, develop and operate the Development, upon terms and conditions acceptable to Optionee. By duly and timely exercising the Option, Optionee shall be conclusively deemed for all purposes to have satisfied or waived all such conditions and contingencies, subject only to the limited right of termination pursuant to Section 2.1 of the Ground Lease.

5. Incorporation By Reference. The provisions of Sections 22, 26, 27.1, 27.4, 27.9, 27.10, 27.11, 27.12, 27.13, 27.13, 27.16, 27.17 and 27.18 of the form of Ground Lease are hereby incorporated herein by reference as though set forth in full, except that (i) references therein to "Lessor" and "Lessee" shall be deemed to mean and refer to "Optionor" and "Optionee", respectively; and (ii) references therein to "Lease" shall be deemed to mean and refer to "Option Agreement."

[This space left intentionally blank; Signatures begin on the next page].

[Option Agreement Signature Page]

OPTIONOR

LAS VIRGENES UNIFIED SCHOOL
DISTRICT, a California public school
district

By: _____
Name: _____
Its: _____

ATTEST:

District Clerk

APPROVED AS TO FORM:

General Counsel

OPTIONEE

AGOURA HILLS REDEVELOPMENT
AGENCY, a public body, corporate and
politic

By: _____
Denis Weber
Redevelopment Agency Chair

ATTEST:

Agency Clerk

APPROVED AS TO FORM:

Agency Counsel

EXHIBIT A
FORM OF GROUND LEASE

[SEE ATTACHMENT]

GROUND LEASE

by and between

**the
LAS VIRGENES UNIFIED SCHOOL DISTRICT
as Lessor**

and

**the
AGOURA HILLS REDEVELOPMENT AGENCY,
as Lessee**

GROUND LEASE

THIS GROUND LEASE (this "Lease") is executed as of _____, 200__ (the "Effective Date"), by and between the LAS VIRGENES UNIFIED SCHOOL DISTRICT, a California public school district, ("Lessor"), and the AGOURA HILLS REDEVELOPMENT AGENCY, a public body, corporate and politic ("Lessee"), with respect to the following recitals.

RECITALS

A. The Lessee is the Agoura Hills Redevelopment Agency and desires to provide affordable housing for very low, low, and moderate-income households for the residents of the City of Agoura Hills.

B. Lessee wishes to lease from Lessor, on the terms and conditions set forth herein, the parcel located at _____, in Agoura Hills, Los Angeles County, California, known as Assessor's Parcel Number _____ and described more particularly on Exhibit A attached hereto (the "Premises") for the purpose of constructing an affordable housing residential project of approximately 21 units (the "Development") on the Premises.

C. The parties contemplate that the Development will be constructed and operated by a non-profit or other private developer who enters into a development sublease with Lessee.

D. Lessor has agreed to lease the Premises to the Lessee for a term of sixty-five (65) years in accordance with the terms and conditions herein.

AGREEMENT

NOW, THEREFORE, in consideration of the rents to be paid hereunder and of the covenants and conditions contained herein, Lessor and Lessee agree as follows:

1. Lease of Premises; Delivery and Acceptance. Lessor leases and demises to Lessee, and Lessee leases and accepts from Lessor, for the term, at the annual rent and upon the other covenants and conditions set forth herein. Lessor shall deliver the Premises to Lessee on the "**Commencement Date**" (as defined below). Lessee agrees to accept possession of the Premises in its existing condition (which, by Lessee's acceptance thereof, shall be deemed to be in good order, condition and repair) and acknowledges that, except as specifically set forth herein, Lessee does not rely on, and Lessor does not make, any express or implied representations or warranties as to any matters, including the suitability of the Premises for Lessee's intended use, title to the Premises or the presence of "**Hazardous Materials**" (as defined in Section 26.1 below) on or in the vicinity of the Premises.

2. Effect, Operation and Term. This Lease shall become effective upon the Effective Date; provided, however, that the term of this Lease shall commence on the first day of the calendar month next following the month in which the Effective Date occurs, but in no event later than July 1, 2011 (the "Commencement Date"). Lessor and Lessee agree to memorialize

the Commencement Date in a memorandum and to record the same, the form of which is set forth in Exhibit B attached hereto. The term of this Lease shall commence on the Commencement Date and shall expire on the sixty-fifth (65th) anniversary thereof (the “**Term**”), unless sooner terminated as provided herein.

2.1 Limited Right of Termination. Subject to Section 4.1 below, but notwithstanding anything else to the contrary contained herein, Lessee shall have the right to terminate this Lease upon written notice delivered to and received by Lessor not later than June 30, 2011 in the event that, but only in the event that, prior to that date, Lessee shall have been unable to procure a suitable developer for the Development. In such event: (i) all rent and other charges payable by Lessee under this Lease through the date of termination shall have been paid in full; provided however, that the annual rent for the Lease Year in which the Lease is terminated shall be deemed fully earned as of the commencement of such Lease Year, shall be retained by Lessor, and shall not be prorated; (ii) unless otherwise approved by Lessor, Lessee shall have restored the Premises to the same condition as it existed as of the Effective Date; (iii) Lessee shall deliver physical possession of the Premises to Lessor, free of all liens, claims and possessory interests; (iv) this Lease shall cease and terminate and be of no further force and effect; and (v) except for any indemnification obligations of Lessee which shall survive such termination, neither Lessor nor Lessee shall have any further liability or obligations to the other with respect to this Lease or the subject matter hereof.

3. Entitlements. Lessee acknowledges that it has heretofore applied for and obtained such permits and other entitlements for the Premises as are necessary for the construction of the “**Improvements**” (as defined below) and the operation of a residential development in accordance with Section 8 below (collectively, and which are final and non-appealable, the “**Entitlements**”).

4. Improvements.

4.1 Construction of Improvements. At any time after the Commencement Date and during the Term hereof, Lessee may, at its sole cost and expense, commence, and if it commences, Lessee shall thereafter diligently and continuously pursue to completion, construction of the improvements comprising the Development as described on Exhibit C and depicted on Exhibit D, which Exhibits shall, upon approval by the City of Agoura Hills, be attached hereto and incorporated herein by this reference (collectively, the “**Improvements**”), and receive certificates of occupancy therefor. If and when Lessee commences construction of the Improvements, Lessee shall be conclusively deemed to have waived its right of termination as provided in Section 2.1 above.

4.2 Quality of Work; Compliance. Lessee shall cause the Work to be performed (a) diligently and continuously to completion; (b) in a good and workmanlike manner with quality building materials not prohibited by the California State Division of the State Architect; (c) in compliance with the Entitlements and all other applicable building codes and other laws, statutes, ordinances, rules, regulations and orders of all federal, state, county and local governments and governmental agencies, authorities and instrumentalities having jurisdiction over the Premises (collectively, “**Applicable Laws**”); and (d) in compliance with all applicable insurance requirements. Without limiting the foregoing, Lessee expressly agrees and

acknowledges that, in connection with the construction of the Improvements, and any additions, repairs or replacements thereto, it shall comply with the provisions of California Education Code Section 45125.2 (regarding installation of physical barriers and providing continual worksite supervision to limit contact between construction personnel and students at Lessor's adjacent school property).

4.3 Workshops. Lessee shall conduct at least one design workshop at which Lessor and neighbors residing in vicinity of the Premises are invited to comment on the design of the affordable housing residential project.

4.4 Plan; Notices of Nonresponsibility. Lessee shall give Lessor not less than thirty (30) days advance notice of the commencement of the Work (including the delivery of building materials to the Premises in connection therewith). Any such notice shall include the projected schedule for the completion of the Work. Lessor shall have the right to post and maintain on the Premises, and to record as required by Applicable Laws, any notice or notices of nonresponsibility provided for by the mechanics' lien laws of the State of California.

4.5 Mechanics' Liens. Lessee shall keep the Premises and the Improvements (collectively, the "**Premises**") free and clear of all liens, and claims of liens, for labor performed and/or materials supplied in connection with the construction of the Improvements. Should Lessee fail to pay and discharge or cause the Premises to be released from any such lien, or claim of lien, within fifteen (15) days after notice of recordation of any such lien, such failure shall constitute a monetary default by Lessee hereunder. In such event, Lessor may, but shall not be obligated to, adjust, compromise or otherwise discharge any such lien, or claim of lien, on such terms and conditions as Lessor may deem appropriate. In such event, Lessee shall reimburse Lessor for the full amount paid by Lessor in connection therewith within five (5) days after demand, with interest thereon at the Interest Rate (as defined in Section 27.14 below), from the date of payment by Lessor to the date of repayment by Lessee.

4.6 Utilities. Lessee shall, at its sole cost and expense, be responsible for obtaining sufficient utilities to serve the Premises and the businesses to be operated therein (including all necessary hook ups).

4.7 Ownership. The Improvements shall be the sole property of Lessee until the expiration or sooner termination of the Term (the "**Expiration**"), and shall be considered part of, and shall remain on, the Premises; provided, however, that upon the Expiration, the same shall become the sole property of Lessor free and clear of all claims thereto by Lessee or any subtenant or other third party. Lessee shall not commit or permit any waste of, or otherwise destroy, the Improvements. Until the Expiration, Lessee alone shall have the right to claim depreciation and investment tax credit for taxation purposes (or to permit the Subtenants to do so) on the Improvements. Upon the Expiration, Lessee shall deliver possession of the Improvements to Lessor in good condition and repair, reasonable wear and tear excepted, and subject only to such tenancies or other possessory interests, if any, as shall have been approved in writing by Lessor.

5. Fixtures. Notwithstanding anything herein to the contrary, Lessor acknowledges and agrees that it shall have no ownership or other interest in the furniture, trade fixtures,

equipment, machinery, signs and other articles of personal property placed or installed in, on, or about the Premises (collectively, the “**Fixtures**”), and that Fixtures may, subject to Lessee’s obligation to maintain the Premises in compliance with all Applicable Laws, be placed or installed, at no cost or expense to, and without the prior approval of, Lessor (in its capacity as the owner of the Premises and not in its capacity as a governmental agency), in, on or about the Premises for use in the business being conducted therein. Fixtures that can be removed without structural damage to the Premises may be removed or replaced at any time prior to the Expiration. Any damage occasioned to the Premises by the removal of Fixtures therefrom shall be fully repaired at no cost or expense to Lessor. At the Expiration, so long as an “**Event of Default**” (as defined below) is not continuing, Lessee may remove its Fixtures (collectively, the “**Lessee Fixtures**”) from the Premises to the extent the same are not permanently affixed thereto; provided, however, that any such removal shall be completed at Lessee’s risk, cost and expense (including the repair of any damage to the Premises caused thereby). The Lessee Fixtures that are either permanently affixed to the Premises or not removed from the Premises at or prior to the Expiration shall become the sole property of Lessor. Lessor further acknowledges and agrees that some or all of the Lessee Fixtures may be financed or owned by someone other than Lessee.

6. Rent. This is an ABSOLUTE (*i.e.*, NET, NET, NET or TRIPLE) NET GROUND LEASE. All costs and expenses arising out of the use and occupancy of the Premises, including possessory interest and ad valorem taxes, maintenance and repair costs and expenses, utility charges and insurance premiums, are payable by Lessee before delinquency. It is the intention of Lessor and Lessee that the “**Rent**” (as defined below) and all other amounts payable by Lessee hereunder shall be absolutely net to Lessor. Without limiting the generality of the foregoing, Lessee shall pay all costs, expenses, charges, fees, premiums, taxes and assessments of every kind and nature against, or relating to the ownership, use and/or operation of the Premises, which may arise, accrue or become due from and after the Commencement Date until the Expiration, or which may pertain to this transaction, whether or not now customary or contemplated, and which, except for the execution and delivery of this Lease, would have been payable by Lessor. Notwithstanding anything herein to the contrary, Lessee shall not be required to pay any franchise or income tax of Lessor.

LESSOR HEREBY GIVES LESSEE NOTICE, AND LESSEE ACKNOWLEDGES RECEIPT OF SUCH NOTICE, AS REQUIRED PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 107.6 THAT THE LEASEHOLD INTEREST CREATED BY THIS LEASE MAY RESULT IN A POSSESSORY INTEREST TAX BEING LEVIED AGAINST THE PREMISES, AND THAT IN SUCH EVENT LESSEE SHALL BE OBLIGATED TO PAY SUCH TAX.

On or before the Commencement Date and each anniversary thereof during the term of this Lease, Lessee shall pay Lessor rent in one annual payment each year in accordance with the following schedule (the “**Rent**”):

6.1 Rent for Lease Years 1-3. Two hundred and fifty thousand dollars (\$250,000.00) per year, payable as follows:

(a) The Rent for the First Lease Year shall be deemed paid by crediting Lessee for the Option Consideration heretofore paid by Lessee to Lessor for the First

Option pursuant to Section 1 of that certain Option Agreement dated as of October ____, 2008 (the "Option Agreement").

(b) The Rent for the Second Lease Year shall be paid not later than the Commencement Date hereof; provided however, that any option consideration heretofore paid by Lessee to Lessor for the Second Option pursuant to Section 1 of the Option Agreement shall be credited against the Rent for Second Lease Year.

(c) The Rent for the Third Lease Year shall be paid not later than the First Anniversary of the Commencement Date; provided however, that any option consideration heretofore paid by Lessee to Lessor for the Third Option pursuant to Section 1 of the Option Agreement shall be credited against the Rent for Third Lease Year.

6.2 Annual Rent for Lease Years 4-9. Three Thousand Seven Hundred and Nine and fifty-eight cents (\$3,759.58) per year.

6.3 Annual Rent for Lease Years 10-65. On the tenth (10th) anniversary of the Commencement Date and every five (5) years thereafter, the amount of Rent for the prior year shall be adjusted to reflect increases in the U.S. All Cities Average Consumer Price Index for Urban Wage Earners and Clerical Workers for all Items (1982-1984 = 100), published by the Bureau of Labor Statistics of the U.S. Department of Labor ("CPI") during the prior period (but not less than three percent (3%) per year nor more than six percent (6%) per year since the prior adjustment), and in no event less than the Rent in effect immediately prior to the date of adjustment. If at the time required for the determination of any such adjustment, the CPI is no longer published or issued, the parties shall use such index as is then generally recognized and accepted for similar determinations of purchasing power, as reasonably determined by Lessor.

6.4 Right to Prepay. Lessee shall have the right to prepay all or any part of the Rent during the term of this Lease.

7. Lessor's Warranty of Title and Quiet Enjoyment. Lessor hereby covenants and warrants to Lessee that as of the date hereof, fee simple title to the Premises is vested in Lessor free and clear of all claims, liens and encumbrances except those recorded instruments affecting the Premises that are described in Exhibit E attached hereto (collectively, the "**Permitted Exceptions**"). Upon Lessee paying the Rent and performing its other obligations hereunder, including without limitation, compliance with all Applicable Laws, Lessee shall from the Commencement Date peaceably hold and quietly enjoy the Premises until the Expiration without hindrance, interference, interruption or encumbrance by Lessor or any persons claiming through or under Lessor.

8. Use. Lessee shall use the Premises only for the construction, development and operation of a residential housing project (i) for households whose income do not exceed the level established by Health and Safety Code Section 50093 for moderate income, consisting of approximately 21 rental units; (ii) where the monthly rents (including a reasonable utility allowance) do not exceed the levels set by Health and Safety Code Section 50053 for moderate income households; and (iii) in which teachers and other full-time employees of Lessor (that qualify as under the income limitation in subsection (i) above) shall be given first priority for

occupancy of available rental units in the Development. Subject to compliance with Applicable Laws, Lessee and Lessor agree to cooperate with each other in establishing guidelines and procedures for giving such priority to Lessor's teachers and other full-time employees, including without limitation, establishing residency limitations (i.e., the number of years a tenant can remain in the Development) in order to facilitate the availability of rental units for new teachers.

9. Maintenance and Repair; Compliance with Applicable Laws.

9.1 Good Order, Condition and Repair. Lessee shall, at its sole cost and expense, keep and maintain the Premises (including all structural, non structural, interior, exterior, landscaped areas, systems, equipment, facilities, sidewalks, patios, fences lights and signs) in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises). Lessee's maintenance obligations shall include restorations, replacements and renewals when necessary to keep the Premises and all improvements thereon in good order, condition and repair in accordance with all Applicable Laws and in a condition consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, exterior repainting. Lessee's maintenance obligations under this Section 9.1 shall not be construed as limiting any right or requirement expressly provided for elsewhere in this Lease for Lessee to alter, modify, demolish, remove or replace any improvement. No deprivation, impairment or limitation of use resulting from any event or work contemplated by this Section 9.1 shall entitle Lessee to any offset, abatement or reduction in rent or to any termination or extension of the Term.

9.2 No Lessor Obligation. Lessor shall not be obligated to perform any maintenance or make any repairs of any kind, nature or description whatsoever to the Premises, and Lessee hereby expressly waives all right to perform maintenance or make repairs at Lessor's expense under California Civil Code Sections 1941 and 1942.

9.3 Compliance with Applicable Laws. Lessee shall, at its sole cost and expense, keep, maintain and operate the Premises and the Development thereon, in strict compliance with all Applicable Laws, including without limitation, the Healthy Schools Act (California Education Code Section 17608 et seq and Food & Agriculture Code Section 13180 et seq). Without limiting the foregoing, Lessee shall: (a) make all alterations, additions, or repairs to the Premises (including the improvements and facilities on the Premises) required by Applicable Laws; and (b) indemnify, defend and hold Lessor and its property free and harmless from and against any and all liability, loss, damages, fines, penalties, claims and actions resulting from Lessee's failure to comply with the requirements of this Section 9.3.

9.4 Non-Discrimination. Lessee shall refrain from restricting the lease of the Premises on the basis of sex, disability, marital status, race, color, religion, creed, ancestry, sexual orientation or national origin of any person.

10. Damage or Destruction.

10.1 No loss or damage by fire or other cause required to be insured against hereunder, resulting in either partial or total destruction of the Improvements and/or the Lessee Fixtures, shall, except as otherwise expressly provided in Section 10.3 below, operate to relieve or discharge Lessee from the payment of the Rent or the performance and observance of the other covenants and conditions contained herein to be performed and observed by Lessee. Lessee hereby waives the provisions of California Civil Code Sections 1932(2) and 1933(4).

10.2 If the Improvements and/or the Lessee Fixtures shall be damaged or destroyed by fire or other cause and this Lease is not terminated pursuant to Section 10.3, then Lessee shall, immediately commence and thereafter diligently and continuously pursue to completion, the repair, reconstruction and/or replacement of such Improvements and/or Lessee Fixtures (to the extent the same is commercially feasible) to a condition substantially similar to their condition immediately prior to such damage or destruction. All such repair, reconstruction or replacements shall be at the sole cost and expense of Lessee and, upon completion thereof, shall be (subject to Section 12) free and clear of all mechanics' liens.

10.3 If (a) the Improvements are totally or substantially destroyed by a cause not required to be insured against hereunder, or (b) laws, statutes, ordinances or other governmental rules and regulations laws do not permit the repair, reconstruction or replacement of the Improvements that were totally or substantially destroyed, or (c) the Improvements are totally or substantially destroyed during the last five (5) years of the Term (irrespective of whether the cause of such destruction was required to be insured against hereunder), Lessee may, at its option, elect to terminate this Lease by giving Lessor written notice thereof within sixty (60) days after such total or substantial destruction. If Lessee does not elect to terminate this Lease pursuant to the preceding sentence hereof, then Lessee shall promptly commence and thereafter diligently and continuously pursue to completion, the reconstruction or replacement of the Improvements and the restoration of the Development to a complete economically viable unit. If this Lease is terminated pursuant to the preceding provisions of this Section 10.3, then the Termination shall be effective as of the date of such total or substantial destruction, provided, however, that Lessee shall promptly remove such totally or substantially destroyed Improvements from the Premises (and if so directed by Lessor, any other Improvements on the Premises), and immediately thereafter redeliver the Premises to Lessor in a level-graded, safe, neat and clean condition.

11. Assignment and Transfer. Whether voluntarily or by operation of law, Lessee's rights hereunder shall not be assigned or transferred by Lessee without the prior written consent of the Lessor, which consent shall not be unreasonably withheld or delayed; provided however, that without limiting any other basis upon which Lessor may withhold consent, Lessee expressly agrees and acknowledges that it shall be reasonable for Lessor to withhold its consent to any transfer if the proposed transferee is not either the City of Agoura Hills or another public body, corporate and politic, which is an instrumentality of the City of Agoura Hills. In no event shall any such assignment or transfer relieve or release Lessee from its direct and unconditional liability for the payment of all sums and the performance of all obligations required to be paid or performed by the Lessee under this Lease. Notwithstanding the foregoing restriction on transfers, Lessee may, without obtaining the consent of Lessor, sublease the Premises for the

purposes of causing the construction and operation of the Development, to a subtenant in accordance with the following criteria:

11.1 The subtenant shall have the capability and financial resources to undertake the construction and operation of the Development;

11.2 No sublease shall have a term (initial, extension, renewal or otherwise) that extends beyond the Term; and

11.3 Any sublease shall be for the limited purpose of the construction, development and operation of a residential housing project in accordance with the requirements of Section 8 above;

11.4 Notwithstanding any such permitted subletting and delegation of rights, duties and obligations by Lessee to the Subtenant for the purpose of developing, constructing and operating the Development, Lessee shall remain directly and unconditionally liable and responsible for the performance of each and all of the duties and obligations of the Lessee under this Lease. Notwithstanding the foregoing, Lessor may, but shall not be obligated to, join the Subtenant in any action or proceeding by Lessor to compel performance by Lessee of its duties and obligations hereunder.

12. Mortgage.

12.1 Lessee shall not have the right, power or authority to, and shall not, pledge, convey in trust or otherwise encumber the Leasehold estate created by this Lease (the “**Leasehold**”), and any such purported encumbrance of the Leasehold shall be null and void and shall constitute a material of Event Default under this Lease. Subject to the provisions of this Section 12, the Subtenant (“**Subtenant**”) under a permitted sublease pursuant to Section 11 (the “**Sublease**”) shall have the right to encumber the Subleasehold estate created by such Sublease (the “**Subleasehold**”) (but not the Leasehold) by a mortgage, deed of trust or other security instrument, including an assignment of the rents, issues and profits from the Subleasehold and the Lessee Fixtures, to secure repayment of a loan obtained for the purpose of financing a portion of the costs of development and construction of the Development (a “**Financing**”), and the performance and observance of associated obligations, made to the Subtenant by a Lender. It is expressly understood, acknowledged and agreed by Lessee that neither Lessor’s fee interest in the Premises nor Lessee’s Leasehold estate in the Premises shall be subject in any way to the lien of a “**Subleasehold Mortgage**” (as defined below).

12.2 As used herein, “**Subleasehold Mortgage**” means any mortgage, deed of trust or other security instrument, including an assignment of the rents, issues and profits from the Premises and/or the Lessee Fixtures, that constitutes a lien on the Subleasehold estate created by the Sublease and “**Lender**” means an institutional lender which shall mean a reputable regional or national financial institution (i.e., a bank, savings & loan association, insurance company, pension fund or investment bank, including trustees and/or servicing agents on behalf of collateralized mortgage-backed securities), which is the owner and holder of a Subleasehold Mortgage.

12.3 From the date that a Subleasehold Mortgage is recorded in the Official Records of Los Angeles County, California, until the release, reconveyance or extinguishment of the same:

12.3.1 Lessee, in its capacity as sublandlord under the Sublease (the "Sublandlord") shall not agree to any mutual termination nor accept any surrender of the Sublease, nor shall Sublandlord consent to any amendment or modification of the Sublease without the prior consent of Lender (provided, however, that if Lender has not replied to a notice requesting such consent within sixty (60) days after its receipt of such notice, Lender shall be deemed to have consented thereto).

12.3.2 Notwithstanding an Event of Default under the Sublease, Sublandlord shall not have the right to terminate the Sublease unless (a) an Event of Default has occurred and is continuing; (b) Sublandlord has provided Lender with notice of such Event of Default and (c) Lender has failed to remedy or cure such Event of Default or acquire Subtenant's Subleasehold estate in the Premises and/or the Lessee Fixtures or commence foreclosure or other appropriate proceedings in the nature thereof, all as set forth in, and within the time periods specified by, Section 12.3.4; provided, however, that nothing contained in this Section 12.3.2 shall prevent the Sublandlord from initiating the enforcement of its remedies hereunder, subject, however, to the rights of Lender hereunder.

12.3.3 Lender shall have the right, but not the obligation, and without payment of any penalty, to make all payments and otherwise perform or observe Subtenant's obligations under the Sublease in order to prevent the termination of the Sublease. All payments so made and all obligations so performed or observed by Lender shall be as effective to prevent a termination of the Sublease as the same would have been if made, performed or observed by the Subtenant instead of by Lender.

12.3.4 Should an Event of Default occur, Lender shall have ninety (90) days after receipt of notice from the Sublandlord setting forth the nature of such Event of Default, and, if the default is such that it cannot reasonably be remedied within such ninety (90) day period or if possession of the Subleasehold estate in the Premises may be reasonably necessary to remedy the default, a reasonable time after the expiration of such ninety (90) day period, within which to remedy such default, provided that (a) Lender shall have fully cured any default in the payment of any monetary obligations of Subtenant under the Sublease within such ninety (90) day period and shall continue to pay currently such monetary obligations as and when the same are due and (b) Lender shall have initiated within such period the curing of any default that can be remedied without taking possession of the Subleasehold estate in the Premises and is diligently prosecuting such cure, or, in the case of a default that cannot be cured without taking possession of the Subleasehold estate in the Premises, Lender shall have acquired Subtenant's Subleasehold estate or commenced foreclosure or other appropriate proceedings in the nature thereof within such period, or prior thereto, and is diligently prosecuting any such proceedings.

12.3.5 If Lender is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Subtenant from commencing or prosecuting foreclosure or

other appropriate proceedings in the nature thereof, the times specified in Section 12.3.4 for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that Lender shall have fully cured any default in the payment of any monetary obligations of Lessee under the Sublease and shall continue to pay currently such monetary obligations as and when the same fall due.

12.3.6 Provided that Lender has furnished to Lessor a request for copies of notices from Sublandlord to Subtenant, Sublandlord shall deliver to Lender a duplicate copy of any and all notices which Sublandlord may from time to time give to Lessee pursuant to the provisions of this Lease, and such copy shall be delivered to Lender simultaneously with the delivery of the same to Subtenant. No notice by Sublandlord to Subtenant hereunder shall be deemed to have been given unless and until a copy thereof shall have been delivered to Lender as herein set forth.

12.3.7 Foreclosure of a Subleasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the Subleasehold Mortgage, or any conveyance of the Subleasehold estate created by the Sublease from Subtenant to Lender through, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof shall not require the consent of Sublandlord or constitute a breach of any provision of, or a default under, the Sublease, and upon such foreclosure, sale or conveyance and Lender's (or any other foreclosure sale purchaser's) delivery to Sublandlord of Lender's (or any other foreclosure sale purchaser's) written agreement whereby Lender (or any other foreclosure sale purchaser) assumes Subtenant's obligations under the Sublease, Sublandlord shall recognize Lender, or any other foreclosure sale purchaser, as Subtenant thereunder. In the event Lender becomes Subtenant under the Sublease, Lender shall be personally liable for the obligations of Subtenant under the Sublease only for the period of time that Lender remains Subtenant thereunder, and Lender's right thereafter to assign the Sublease shall not be subject to any restriction. In the event Lender subsequently assigns or transfers its interest under the Sublease after acquiring the same by foreclosure or deed in lieu of foreclosure, and in connection with any such assignment or transfer Lender takes back a mortgage or deed of trust encumbering such Subleasehold interest to secure a portion of the purchase price given to Lender for such assignment of transfer, then such mortgage or deed of trust shall be considered a Subleasehold Mortgage as contemplated under this Section 12 and Lender shall be entitled to receive the benefit of and enforce the provisions of this Section 12 and any other provisions of the Sublease intended for the benefit of the holder of a Subleasehold Mortgage.

12.4 If at any time that a Subleasehold Mortgage exists as a valid lien against the Subleasehold estate, or if a Lender or its successor has succeeded to the interest of the Subtenant as Subtenant under the Sublease, then in such event, the following shall apply:

12.4.1 If Lessor elects to terminate this Lease by reason of an Event of Default by Lessee under this Lease or otherwise, Lessor shall give written notice thereof to Lender and Subtenant at the address set forth in the last Request for Notice (as defined below) from Lender on file with Lessor. Provided there exists no uncured event of default by the Subtenant under the Sublease, Lessor shall grant to Subtenant (or to Lender if it has succeeded to the interest of Subtenant under the Sublease), the right, at Lessor's election, to either (i) enter into a new lease between Lessor as Lessor and Subtenant (or Lender if applicable) as Lessee,

upon all the same terms and conditions as set forth in this Lease, for the balance of the then-current term thereof (a "New Lease"); or (ii) enter into a recognition agreement, whereby Lessor will recognize the Sublease as a direct lease between Lessor and Subtenant (or Lender if applicable) (a "Direct Lease"). If this Lease is being terminated by reason of an Event of Default by Lessee, the Notice from Lessor to Lender shall include in reasonable detail, the nature of such Event(s) of Default and the payments or action necessary to cure such defaults. Lender shall have thirty (30) days after delivery of such Notice in which to (i) accept Lessor's offer of a New Lease or Direct Lease, as the case may be; (ii) if applicable, cure all monetary defaults; and (iii) cure all non-monetary defaults which are reasonably capable of being cured within such thirty (30) day period. If Lender fails to duly and timely accept such offer and cure such defaults, this Lease may be terminated by Lessor, and in such event the Sublease shall be deemed terminated by operation of law.

12.4.2 Lessor may, but shall not be obligated to, afford Lender a right of approval with respect to any proposed amendments or modifications to this Lease (which approval shall not be reasonably withheld and which shall be deemed given unless written notice of disapproval, setting forth in reasonable detail the reasons for such disapproval, shall have been delivered to and received by Lessor within thirty (30) days after delivery to Lender of Lessor's request for approval). If Lessor offers a New Lease to Subtenant (or Lender, if applicable) pursuant to Section 12.4.1 above, such New Lease shall be upon all the same terms and conditions as set forth in this Lease, as amended or modified by any amendments or modifications for which Lender has been afforded approval rights as set forth above.

12.4.3 Subtenant and/or Lender may, but shall not be obligated to, afford Lessor a right of approval with respect to any proposed amendments or modifications to the Sublease, which approval shall not be unreasonably held, and which shall be deemed given unless written notice of disapproval, setting forth in reasonable detail, the reasons for such disapproval, shall have been delivered to Lender and Subtenant within thirty (30) days after receipt by Lessor of written request for approval. If Lessor offers to enter into a Direct Lease pursuant to Section 12.4.1 above, such Direct Lease shall be upon all the same terms and conditions as set forth in the form of Sublease originally approved by Lessor, as amended by any amendments and modifications for which Lessor has been afforded approval rights as set forth above.

12.4.4 Lessor shall not be obligated to recognize or grant any rights to any Lender unless Lessor shall be in actual receipt of a written notice from such Lender (a "Request for Notice") setting forth the name and mailing address of such Lender and reasonably identifying the Subleasehold Mortgage held by such Lender. Any notice or other communication required or permitted to be given by Lessor to a Lender pursuant to any of the terms and provisions of this Lease shall be deemed duly given if delivered to the Lender at the mailing address of such Lender in the most current Request for Notice on file with Lessor, in the manner set forth in Section 22 below.

13. Fire and Extended Coverage and Liability Insurance.

13.1 Lessee agrees, at its sole cost and expense, to keep the Improvements and the Lessee Fixtures insured at all times against loss or damage by fire and such other hazards as

are covered by the standard extended coverage "all risk" endorsement approved for use in the State of California in an amount not less than one hundred percent (100%) of the actual replacement cost thereof. Such policy shall be written with "all risk" coverage rather than "named-perils protection," which limits coverage to those perils specifically enumerated in the policy. Without limiting the immediately preceding sentence, such policy shall insure against fire, extended coverage, vandalism, and malicious mischief. In addition:

13.1.1 Such policy shall cover all fixtures, furnishings, machinery, boilers, materials, and equipment (collectively, the "Personal Property") located on or constituting part of the Improvements.

13.1.2 If the Premises is or becomes located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, and if flood insurance is or becomes available through the National Flood Insurance Program, Lessee shall obtain and maintain such flood insurance in an amount and with a deductible acceptable to the Lessor.

13.2 Lessee agrees, at its sole cost and expense, to obtain and maintain at all times comprehensive commercial general liability insurance covering the Premises and providing protection of at least One Million Dollars (\$1,000,000) for bodily injury or death to any one (1) person, Two Million Dollars (\$2,000,000) of any one (1) accident or occurrence and at least One Million Dollars (\$1,000,000) for property damage.

13.3 All insurance required by this Section 13 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility and authorized to do business in the State of California and shall (a) contain language to the effect that (i) the insurer waives the right of subrogation against Lessor and its elected officials (including board members), officers, employees, agents and representatives; and (ii) the policy is primary and noncontributing with any insurance carried by Lessor; and (b) name Lessor as an additional insured as follows: "The Las Virgenes Unified School District and its elected officials, officers and employees." A certificate of each insurance policy, in form and substance acceptable to Lessor, shall be provided to Lessor upon the Effective Date and upon the renewal of each policy, but in no event later than thirty (30) days prior to the expiration of the then-current policy.

13.4 In the event Lessee fails to duly and timely obtain any such insurance and/or provide Lessor with evidence thereof, and such failure continues for one (1) business day after notice to Lessee, Lessor may, but shall not be obligated to, procure any such required insurance for the benefit of, and account of Lessee, and Lessee shall reimburse Lessor for the cost thereof within ten (10) days after written demand therefor, together with interest thereon from the date of advance until repaid, at the Interest Rate.

14. Right to Contest; Indemnity.

14.1 Lessee shall have the right to contest the amount or validity of any tax, assessment, charge or other item to be paid by Lessee under Section 6, provided, however, that (a) Lessee delivers to Lessor notice of Lessee's intention to do so within twenty (20) days after the recording of such lien or at least ten (10) days prior to the delinquency of such tax,

assessment, charge or other item, as the case may be and (b) concurrently with the delivery of such notice, Lessee delivers to Lessor a bond or other security acceptable to Lessor in an amount equal to one hundred ten percent (110%) of the contested amount. In any such case, Lessee shall not be in default hereunder, and Lessor shall not satisfy and discharge such lien nor pay such tax, assessment, charge or other item, as the case may be, until ten (10) days after the final determination of the amount or validity thereof, within which time Lessee shall satisfy and discharge such lien or pay such tax, assessment, charge or other item to the extent held valid and all penalties, interest and costs in connection therewith; provided, however, that the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereon, nor shall the payment of any such tax, assessment, charge or other item, together with penalties, interest and costs, in any case be delayed until sale is made or threatened to be made of the whole or any part of the Premises on account thereof. In the event of any such contest, Lessee shall protect and indemnify Lessor against all loss, cost, expense and damage resulting therefrom. Lessor shall not be required to join in any proceeding to contest the amount or validity of any such lien, tax, assessment, charge or other item, except that if any law shall require that such proceeding be brought by or in the name of Lessor, Lessor agrees to join in any such proceeding, or permit the same to be brought in its name; and Lessee covenants to indemnify and hold harmless Lessor from any costs or expense in connection therewith. Lessee shall be entitled to any refund of any tax, assessment, charge or other item, and any penalties or interest thereon, which shall have been paid by Lessee, or paid by Lessor and reimbursed to Lessor by Lessee.

14.2 Lessee covenants and agrees that, during the Term of this Lease, Lessor shall not be liable, responsible or in any way accountable for any loss, injury, death or damage to persons in or on the Premises, or in any way connected with the Premises or with the buildings and improvements or personal property therein or thereon, including any liability for injury or death to the person or damage to or loss of property of Lessee, its agents, officers, servants, or employees, other than where such loss, injury, death or damage is caused by the willful or negligent acts or omissions of Lessor. During the Term of this Lease, Lessee agrees to indemnify Lessor, its board members, officers, employees, and agents, and hold them harmless from any and all liability, loss, costs, or obligations on account of, or arising out of, any such loss, injury, death or damage, however occurring (other than where such loss, injury, death or damage is caused by the willful or negligent acts or omissions of Lessor). Lessee, its agents, officers, servants, and employees shall assume all risks of injury or death of person or persons, or damage to or loss of any and all property of Lessee and any and all property under the control or custody of Lessee while upon the Premises or damage to or loss of any and all property stored on the Premises, during the Term of this Lease, except for any such loss, injury, death or damage caused by the willful or negligent acts or omissions of Lessor.

15. Eminent Domain.

15.1 If, during the Term, the entire Premises shall be taken as a result of the exercise of the right of eminent domain, or if less than the entire Premises shall be taken, but it shall have been agreed that the Improvements cannot, at a reasonable expense, be repaired, restored or replaced to an economically profitable unit, this Lease may, at the option of Lessee, be terminated on the date of such taking, and the rights of Lessor and Lessee in and to the award or awards upon any such taking shall be determined in accordance with Section 15.3. As used in

this Section 15, the terms “taken” and “taking” shall mean an acquisition and/or damaging, including severance damage, by eminent domain, or by inverse condemnation, or by deed or transfer in lieu thereof, or for any public or quasi-public use under any statute or law; and the taking shall be considered to take place as of the earlier of (a) the date actual physical possession is taken by the condemnor or (b) the date on which title vests in the condemnor.

15.2 If less than the entire Premises shall be taken and it shall have been agreed that the Improvements can be repaired, restored or replaced to an economically profitable unit, this Lease shall not terminate but shall continue in full force and effect for the remainder of the term, subject to the provisions hereof. The rights of Lessor and Lessee in and to the award or awards upon any such taking shall be determined in accordance with Section 15.3. Lessee shall restore, repair and replace that portion of the Premises not so taken. For the balance of the Term, the rent payable by Lessee shall be equitably reduced by agreement of Lessor and Lessee in accordance with the reduced economic return to Lessee, if any, which will occur by reason of such taking.

15.3 The rights of Lessor and Lessee in and to any award or awards upon any such taking shall be determined as follows:

15.3.1 Entire Taking: In the event of any taking of the nature covered by Section 15.1, all compensation and damages therefor shall be payable as follows:

15.3.2 Lessor shall receive the value of the condemned property which constitutes the Premises as encumbered by this Lease; and

15.3.3 Lessee, subject to the rights of any Lender, shall receive the value of (a) the leasehold estate created by this Lease, if any, and (b) the unamortized value of any buildings and improvements on the Premises that do not constitute the Improvements, (amortized over the lesser (i) the useful life of such buildings and improvements determined in accordance with generally accepted accounting principles and practices consistently applied, or (ii) the balance of the Lease Term).

15.3.4 Partial Taking: In the event of any taking of the nature covered by Section 15.2, all compensation and damages therefor shall be applied first to the restoration, repair and replacement of the Premises by Lessee pursuant to this Section 15, and the remainder thereof shall be divided between Lessor and Lessee in the manner provided by Section 15.3.1.

15.4 If the Premises or any portion thereof or any buildings or improvements thereon should be taken for governmental occupancy for a limited period, this Lease shall not terminate and Lessee shall continue to perform and observe all of its obligations hereunder as though such taking had not occurred, except with respect to non-monetary obligations, only to the extent that it may be prevented from performing such non-monetary obligations by reason of such taking. In such event, Lessee shall be entitled to receive the entire amount of any awards, compensation and damages made for such taking, and Lessor hereby assigns such awards, compensation and damages to Lessor to the extent that the governmental occupancy does not extend beyond the Expiration.

15.5 Lessor, Lessee and any Lender shall all have the right to participate in any settlement of awards, compensation and damages and may contest any such awards, compensation and damages and prosecute appeals therefrom. Any Lender shall be entitled to notice from both Lessee and Lessor with regard to any condemnation action, threat thereof, or settlement proceedings.

16. Lessor's Right of Inspection. Lessor may, at any reasonable time and from time to time by providing Lessee with at least forty-eight (48) hours advance notice (except in the event of an emergency), enter upon the Premises for the purpose of inspecting the same and for such other purposes as may be necessary or proper for the reasonable protection of its interests therein, subject, however, to Lessee's reasonable requirements regarding security and the need to protect its business affairs and those of its subtenants and other occupants of the Premises from unreasonable interference or interruption or invasion of privacy.

17. Lessee's Defaults and Lessor's Remedies. If (a) default shall be made by Lessee in the payment when due of any rent or other moneys due hereunder and shall continue for a period of five (5) days after notice thereof to Lessee; (b) default shall be made by Lessee in the performance or observance of any of the other agreements, covenants or conditions of this Lease on the part of Lessee to be performed and observed and such default shall continue for a period of thirty (30) days after notice thereof to Lessee, or, in the case of a default which cannot be cured by the payment of money and cannot reasonably be cured within thirty (30) days, Lessee shall fail to commence curing thereof within such thirty (30) day period and thereafter shall fail diligently to prosecute such cure to completion; (c) Lessee shall admit its inability to pay its debts generally as they become due, file a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of the Federal government or any state government or any subdivision of either now or hereafter in effect, make an assignment for the benefit of its creditors, consent to or acquiesce in the appointment of a receiver of itself or of the whole or any substantial part of the Premises; (d) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of Lessee or of the whole or any substantial part of the Premises, and such order, judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; or (e) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Lessee under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of the Federal government or any state government or any subdivision of either now or hereafter in effect, and such order judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; then any such event shall constitute an "**Event of Default.**" Upon the occurrence of any such Event of Default, Lessor shall have the following rights and remedies, in addition to all other rights and remedies of Lessor provided hereunder or by law:

17.1 The right to terminate this Lease, in which event Lessee shall immediately surrender possession of the Premises, assign to Lessor its interest in any construction, architectural and other contracts related to the Premises, and pay to Lessor all rent and all other amount payable by Lessee hereunder to the date of such termination;

17.2 The remedies described in California Civil Code Section 1951.2, including the right to recover the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for the same period that Lessee proves could be reasonably avoided, as computed pursuant to California Civil Code Section 1951.2(b);

17.3 The remedies described in California Civil Code Section 1951.4, including the right to collect, by suit or otherwise, each installment of rent or other sums that become due hereunder, or to enforce, by suit or otherwise, performance or observance of any agreement, covenant or condition hereof on the part of Lessee to be performed or observed; or

17.4 The right to cause a receiver to be appointed in any action against Lessee to take possession of the Premises or to collect the rents or profits therefrom. Neither appointment of such receiver nor any other action taken by Lessor shall constitute an election on the part of Lessor to terminate this Lease unless notice of termination is given to Lessee.

18. No Waiver. No waiver of any default under this Lease shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any rights, privilege, or option under this Lease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege or option hereunder. No waiver of any provision hereof by Lessor or Lessee shall be deemed made unless and until such waiver shall have been reduced to writing and signed by Lessor or Lessee, as the case may be.

19. No Merger. There shall be no merger of the leasehold estate created by this Lease with the fee estate in the Premises by reason of the fact that the same person may own or hold (a) the leasehold estate created by this Lease or any interest therein and (b) the fee estate in the Premises or any interest therein; and no merger shall occur unless and until Lender shall join in a written instrument effecting such merger and shall duly record the same.

20. No Partnership. It is expressly understood and agreed that nothing contained herein shall make or constitute Lessor, in any way or for any purpose, a partner of Lessee in the conduct of Lessee's business, or otherwise, or a joint venturer or a member of a joint enterprise with Lessee.

21. Covenants Run With Land. The covenants, conditions and restrictions contained herein are, and shall be deemed to be, covenants running with the land and shall be binding upon and shall inure to the benefit of Lessor and Lessee and each subsequent "**Lessor**" and "**Lessee**" hereunder. All references in this Lease to "**Lessee**" or "**Lessor**" shall be deemed to refer to and include their respective permitted successors and assigns without specific mention thereof.

22. Notices. Any notice, request, direction, instruction, demand, consent, waiver, approval or other communication required or permitted to be given hereunder shall not be effective unless it is given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and addressed to the parties at

the addresses stated below, or at such other address as either party may hereafter notify the other in writing as aforementioned:

To Lessor: Las Virgenes Unified School District
4111 N. Las Virgenes Road
Calabasas, California 91302
Attention: Superintendent
Facsimile: _____

With a Copy to: Las Virgenes Unified School District
4111 N. Las Virgenes Road
Calabasas, California 91302
Attention: Chief Financial Officer
Facsimile: _____

To Lessee: Agoura Hills Redevelopment Agency
30001 Ladyface Court
Agoura Hills, California 91301
Attention: Executive Director
Facsimile: (818) 597-7352

With a Copy to: Richards Watson and Gershon
355 S. Grand Avenue, 40th Floor
Los Angeles, CA 90071
Attention: Craig Steele
Facsimile: (213) 626-8484

Service of any such notice or other communications so made shall be deemed effective on the day of actual delivery (whether accepted or refused) as evidenced by confirmed answerback if by facsimile (provided that if any notice or other communication to be delivered by facsimile is unable to be transmitted because of a problem affecting the receiving party's facsimile machine, the deadline for receiving such notice or other communication shall be extended through the next business day), as shown by the addressee's return receipt if by certified mail, and as confirmed by the courier service if by courier; provided, however, that if such actual delivery occurs after 5:00 p.m. (local time where received) or on a non-business day, then such notice or demand so made shall be deemed effective on the first business day immediately following the day of actual delivery. No communications via electronic mail shall be effective to give any notice, request, direction, demand, consent, waiver, approval or other communications hereunder. Notice to Lender shall be addressed as it designates by notice to Lessor or as it otherwise appears of record in its Leasehold Mortgage.

23. Estoppel Certificates. Lessee or Lessor, as the case may be, shall execute, acknowledge and deliver to the other and/or any Lender, promptly upon request, its certificate certifying: (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications); (b) the dates, if any, to which all rental due hereunder has been paid; (c) whether

there are then existing any charges, offsets or defenses against the enforcement by Lessor of any agreement, covenant or condition hereof on the part of Lessee to be performed or observed (and, if so, specifying the same); (d) whether there are then existing any defaults by Lessee in the performance or observance by Lessee of any agreement, covenant or condition hereof on the part of Lessee to be performed or observed and whether any notice has been given to Lessee of any default which has not been cured (and, if so, specifying the same); and (e) such other matters as may be reasonably requested by Lessor, Lessee or any Lender, as the case may be. A prospective purchaser, mortgagee or trustee or beneficiary under a deed of trust of the Premises and/or the Lessee Fixtures may rely upon any such certificate.

24. Expiration.

24.1 Holding Over. This Lease shall automatically (i.e., without further notice) terminate upon the Expiration, and any holding over by Lessee after the Expiration shall not constitute a renewal hereof or give Lessee any rights hereunder. Lessee shall indemnify and hold Lessor harmless from and against any and all loss, cost, liability and expense arising out of or relating to any holding over by Lessee without the express prior written consent of Lessor.

24.2 Surrender of Premises. At the Expiration, Lessee shall surrender the Premises and every part thereof, including without limitation, the Improvements, in good condition and repair, reasonable wear and tear excepted, and shall deliver to Lessor any keys thereto in its possession.

25. Unavoidable Delays – Force Majeure. If either party shall be delayed or prevented from the performance of any act required by this Lease by reason of acts of God, acts of the public enemy, war, terrorism, strikes, lockouts, labor troubles, inability to secure materials, restrictive governmental laws or regulations, or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The party delayed or prevented from the performance of any act as above described shall notify the other of such delay or prevention within fifteen (15) days of the inception thereof, and shall thereafter keep such party regularly informed of the status of such delay or prevention.

26. Hazardous Materials Indemnification.

26.1 Hazardous Materials Defined. “**Hazardous Materials**” means and includes those elements, materials, compounds, mixtures or substances that are now or hereafter contained in any list of hazardous materials adopted by any Federal, state, county or municipal authority or any list of toxic pollutants designated by Congress or the United States Environmental Protection Agency or which are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the “**Environmental Laws**” (as defined below), and, whether or not included in such lists, shall be deemed to include all products or substances which are or contain petroleum, natural gas, natural gas liquids, asbestos, polychlorinated biphenyls and any chemicals known to cause cancer or reproductive toxicity as published pursuant to California Health and Safety Code Sections 25249 et seq.

26.2 Environmental Laws Defined. “**Environmental Laws**” means and includes any Federal, state, county or municipal statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, Hazardous Materials, as now or at any time hereafter in effect.

26.3 Lessee’s Indemnity. Lessee shall indemnify, defend and hold harmless Lessor and its board members, directors, officers, shareholders, partners, employees and agents, and their respective heirs, legal representatives, successors and assigns, from and against any and all loss, damage, expense, suit, order, judgment, adjudication, liability or injury to person or property, including reasonable attorneys’ fees and costs, arising out of or relating to (a) a violation, or alleged violation, of Environmental Laws arising from operations or activities on the Premises by any person or entity from and after the Effective Date and during the Term or (b) the release or disposal, or alleged release or disposal, of Hazardous Materials (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable), on or under the Premises from and after the Commencement Date (or such earlier date upon which Lessee shall have been given physical possession of the Premises) and during the Term.

27. General Provisions.

27.1 Broker. The parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction. There are no claims or rights for brokerage commissions or finder’s fees in connection with this Lease. If any person or entity brings a claim for a commission or finder’s fee based upon any contact, dealings or communication with Lessee or Lessor, then the party through whom such person or entity makes its claim shall defend the other party (the “**Indemnified Party**”) from such claim, and shall indemnify the Indemnified Party and hold the Indemnified Party harmless from and against any and all costs, damages, claims, liabilities or expenses (including reasonable attorneys’ fees and disbursements) incurred by the Indemnified Party in defending against the claim.

27.2 Severability. In case any one (1) or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

27.3 Independent Effect. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any one of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of an Event of Default if such action is taken or condition exists.

27.4 Time of the Essence. Subject to the remainder of this Section 27.4, time is of the essence of each and all of the agreements, covenants and conditions of this Lease. Wherever the time for performance of any obligation hereunder or if, pursuant to this Lease, a party must act by a particular time, or an act is effective only if done by a particular time, and the last date for the performance of such obligation or the doing or effectiveness of such act falls upon a day other than a business day, the time for the performance of such obligation or the

doing or effectiveness of such act shall be extended to the next succeeding business day. The time in which any act is to be done under this Lease is computed by excluding the first day and including the last day. All time periods identified herein, unless expressly provided to the contrary, shall end at 5:00 p.m., California time.

27.5 Consents and Approvals. Whenever in this Lease the consent or approval of either Lessor or Lessee is required or permitted, unless expressly stated to the contrary, the party requested to give such consent or approval shall not unreasonably withhold, condition or delay its consent or approval.

27.6 Police Power. Subject to the proviso at the end of this Section, nothing contained herein shall be deemed to limit, restrict, amend or modify, or to constitute a waiver or release of, any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted and/or as amended from time to time) of Lessee, or its departments, commissions, agencies and boards and the officers thereof, including any redevelopment or general plan or any zoning ordinances, or any of Lessee's duties, obligations, rights or remedies thereunder or pursuant thereto or the general police powers, rights, privileges and discretion of Lessee in the furtherance of the public health, welfare and safety of the inhabitants thereof; provided however, that nothing contained in this Section 27.6 shall be deemed to limit, restrict, expand or otherwise alter the respective rights, duties and obligations of Lessor and Lessee as are otherwise set forth in this Lease.

27.7 Memorandum. Contemporaneously with the execution of this Lease, Lessor and Lessee will execute, acknowledge and record in the Official Records of Los Angeles County, California, a Memorandum of Ground Lease in the form of Exhibit F attached hereto. The cost of any recording fees and/or documentary transfer taxes in connection therewith shall be borne solely by Lessee.

27.8 Further Assurances. The Lessor and Lessee agree to do all things reasonably necessary to carry out and effectuate the terms of this Lease, including without limitation, drafting, executing or serving appropriate reasonable documents.

27.9 Captions. The captions used herein are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions hereof.

27.10 References. References to any document or instrument defined herein are to such documents or instruments as amended, modified, restated or supplemented from time to time. References to any statutory section(s) or act(s) herein are to such section(s) or act(s) as amended and/or recodified as well as to any successor statutes thereto. References to "Sections" and "Exhibits" are to sections and exhibits of this Lease, unless otherwise specifically provided.

27.11 Incorporation. The preamble, recitals and exhibits hereto are hereby incorporated into this Lease.

27.12 Use of Certain Words. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. The words "include," "includes" and "including" shall be construed as if followed by the words "without

limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Lease shall refer to this Lease as a whole and not to any particular provisions of this Lease.

27.13 Attorneys’ Fees and Costs. In the event of any action or proceeding at law or in equity between Lessor and Lessee to enforce or interpret any provision of this Lease or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses, including reasonable attorneys’ fees and costs incurred therein by such prevailing party, and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys’ fees shall be included in and as a part of such judgment.

27.14 Interest Rate. All amounts advanced or paid by Lessor on behalf of Lessee pursuant to any of the provisions of this Lease shall bear interest from the dates of advance until repaid, at a rate equal to five percent (5%) per annum in excess of the interest rate charged by Citibank N.A. (or other major bank as designated from time to time by Lessor) for short-term unsecured loans to its best commercial customers, but in no event to exceed the maximum interest rate permitted by applicable law (the “Interest Rate”).

27.15 Interpretation. This Lease shall be interpreted in accordance with and governed by the laws of the State of California. This Lease has been prepared by Lessee and its professional advisors and reviewed by Lessor and its professional advisors. Lessor, Lessee and their respective advisors believe that this Lease is the product of all of their efforts, that it expresses their agreement and that it should be interpreted in a neutral manner, neither in favor of or against either Lessor or Lessee. Lessor and Lessee further agree that this Lease will be construed according to its fair meaning and not strictly for or against Lessor or Lessee and to effectuate the normal and reasonable expectations of sophisticated tenants and landlords.

27.16 Conflicts. If there is a conflict between any provisions in the body of this Lease and any provisions in the attached Exhibits, or documents incorporated by reference, the provisions in the body of this Lease shall control.

27.17 Entire Agreement; Modification. This Lease constitutes the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral and written. This Lease may only be modified in by an instrument in writing signed by Lessor and Lessee.

27.18 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[This Space Intentionally Left Blank; Signatures Begin On The Next Page]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Ground Lease as of the date first set forth above.

LESSOR:

LAS VIRGENES UNIFIED SCHOOL DISTRICT, a California public school district

By: _____

Name: _____

Its: _____

ATTEST:

District Clerk

APPROVED AS TO FORM:

General Counsel

LESSEE:

AGOURA HILLS REDEVELOPMENT AGENCY, a public body, corporate and politic

By: _____

Denis Weber

Redevelopment Agency Chair

ATTEST:

Agency Clerk

APPROVED AS TO FORM:

Agency Counsel

EXHIBIT "A"

LEGAL DESCRIPTION OF PREMISES

EXHIBIT "B"

MEMORANDUM OF COMMENCEMENT DATE

RECORDATION REQUESTED BY AND
WHEN RECORDED RETURN TO:

LAS VIRGENES UNIFIED SCHOOL DISTRICT
4111 N. Las Virgenes Road
Calabasas, California 91302
Attention: _____

AGOORA HILLS REDEVELOPMENT AGENCY
30001 Ladyface Court
Agoura Hills, California 91301
Attention: _____

APN: _____

[Space Above For Recorder's Use Only]

Recording Fee: Exempt pursuant to California
Government Code Section 27383

MEMORANDUM OF COMMENCEMENT DATE

THIS MEMORANDUM DATE (this "**Memorandum**") is made as of _____, 200__, by the LAS VIRGENES UNIFIED SCHOOL DISTRICT, a public body, corporate and politic, ("**Lessor**"), and Agoura Hills Redevelopment Agency a California nonprofit public benefit corporation ("**Lessee**"), with respect to the following:

RECITALS

A. Lessor and Lessee entered into that certain Ground Lease dated as of _____, 200__, a memorandum of which was recorded in the Official Records of Los Angeles County, California, on _____, 200__, as Document No. _____, with respect to certain premises located at _____, Agoura Hills, California (the "**Lease**").

B. Pursuant to Section 2 of the Lease, Lessor and Lessee agreed to execute and record this Memorandum in order to establish the actual date that the Lease became operative, which date is also used to fix the duration of the term of the Lease. Initially capitalized words or terms used but not defined in this Memorandum shall have the meanings assigned to such words or terms in the Lease.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Commencement Date; Term. The “**Commencement Date**” shall mean _____ ____, 200___. Therefore, the Term shall expire at 11:59 p.m. (California time) on _____ ____, 20___, unless sooner terminated as provided in the Lease. The Lease does not provide Lessee with the right or option to extend or renew the Term beyond such expiration date.

2. Modification. Except as modified hereby, the Lease shall each remain unaffected and unchanged by reason of this. If there is any conflict between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of this Memorandum shall prevail. No provision of this Memorandum may be modified except in a writing signed by the parties hereto.

3. Counterparts. This Memorandum may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

[This Space Intentionally Left Blank; Signatures Begin On The Next Page]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Ground Lease as of the date first set forth above.

LESSOR:

LAS VIRGENES UNIFIED SCHOOL DISTRICT, a California public school district

By: _____

Name: _____

Its: _____

ATTEST:

District Clerk

APPROVED AS TO FORM:

General Counsel

LESSEE:

AGOURA HILLS REDEVELOPMENT AGENCY, a public body, corporate and politic

By: _____

Denis Weber
Redevelopment Agency Chair

ATTEST:

Agency Clerk

APPROVED AS TO FORM:

Agency Counsel

ACKNOWLEDGMENT

State of California)
)
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)
Signature of Notary Public

ACKNOWLEDGMENT

State of California)
)
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)
Signature of Notary Public

EXHIBIT “C”

DESCRIPTION OF WORK

EXHIBIT “D”

DEPICTION OF WORK

EXHIBIT “E”

PERMITTED EXCEPTIONS

EXHIBIT "F"

MEMORANDUM OF GROUND LEASE

RECORDATION REQUESTED BY AND
WHEN RECORDED RETURN TO:

LAS VIRGENES UNIFIED SCHOOL DISTRICT
4111 N. Las Virgenes Road
Calabasas, California 91302
Attention: _____

AGOURA HILLS REDEVELOPMENT AGENCY
30001 Ladyface Court
Agoura Hills, California 91301
Attention: _____

APN: _____

[Space Above For Recorder's Use Only]

Recording Fee: Exempt pursuant to California
Government Code Section 27383

**MEMORANDUM OF
GROUND LEASE**

THIS MEMORANDUM OF GROUND LEASE (this "**Memorandum**") is made as of _____, 200_, by the LAS VIRGENES UNIFIED SCHOOL DISTRICT, a California public school district, ("**Lessor**"), and AGOURA HILLS REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Lessee**"), with respect to the following:

RECITALS

A. Lessor and Lessee have entered into that certain Ground Lease of even date herewith (the "**Lease**"), pursuant to which Lessor has agreed to lease and demise to Lessee, and Lessee has agreed to lease and accept from Lessor, that certain real property located at _____, in the City of Agoura Hills, County of Los Angeles, State of California, more particularly described in Exhibit A attached hereto (the "**Property**").

B. Pursuant to the Lease, Lessor and Lessee now desire to enter into this Memorandum to provide record notice of the Lease. Initially capitalized words or terms used but not defined in this Memorandum shall have the meanings assigned to such words or terms in the Lease.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

A. Agreement to Lease. Lessor hereby leases and demises to Lessee, and Lessee hereby leases and accepts from Lessor, the Property at the rental and upon the other terms and conditions set forth in the Lease, which terms and conditions are incorporated herein by this reference.

B. Term. Subject to the terms and conditions of the Lease, the Property is leased for a term of sixty-five (65) years commencing on the Commencement Date established in accordance with Section 2 of the Lease, unless sooner terminated as provided in the Lease

C. Purpose. This Memorandum is prepared for the purposes of recordation only and in no way modifies the terms and conditions of the Lease. In the event any provision of this Memorandum is inconsistent with any term or condition of the Lease, the term or condition of the Lease shall prevail.

D. Counterparts. This Memorandum may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

[This Space Intentionally Left Blank; Signatures Begin On The Next Page]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Ground Lease as of the date first set forth above.

LESSOR:

LAS VIRGENES UNIFIED SCHOOL DISTRICT, a California public school district

By: _____

Name: _____

Its: _____

ATTEST:

District Clerk

APPROVED AS TO FORM:

General Counsel
LESSEE:

AGOURA HILLS REDEVELOPMENT AGENCY, a public body, corporate and politic

By: _____

Denis Weber
Redevelopment Agency Chair

ATTEST:

Agency Clerk

APPROVED AS TO FORM:

Agency Counsel

ACKNOWLEDGMENT

State of California)
)
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)
Signature of Notary Public

ACKNOWLEDGMENT

State of California)
)
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)
Signature of Notary Public

EXHIBIT "A"
TO
MEMORANDUM OF GROUND LEASE

LEGAL DESCRIPTION OF PREMISES

EXHIBIT "G"

EASEMENT AREA

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