

FIRST AMENDMENT TO OFFICE LEASE

This First Amendment to Office Lease ("Amendment") is made and entered into as of March 19, 2015 ("Effective Date") by and between KPC Summit, LLC, a California limited liability company ("Landlord"), and Alvord Unified School District ("Tenant"). The Landlord and the Tenant may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

- A. The Parties previously entered into that certain "Office Lease" dated May 16, 2014, applicable to portions of the real property located at 9 KPC Parkway (formerly known as 2375 Anselmo Drive) in the City of Corona, California (the "Lease"). Initially capitalized terms used herein and not defined herein shall have the meaning ascribed to them in the Lease, including exhibits thereto.
- B. The Parties enter into this Amendment for the purposes of modifying the terms of the Lease.

AGREEMENT

Now, therefore, and in consideration of the agreements herein set forth, the adequacy of which is acknowledged by both Tenant and Landlord, the parties agree as follows:

1.0 Subsection 1.6.3 of the Lease is hereby deleted in its entirety.

2.0 Amended Rent Commencement Date. Subsection 1.5.2 Rent Commencement Date of the Lease is hereby deleted in its entirety and replaced with the following:

"Notwithstanding anything provided in the Lease, the Rent Commencement Date shall be August 1, 2015, unless Substantial Completion of the Tenant Improvements does not occur by August 1, 2015, for any reason that is not the fault of the Tenant. To the extent Substantial Completion of the Tenant Improvements does not occur by August 1, 2015, for any reason that is not the fault of the Tenant, the Rent Commencement Date shall be deferred by a period of time equal to the amount of time Substantial Completion was delayed on account of such reason.

"Tenant will reasonably cooperate with Landlord to provide all information necessary for the completion of the Working Drawings (as detailed in John Petty's letter to Kevin Ememaker, Executive Director, Administrative Services Alvord Unified School District dated March 18, 2015) on or before March 27, 2015 at 5:00 pm California time and to provide any additional information which may be requested promptly and with all due dispatch."

3.0 Subsection 1.5 of the Lease is hereby amended to provide that the Lease shall expire 180 months following the Rent Commencement Date. Revisions to conform other provisions of the Lease to the foregoing shall be deemed and construed to be hereby intended by the Parties, and such other provisions of the Lease shall be so construed. Subsection 1.9.1 of the Lease is hereby amended to provide that the Tenant's Operating Expense Base Year shall be 2016.



- 4.0 Subsection 3.2 Renewal Option and all subsections are hereby deleted in their entirety.
- 5.0 Section 4.2 Real Property Taxes of the Lease is hereby deleted in its entirety and replaced with the following:
- “**4.2 Real Property Taxes.** Tenant shall pay Landlord, as Additional Rent, Tenant’s proportionate share per Section 1.9.1 of all Real Property Taxes as defined in Section 10. Tenant shall cooperate and assist Landlord by providing any information, assistance, documentation and assistance with application(s) as may be necessary, in order for the Landlord to obtain from the County of Riverside any available discount or exemptions from Real Property Taxes pursuant to California Revenue & Tax Code Section 202.2, and/or any other similar applicable law now or during the term of this Lease. This exemption is taken into account in fixing the terms of the Lease, including but not limited to, offsetting Tenant’s obligations to Landlord with respect to Real Estate Property Taxes to the extent an exemption is obtained under California Revenue & Tax Code Section 202.2, and/or any other similar applicable law now or during the term of this Lease.”
- 6.0 Section 6.3 Condition of Premises; Tenant Improvements subsection (b) is hereby deleted in its entirety.
- 7.0 Exhibit A THE PREMISES is hereby deleted in its entirety and replaced with Exhibit A attached hereto.
- 7.A Exhibit H DEPICTION AND/OR DESCRIPTION OF BASE, CORE AND SHELL OF OFFICE BUILDING PROJECT is hereby deleted in its entirety.
- 7.B Work Letter Section 5.2.6 the reference to “Exhibit H to this Lease” is hereby deleted and replaced with “Exhibit A to this Lease”.
- 8.0 Approved Space Plans. Space Plans approved by Tenant on November 19, 2014 are attached hereto as Exhibit B-1 Space Plans of the Work Letter attached as Exhibit B to the Lease.
- 9.0 Grant of Option to Purchase. Landlord hereby grants to Tenant the option (“Option”) to purchase the real property commonly known as 9 KPC Parkway (formerly known as 2375 Anselmo Drive), City of Corona, Riverside County, California (the “Property”) pursuant to the following terms and conditions.
- 9.1 Option Period. Tenant may exercise this option by: (i) providing written notice to Landlord in accordance with the notice provisions of the Lease at any time after November 1, 2024, and up to and including the close of business on February 1, 2025 (the “Option Period”); and (ii) tendering option consideration to Landlord in the sum of One Million Dollars (\$1,000,000.00), which consideration shall be non-refundable but applicable to the Purchase Price as hereinafter defined.



9.2 Purchase Price. The purchase price ("Purchase Price") shall be determined by the following procedure:

- (a) Within 30 days following Tenant's exercise of this Option the Landlord and Tenant shall meet and attempt in good faith to mutually agree upon the fair market value of the Property. If the parties agree upon the fair market value of the Property, that fair market value shall constitute the Purchase Price.
- (b) In the event Tenant and Landlord are unable to agree upon a fair market value for the property, then each Party, unless it has already done so, shall within the next 30 days contract with an independent appraiser who shall independently appraise the Property. Each appraiser must have not less than 5 years of experience appraising office buildings, similar to the Property, in the Corona and Riverside County Market and (ii) be designated an MAI appraiser. If the two appraisals are such that the value specified in the appraisal with the lower value is not less than 90 percent of the value specified in the appraisal with the higher value, then the values specified in two appraisals shall be averaged, and the average shall constitute the Purchase Price.
- (c) In the Purchase Price is not determined in accordance with clause (c), above, then the two appraisers who prepared the appraisals pursuant to clause (c) shall select a third appraiser meeting the same qualifications, and the third appraiser shall independently appraise the Property. If the two appraisers are unable to mutually agree upon a third appraiser, then either party may petition the court to appoint a third appraiser. The Parties shall jointly contract with the third appraiser, and the third appraiser shall submit copies of the third appraisal (regardless of whether draft or final) to the Parties simultaneously. The values in the three appraisals shall then be averaged. The appraisal with the value that deviates the most from that average shall be disregarded and the average of the values specified in the remaining two appraisals shall constitute the Purchase Price.
- (d) Each party shall bear the cost of the appraiser hired by it, and if there is a third appraiser the cost of the third appraiser shall be divided equally between the parties.

9.3 Prepayment Premium. In the event the Property is security for any loan that requires the payment of a prepayment premium, yield maintenance or other charge, cost or fee no matter how designated arising from the early repayment of the loan, in addition to the Purchase Price, Tenant will pay to Landlord at closing an amount equal to the prepayment premium, yield maintenance or other charge, cost or fee no matter how designated arising from the early repayment of the loan, not to exceed Three Hundred Twenty Five Thousand Two Hundred Forty Four Dollars (\$325,244.00)

9.4 Closing and Closing Date. The transfer of fee title to the Property from Landlord to Tenant (the "Closing") shall occur through an escrow opened for such purposes with either



Chicago Title Company or First American Title Company. The Closing shall occur on or before the date that is 90 days following the date the Parties have determined the Purchase Price pursuant to Subsection 9.2 herein ("Closing Date"). If the Closing does not occur on or before the Closing Date for any reason that is the fault of or is caused by the Tenant, then all Tenant's rights to purchase the Property pursuant to this Section 9.0 shall have expired as of that date. If the Closing does not occur on or before the Closing Date for any reason that is not the fault of or caused by the Tenant, then the Closing shall be deferred until the reason or cause that prevents Closing has, to the extent possible, been resolved or eliminated.

9.5 Payment of Purchase Price. The Purchase Price shall be paid in immediately available funds at Closing. Landlord will not provide any financing. The option consideration described Subsection 9.1 shall be a credit against the Tenant's obligation to pay the Purchase Price.

9.6 Title. Title to the Property shall be conveyed free and clear of liens other than (i) current taxes which shall be prorated, (ii) any existing leases, (iii) subject to the exceptions existing as of the date hereof and (iv) a restriction to be set forth on the Grant Deed conveying the property to run with the land which will prohibit the owner from: (a) changing the address of the Property and/ or (b) seeking to change the name of the office complex from KPC Summit or voting in favor of any such change by way of amendment to the Declaration of Reciprocal Easements, Covenants, Conditions and Restrictions for Corona Summit Corporate Center dated December 12, 2008 recorded on December 18, 2008 in the County of Riverside, State of California Document Number 2008-0661892 as subsequently amended. Tenant shall be solely responsible to satisfy itself as to the condition of title prior to the exercise of the Option.

9.7 Sale "As Is" "Where Is". The sale of the Property is on an As Is Where Is basis without representation or warranty.

9.8 Termination of Option. If Tenant does not exercise this Option in accordance with its terms and within the Option Period, this Option and the rights of Tenant shall automatically and immediately terminate without notice. In the event Tenant exercises this Option and fails to close in accordance with this agreement, Landlord shall retain sums paid as consideration for this Option and the exercise thereof and be under no obligation to complete the purchase and sale of the Property.

9.9 No Transfer of Option. Tenant may not assign or transfer this Option and the rights under it without Landlord's prior written consent, which may be granted or withheld in the Landlord's sole and absolute discretion.

10.0. Additional Terms. Pursuant to the Lease, the actual Rentable Square Feet and Usable Square Feet have been calculated utilizing the Standard Method of Measuring Floor Area in Office Building, ANSI Z65.1 - 2010, Part A ("BOMA"). One of the purposes of this Amendment is to amend the Lease to reflect the revised and actual Rentable Square Feet and Usable Square Feet and related definitions under the Lease. Accordingly, Landlord and Tenant acknowledge and agree that the Lease is hereby amended as follows:

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10.1 The Premises contain 67,712 Rentable Square Feet, and 62,017 Usable Square Feet (1.09183 multiplied by 62,017 equals 67,712).

10.2 The Building contains a total of 74,569 Rentable Square Feet.

10.3 The Building Load Factor is 9.183% (1.09183).

10.4 Tenant's Share of Operating Expenses of the Building (as adjusted based upon the exact number of Rentable Square Feet within the Premises) is 90.80%.

10.5 The Base Rent Schedule and Monthly Base Rent under Paragraph 1.6 of the Lease is amended to be as follows (as adjusted based upon the exact number of Rentable Square Feet within the Premises):

Period/Months of Term	Monthly Rate Per Rentable Square Foot	Monthly Base Rent
1 -12	\$1.95	\$132,038.40 (67,712 multiplied by \$1.95)

11.0 Janitorial. The agreement of the Parties with respect to Janitorial services is clarified as follows. Landlord will not provide janitorial services to the Premises. Tenant will contract for its own janitorial services for the Premises. Landlord will provide janitorial services to the Common Areas either through a contract with the Tenant's janitorial service provider or another janitorial service provider. Tenant's share of operating expenses will only include Tenant's share of janitorial services for the Common Areas.

12.0 Mutual Releases. Landlord and Tenant by mutual agreement release each other from all claims arising under the Lease or in association therewith arising on or before the Effective Date and do hereby fully, forever and irrevocably release, discharge and acquit, each other and each of their respective past and present affiliates, and the respective past and present officers, directors, shareholders, agents, and employees of each and all of the foregoing persons or entities, and its and his respective successors, heirs, and assigns, and any other person or entity now, previously, or hereafter affiliated with any or all of the foregoing entities (collectively "Released Parties") of and from any and all rights, claims, demands, obligations liabilities, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, misfeasance, malfeasance, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises, damages, costs, losses and expenses of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether heretofore or now existing, or that could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, claimed or unclaimed, whether based on contract, tort, breach of any duty, or other legal or equitable theory of recovery, each as though fully set forth herein at length (collectively a "Claim" or the "Claims"), excepting therefrom all obligations of each other arising under the Lease and this First Lease Amendment arising after the Effective Date.



Landlord and Tenant each represent and warrant that each is the owner of and has not assigned, sold, transferred, or otherwise disposed of any of the Claims released in paragraph 1 above and has the authority and capacity to execute this mutual release.

As further consideration for this mutual release, Landlord and Tenant each for and its and its successors and its assigns, hereby agrees, represents, and warrants that the matters released herein are not limited to matters that are known or disclosed, and Landlord and Tenant, and each of them, hereby waive any and all rights and benefits that they now have, or in the future may have, conferred upon them by virtue of the provisions of Section 1542 of the Civil Code of the State of California (or any other statute or common law principles of similar effect), which Section provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In this connection, Landlord and Tenant each hereby agrees, represents, warrants, realizes and acknowledges that factual matters now unknown to them may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses that are presently unknown, unanticipated, and unsuspected, and they further agree, represent, and warrant that this mutual release has been negotiated and agreed upon in light of that realization and that, except as expressly limited above, they nevertheless hereby intend to release, discharge, and acquit the Released Parties from any such unknown causes of action, claims, demands, debts, controversies.

13.0 Tenant Improvement Costs. Based upon the information in Landlord's possession as of the Effective Date and provided that such additional specifications and requirements that Tenant furnishes to Landlord, including but not limited to finishes specifications and remaining mechanical/ electrical and HVAC, specification are consistent with those of other class A office buildings in the Corona California market, Landlord shall fully complete the Tenant Improvement within the allowance of an average cost of Forty Five Dollars (\$45.00) per each of the Useable Square Feet of the Premises, excluding any change orders. Tenant will be responsible for costs in excess of \$45 per Useable Square Foot to the extent Tenant requires improvements in excess of such standard class A office buildings and/or to the extent of change orders requested by the Tenant.

14.0 Lease Affirmed. Except to the extent expressly modified by this Amendment, the Lease is ratified and remains in full force and effect. To the extent this Amendment is inconsistent with the Lease, the terms and conditions of this Amendment shall control. This Amendment may be executed in multiple counterparts, all of which, taken together, shall constitute one document.

15.0 Time is of the Essence. The parties acknowledge that time is of essence.

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IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

LANDLORD:

KPC Summit, LLC,
a California limited liability company

By: [Signature]
Print Name: Kali - P. CHAUDHURI
Title: Manager

TENANT:

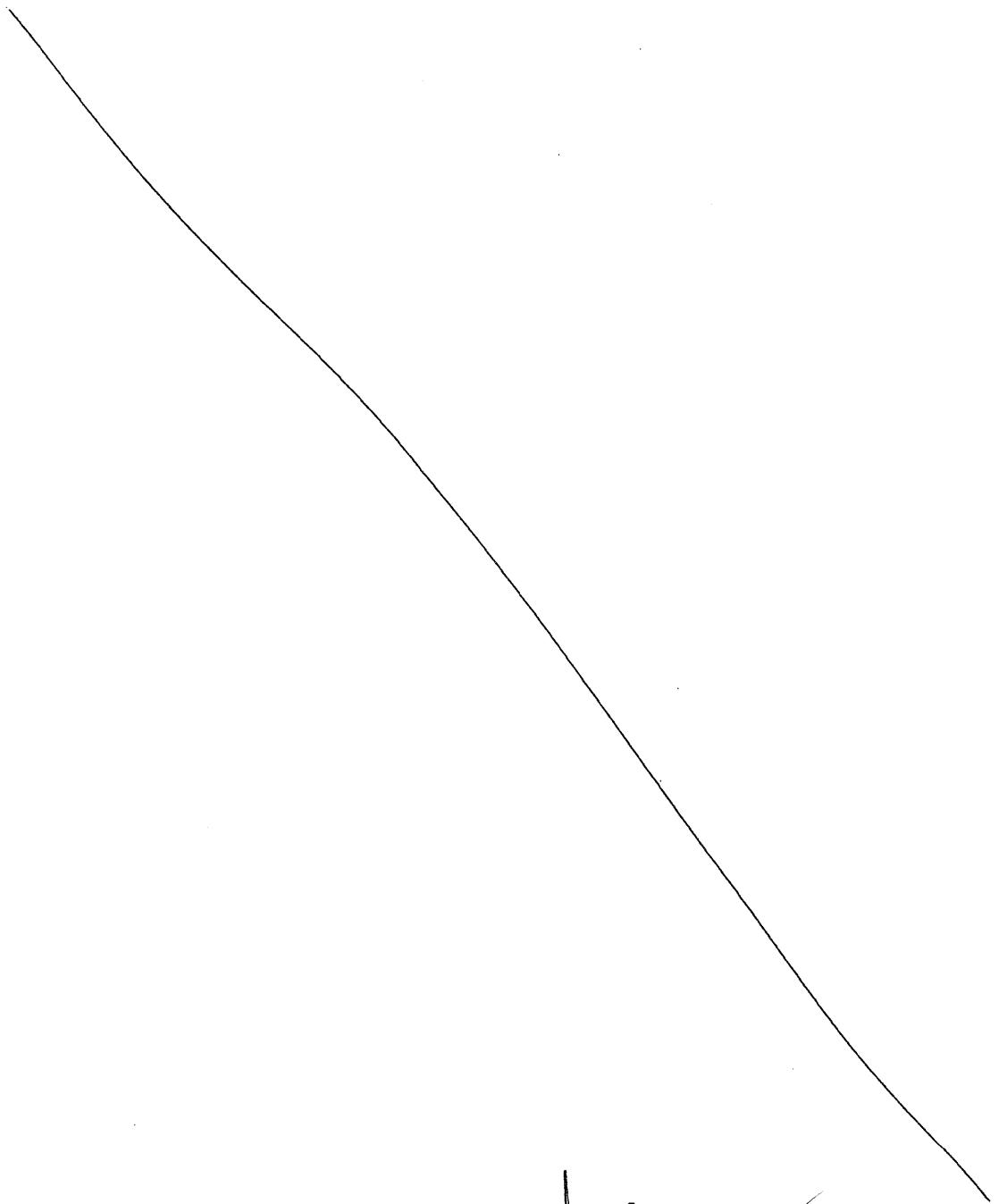
Alvord Unified School District

By: [Signature]
Print Name: Sra Salazar
Title: Superintendent

[Signature]

EXHIBIT A
THE PREMISES

[SEE ATTACHED]



[Handwritten signature]

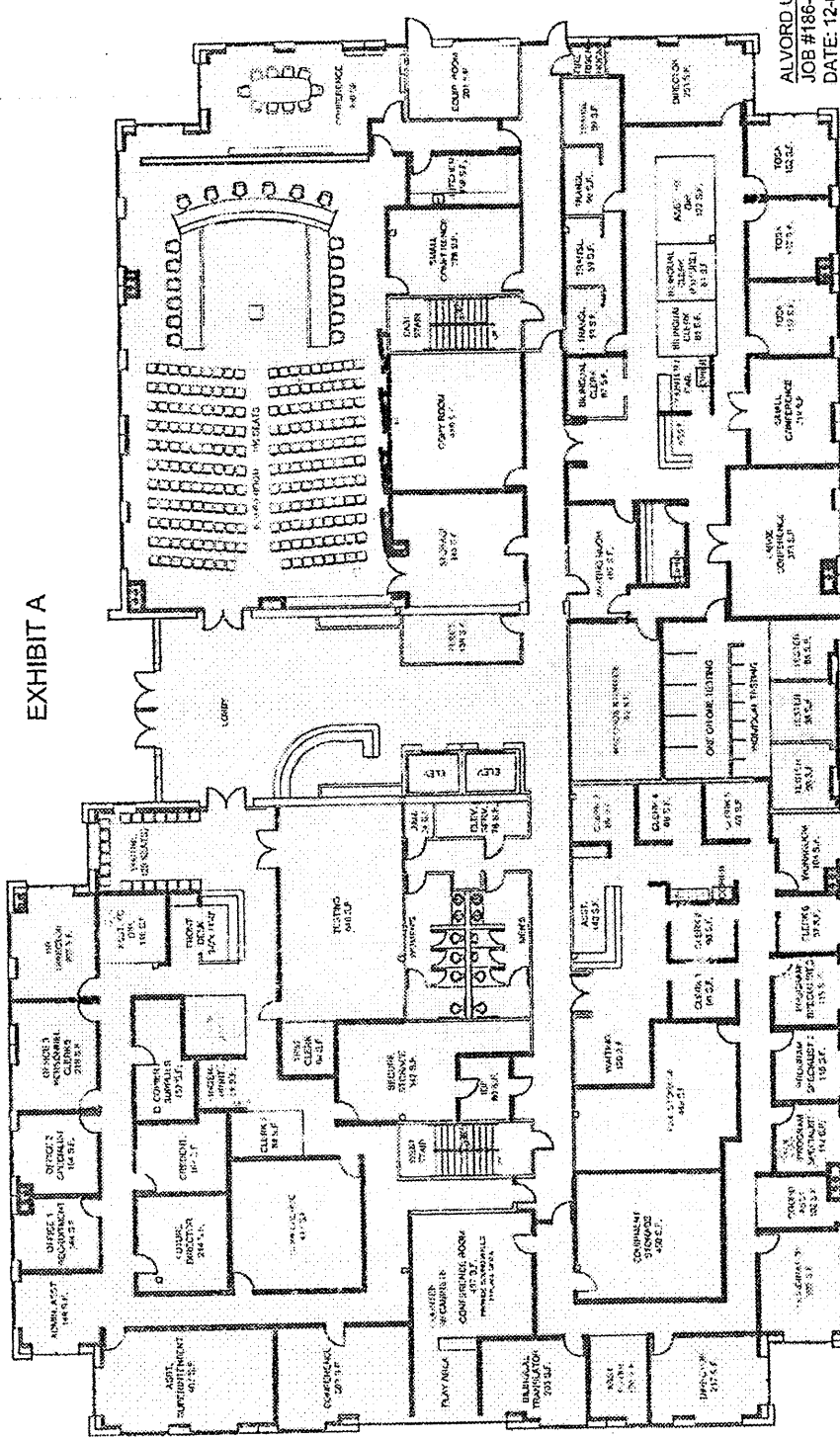


EXHIBIT A

ALVORD USD
 JOB #186-31-14
 DATE: 12-08-14

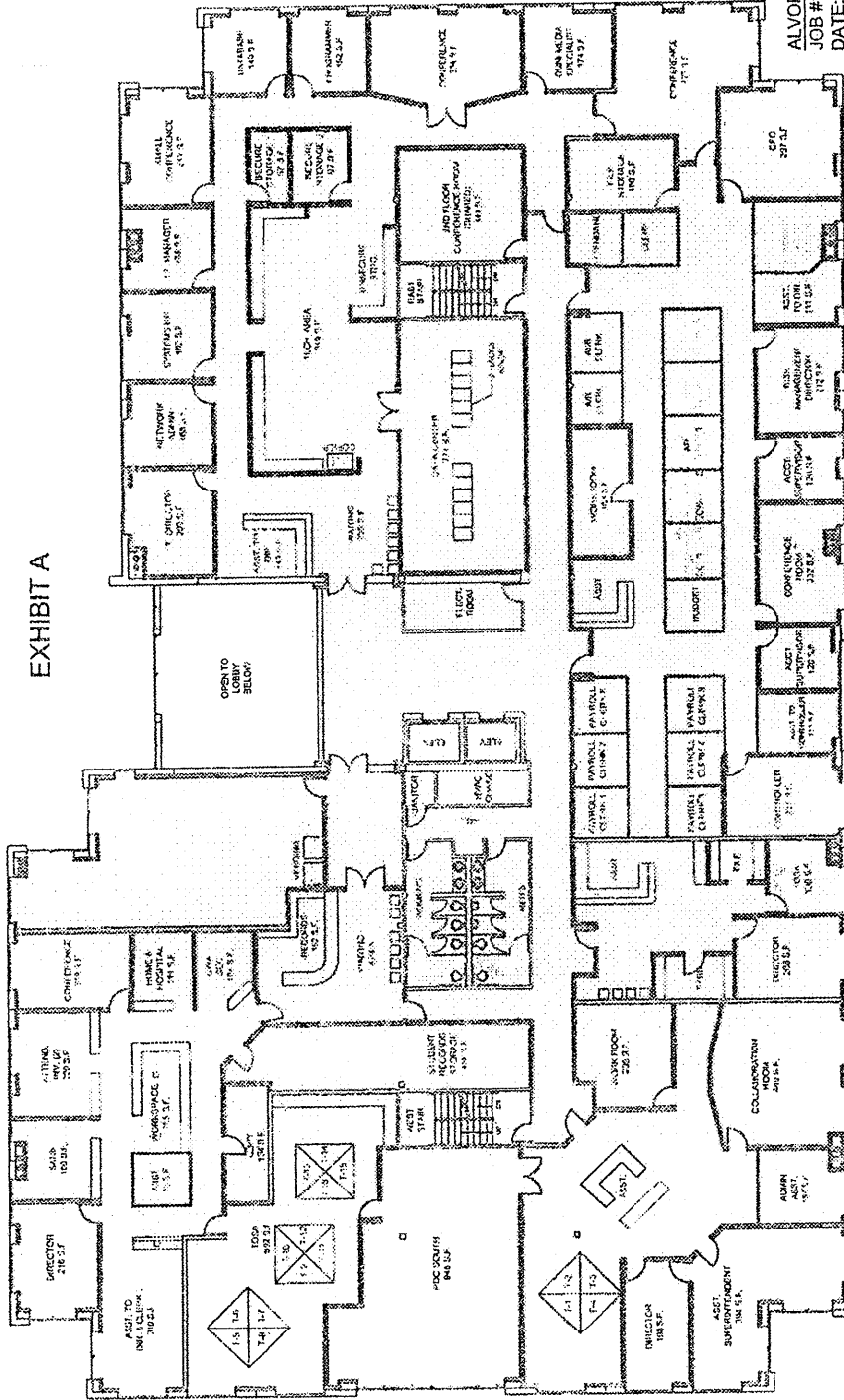
951 652-4431
 951 652-0373 Fax
 530 Saint John Place
 Hemet, California 92543

COLOR LEGEND:

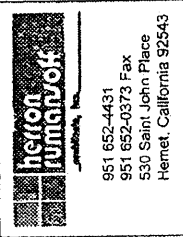
- TENANT SPACE - ALVORD USD 21,458 S.F.
 - COMMON / SERVICE AREA 3,662 S.F.
- TOTAL FIRST FLOOR AREA: 25,120 S.F.

FIRST FLOOR PLAN
 SCALE: 1/16" = 1'-0"

EXHIBIT A



ALVORD USD
 JOB #186-31-14
 DATE: 12-08-14



951 652-4431
 951 652-0373 Fax
 530 Saint John Place
 Hemet, California 92543

COLOR LEGEND:

- TENANT SPACE - ALVORD USD 23,679 S.F.
 - COMMON / SERVICE AREA 650 S.F.
- TOTAL SECOND FLOOR AREA: 24,329 S.F.

SECOND FLOOR PLAN
 SCALE: 1/16" = 1'-0"

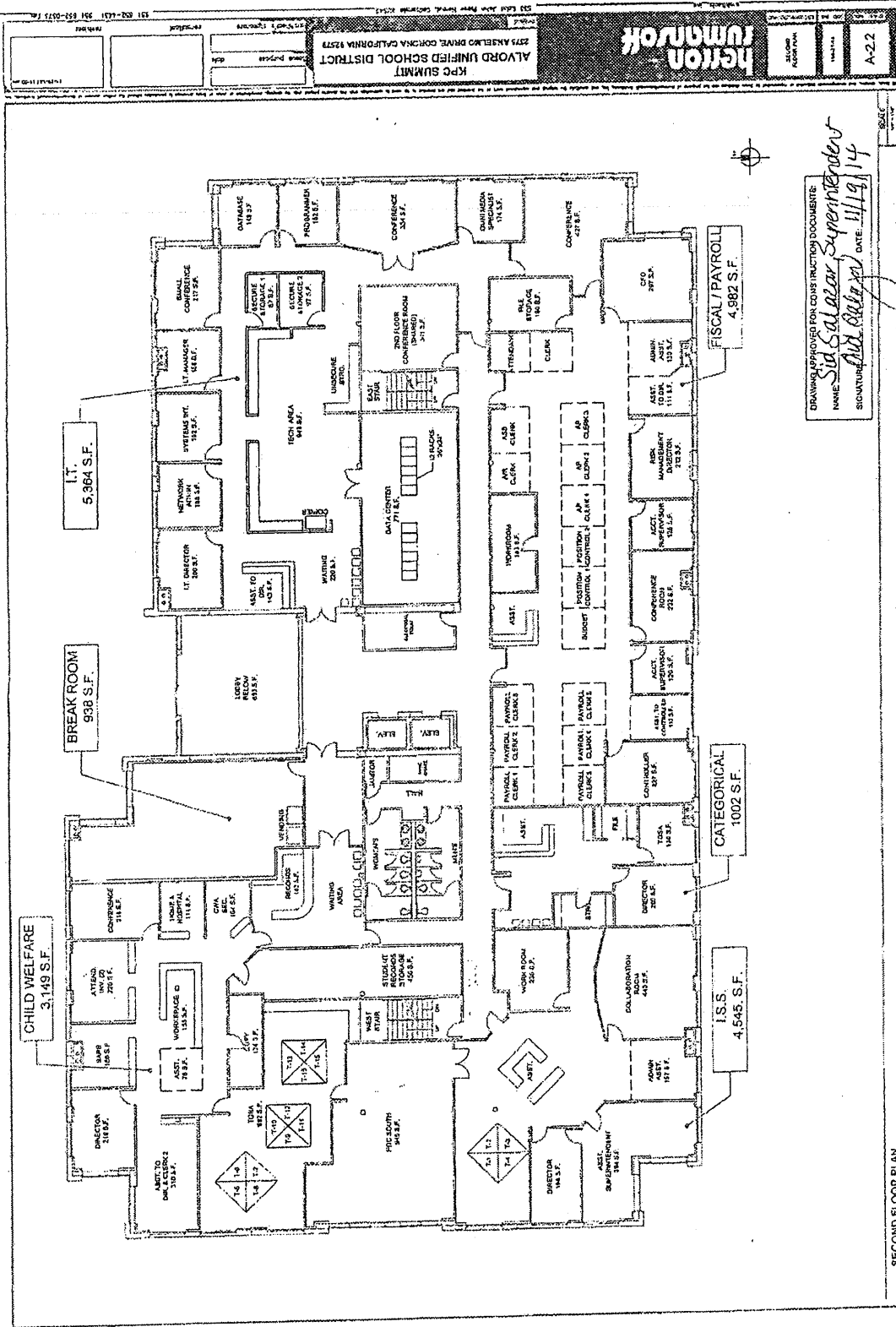
EXHIBIT B-1

SPACE PLANS

[SEE ATTACHED

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EXHIBIT B-1



SECOND FLOOR PLAN

