

L E A S E

THIS LEASE, executed in duplicate at Santa Barbara, California this _____ day of _____, 1975, by and between DAVID W. GROTENHUIS and R. KELLY NIELSEN and THE SANTA BARBARA COMMUNITY COLLEGE DISTRICT, hereinafter called respectively Lessor and Lessee, without regard to number or gender.

W I T N E S S E T H: That Lessor hereby leases to Lessee, and Lessee hires from Lessor, for the purpose of conducting therein educational instruction and for no other purpose, those certain premises with the appurtenances, situated in the City of Santa Barbara, Santa Barbara County, State of California, and more particularly described as follows, to-wit:

Beginning at a point in the northeasterly line of Nopal Street, distant 113 feet northwesterly from the southerly corner of said block; thence at right angles to said line of Nopal Street northeasterly 227.5 feet; thence at right angles northwesterly 113 feet; thence at right angles southwesterly 227.5 feet to said line of Nopal Street; thence at right angles southeasterly 113 feet to point of beginning.

The term shall be for thirty-six (36) months, commencing on the first day of July, 1975, and ending on the thirtieth day of June, 1978, at a rental of Two Thousand Three Hundred Ninety-Five (\$2,395.00) Dollars per month, payable on or before the fifteenth of each month, beginning July 15, 1975; and with an option to cancel on June 30th of each year of this Lease upon sixty (60) days notice by either party. The property taxes or any assessments for utilities or improvements of any kind whatsoever levied by the City and/or County of Santa Barbara or any special District are to be paid by the Lessor; provided,

Enc. 7
5.2-2
6/12/75

those of the tax year 1974-75 the Lessee shall reimburse the Lessor for the amount of such increase; but in the event such taxes are less than those of the tax year 1974-75, the Lessor shall deduct such lesser amount from future rentals paid to Lessor by Lessee.

IT IS FURTHER MUTUALLY AGREED between the parties as follows:

1. If Lessor, for any reason, cannot deliver possession of said premises to Lessee at the commencement of said term, this Lease shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage resulting therefrom; but there shall be a proportionate deduction of rent covering the period between the commencement of said term and the time when Lessor can deliver possession.

2. Lessee shall not use, or permit said premises, or any part thereof, to be used, for any purpose or purposes other than the purpose or purposes for which said premises are hereby leased; and no use shall be made or permitted to be made of said premises, nor acts done, which will increase the existing rate of insurance upon the building in which said premises may be located, or cause a cancellation of any insurance policy covering said building, or any part thereof, nor shall Lessee sell, or permit to be kept, used, or sold, in or about said premises, any article which may be prohibited by standard form of fire insurance policies. Lessee shall, at his sole cost, comply with any and all requirements pertaining to the use of said premises, of any insurance organization or company, necessary for maintenance of reasonable fire and public liability insurance, covering said buildings and appurtenances.

3. Lessee shall not commit, or suffer to be committed, any waste upon said premises, or any nuisance, or other act or thing which may disturb the quiet enjoyment of any other

tenant in the building in which the demised premises may be located. Lessee shall not make, or suffer to be made, any alterations of the said premises, or any part thereof, without the written consent of Lessor first had and obtained. Lessee shall have the right to remove any such alterations or improvements so long as no damage is done to the premises.

4. Lessee shall not vacate or abandon the premises at any time during the term without written notice; and if Lessee shall abandon, vacate or surrender said premises or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the premises shall be deemed abandoned, at the option of the Lessor, except such property as may be mortgaged to Lessor.

5. Lessee shall, at his sole cost, keep and maintain said premises and appurtenances and every part thereof (excepting exterior walls and roofs which Lessor agrees to repair), including sidewalks adjacent to said premises, any store front and the interior of the premises, in good and sanitary order, condition and repair, and replace broken glazing, hereby waiving all right to make repairs at the expense of Lessor as provided in Section 1942 of the Civil Code of the State of California, and all rights provided for by Section 1941 of said Civil Code. By entry hereunder, Lessee accepts the premises as being in good and sanitary order, condition and repair and agrees on the last day of said term, or sooner termination of this Lease, to surrender unto Lessor all and singular said premises with said appurtenances in the same condition as when received, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted, and to remove all of Lessee's signs from said premises.

6. Lessee shall, at his sole cost, comply with all of the requirements of all Municipal, State and Federal authorities

now in force, or which may hereafter be in force, pertaining to the use of said premises, and shall faithfully observe in said use all Municipal ordinances and State and Federal statutes now in force or which may hereafter be in force. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, whether Lessor be a party thereto or not, that Lessee has violated any such ordinance or statute in said use, shall be conclusive of that fact as between Lessor and Lessee.

7. Lessee shall not conduct or permit to be conducted any sale by auction on said premises. Lessee shall not place or permit to be placed any sign, marquee or awning on the front of said premises without the written consent of Lessor; Lessee upon request of Lessor, shall immediately remove any sign or decoration which Lessee has placed or permitted to be placed in, on or about the front of the premises which, in the opinion of Lessor, is objectionable or offensive, and if Lessee fails so to do, Lessor may enter said premises and remove the same. Lessor has reserved the exclusive right to the exterior side-walls, rear wall and roof of said premises, and Lessee shall not place or permit to be placed upon said sidewalls, rear wall or roof, any sign, advertisement or notice without the written consent of Lessor.

8. Lessee shall pay for all water, gas, heat, light, power, telephone service and all other services and utilities supplied to said premises.

9. Lessee shall permit Lessor and his agents to enter into and upon said premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, including the erection and maintenance

of such scaffolding, canopies, fences and props as may be required, or for the purpose of posting notices of non-liability for alterations, additions, or repairs or for the purpose of placing upon the property in which the said premises are located any usual or ordinary "for sale" signs, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the premises thereby occasioned; and shall permit Lessor, at any time within thirty (30) days prior to the expiration of this Lease, to place upon said premises any usual or ordinary "to let" or "to lease" signs.

10. In the event of (a) a partial destruction of said premises or the building containing same during said term which requires repairs to either said premises or said building, or (b) said premises or said building being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Lessee's act, use or occupation which declaration requires repairs to either said premises or said building, Lessor shall forthwith make such repairs, provided such repairs can be made within sixty (60) days under the laws and regulations of authorized public authorities, but such partial destruction (including any destruction necessary in order to make repairs required by any such declaration) shall in no wise annul or void this Lease, except that Lessee shall be entitled to a proportionate deduction of rent while such repairs are being made, such proportionate deduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Lessee in said premises. In the event that Lessor does not make such repairs within sixty (60) days, or such repairs cannot be made under such laws and regulations, this Lease may be terminated at the option of either party by serving the other party written notice

upon being served on the other party. A total destruction (including any destruction required by any authorized public authority) of either said premises or said building shall terminate this Lease.

11. Lessee shall not assign this Lease, or any interest therein, and shall not sublet said premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the agents and servants of Lessee excepted) to occupy or use said premises, or any portion thereof, without the written consent of Lessor first had and obtained. Furthermore, this Lease shall not, nor shall any interest therein, be assignable, as to the interest of Lessee, by operation of law, without the written consent of Lessor first had and obtained. A consent by Lessor to one assignment, subletting, occupation or use by any other person, whether by operation of law or otherwise, shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by any other person. Any such assignment or subletting, whether by operation of law or otherwise, without such written consent first had and obtained, shall be void and shall, at the option of Lessor, terminate this Lease.

12. Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of Lessee, or (b) a general assignment by Lessee for the benefit of creditors, or (c) any action taken or suffered by lessee under any insolvency or bankruptcy act shall constitute a breach of this lease by Lessee, and shall, at the option of Lessor, terminate this Lease.

13. All covenants and agreements by Lessee, contained herein, shall be deemed conditional limitations as well as covenants. In the event of any breach of any covenant or agreement by Lessee, Lessor shall have the option to terminate this

Lease after giving Lessee fifteen (15) days written notice of the alleged breach and the failure of Lessee to take corrective action within the 15-day period. Furthermore, in the event of any breach of any covenant or agreement of this Lease by Lessee, Lessor besides other rights or remedies he may have, shall have the right of re-entry upon notice as herein cited above and may remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Lessee. Should Lessor elect to re-enter, as herein provided, or should he take possession pursuant to legal proceedings or pursuant to any notice provided by law, he may either terminate this Lease, as provided above, or he may from time to time, without terminating this Lease, re-let said premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Lessor in his sole discretion may deem advisable with the right to make alterations and repairs to said premises.

Rentals received by Lessor from such re-letting shall be applied: first, to the payment of any indebtedness, other than rent, due hereunder from Lessee to Lessor; second, to the payment of rent due and unpaid hereunder; third, to the payment of any cost of such re-letting; fourth, to the payment of the cost of any alterations and repairs to the premises; and the residue, if any, shall be held by lessor and applied in payment of future rent as the same may become due and payable hereunder. Should such rentals received from such re-letting during any month be less than that agreed to be paid during that month by Lessee hereunder, then Lessee shall pay such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor, as soon as ascertained, the costs and expenses incurred by Lessor in such re-letting or in

making such alterations and repairs. No such re-entry or taking possession of said premises by Lessor shall be construed as an election on his part to terminate this Lease unless a written notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should Lessor at any time terminate this Lease for any breach, in addition to any other remedy he may have, he may recover from Lessee all damages he may incur by reason of such breach, including the cost of recovering the premises, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term.

14. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subleases or sub-tenancies or may, at the option of Lessor, operate as an assignment to him of any or all of such subleases or sub-tenancies.

15. All notices to be given to Lessee shall be given in writing personally or by depositing the same in the United States mail, postage prepaid, and addressed to Lessee at said premises, whether or not Lessee has departed from, abandoned or vacated the premises. All notices to be given to Lessor shall be given in writing personally or by depositing the same in the United States mail, postage prepaid, and addressed to the Lessor at the place designated by Lessor for the payment of rent, or at such other place or places as may be designated

16. If any security be given by Lessee to secure the faithful performance of all or any of the covenants of this Lease on the part of the Lessee, lessor may transfer and/or deliver the security, as such, to the purchaser of the reversion, in the event that the reversion be sold, and thereupon Lessor shall be discharged from any further liability in reference thereto.

17. The waiver by Lessor of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

18. Any holding over after the expiration of the said term, with the consent of Lessor, shall be construed to be a tenancy from month to month, at a rental of Two Thousand Three Hundred Ninety-Five (\$2,395.00) Dollars per month, and shall otherwise be on the terms and conditions herein specified, as far as applicable.

19. SUBORDINATION CLAUSE: This Lease is subject and subordinate to all existing Leases and to all mortgages and deeds of trust which may now or hereafter affect the real property of which the leased premises form a part, and to all renewals, modifications, replacements and extensions thereof. The Lessee hereby agrees to execute any instruments for the benefit of the Lessor as may be necessary to effectuate this provision of the Lease.

20. TAKING BY EMINENT DOMAIN: In case the whole of the leased premises are taken by right of eminent domain or other authority of law during the period of this Lease, or any extension thereof, this Lease shall terminate. In case a part of the leased premises are taken by right of eminent domain or other authority of law, this Lease may, at the option of either

party, be terminated.

If a part of the premises are taken by the right of eminent domain and the Lessor or Lessee does not elect to terminate the Lease the rent herein stipulated shall be decreased proportionately according to the value of that part of the premises taken. If the entire premises are taken or if a part of the leased premises are taken and the Lessor or Lessee elects to terminate the Lease, then all compensation paid for the taking shall belong to the Lessor.

21. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

22. Time is of the essence of this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have executed these presents the day and year first above written.

DAVID W. GROTENHUIS

R. KELLY NIELSEN

LESSOR

SANTA BARBARA COMMUNITY
COLLEGE DISTRICT

BY: _____

LESSEE