LEASE
PLAZA INDUSTRIA
126 E. Haley Street
Santa Barbara, Ca. 93101

THIS LEASE is made and executed in duplicate this 1st day of September, 19 77, between CEDILAND DEVELOPMENT COMPANY, hereinafter referred to as "Lessor", and Santa Barbara Community College District, hereinafter referred to as "Lessee."

IT IS AGREED between the parties hereto as follows:

1. DESCRIPTION OF PREMISES AND LEASING

Lessor hereby leases to Lessee and Lessee hereby hires from Lessor, on the terms and conditions hereinafter set forth, that portion of the "PLAZA INDUSTRIA" Building, Santa Barbara, California, which leased premises are designated as area A-14 & A-15, as identified on the map attached hereto and by this reference incorporated herein. Said premises are agreed to have, for the purpose of this Lease, an area of approximately 2,160 square feet.

2. USE OF PREMISES

Lessee shall not use the leased premises for any purpose other than for the purpose of classrooms -- English (2nd Language) and shall not change his use of the premises after occupancy without the prior written consent of Lessor. Lessee shall conduct all of his business within his leased premises.

3. PARKING

Lessee shall have the right to those parking spaces designated as 17, 18, 19, 20. Lessee shall not use or allow his customers or guests to use any other spaces on the property upon which the leased premises are situated, other than those spaces designated for "visitors." Lessee and Lessee's employees shall not park in those spaces designated for visitors. These parking spaces shall be used for parking vehicles used for transactions during normal working hours only and are not considered to be an extension of the Lessee's leased premises. In this regard, no parking of abandoned or inoperative vehicles, storage of vehicles overnight, storage of any type of goods, servicing vehicles, or performing business in the parking spaces or parking lot is permitted by Lessor.

4. TERM

The term of this Lease is for a period of one (1) year, commencing on the 1st day of September, 19 77, and ending on August 31, 19 78, both dates inclusive.

5. RENT

Tenant agrees to pay to Lessor as rental, without prior notice or demand, for the premises the sum of Five Hundred Forty and 00/100------------------- Dollars ($540.00----------), on or before the first day of the first full calendar month of the term hereof and a like sum on or before the first day of each and every successive calendar month thereafter during the term hereof, except that the first month's rent shall be paid upon the execution hereof. Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein, based upon a thirty (30) day month. Said rental shall be paid to Lessor, without deduction or offset in lawful money of the United States of America, which shall be legal tender at the time of payment at the Office of the Building or to such other person or at such other place as Lessor may from time to time designate in writing.

6. COST OF LIVING INDEX

a. The amount of monthly fixed minimum rent set forth in Section 5 shall be increased or decreased as of the expiration of each calendar year during the term of this Lease to reflect any change in the cost of living. The adjustment, if any, shall be calculated upon the basis of the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index, Subgroup "all items" entitled "Consumer Price Index, Los Angeles - Long Beach Average." The Index for said subgroup published as of the month prior to the commencement date shall be considered the "base."

b. The monthly fixed minimum rent for each year shall be adjusted in the ratio of the percentage increase or decrease, if any, in the Index as of December of each year during the term of this Lease over the "base"; provided, however, that in no event shall the monthly fixed minimum rent be less than the amount specified in Section 5, notwithstanding the fact that the Index may, as of some adjustment date, be less than the "base." When the monthly fixed minimum rent for each year shall have been determined, Lessor shall give Lessee written notice of the amount of monthly fixed minimum rent applicable to such year and the computation thereof.

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c. If at any rental adjustment date there shall not exist the Consumer Price Index in the same format as recited in this Section 6, the parties shall substitute any official index published by the Bureau of Labor Statistics, or successor, or similar governmental agency, as may then be in existence and shall be most nearly equivalent thereto. If the parties shall be unable to agree upon a successor index, the parties shall refer the choice of a successor index to arbitration in accordance with the rules of the American Arbitration Association.

7. SECURITY DEPOSIT

Lessor has deposited with Lessor the sum of Five Hundred Forty and 00/100------ Dollars ($540.00). Said sum shall be held by Lessor as security for the faithful performance by Lessee of all the terms, covenants, and conditions of this Lease to be kept and performed by Lessee during the term hereof. If Lessee defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Lessor may (but shall not be required to) use, apply, or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Lessor may spend or become obligated to spend by reason of Lessee's default, or to compensate Lessor for any other loss or damage which Lessor may suffer by reason of Lessee's default. If any portion of said deposit is so used or applied, Lessor shall within five (5) days after written demand therefor, deposit cash with Lessor in an amount sufficient to restore the security deposit to its original amount and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep this security deposit separate from its general funds, and Lessee shall not be entitled to interest on such deposit. If Lessee shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Lessee (or, at Lessor's option, to the last assignee of Lessee's interest hereunder) at the expiration of the Lease term. In the event of termination of Lessor's interest in this Lease, Lessor shall transfer said deposit to Lessor's successor in interest.

8. ALTERATIONS AND LIENS

Lessee shall not make any alterations or improvements on the leased premises without the prior written consent of Lessor. Lessor reserves the right to post notices of non-responsibility on said premises.

Lessee agrees to keep said premises free from any and all liens, claims, and demands whatsoever caused, incurred, or suffered to be done by Lessee, and to keep Lessor and said premises free from any and all liability whatsoever for or on account of anything required, authorized or permitted to be done on said premises.

9. UTILITIES

Lessee shall pay for gas, electricity, telephone, and any other utilities that may be required for Lessee's occupancy with the exception of water and trash removal, which shall be paid by Lessor.

10. TRASH REMOVAL

Lessor shall maintain an area designated for the placement of trash, and all Lessees shall place disposable trash in that area for pick-up by City trash removal contractors.

Should the trash of any one Lessee exceed that of the average amount being disposed of by other Lessees in building, Lessor may, at its option, either charge the Lessee an additional amount for trash removal or require Lessee to dispose of its own trash. Should the trash removal required for the Lessees of the building exceed a twice-weekly pick-up of two three-yard storage bins, the Lessor may, at its option, charge an additional amount for trash removal prorated among the Lessees of the building.

11. OUTSIDE STORAGE

No Lessee shall store or permit to be stored equipment, supplies, goods, materials or any other item outside of his leased premises.

12. SIGNS

All signs designating Lessee's name and type of business must be approved by Lessor in writing and shall be placed on the building in accordance with Lessor's direction.

13. MAINTENANCE AND REPAIRS

Lessor shall make all necessary structural repairs to the exterior and the roof of the leased premises unless the damage is due to the fault of Lessee. Lessee shall, at its own expense, maintain the interior of the leased premises in good condition, including but not limited to the plumbing, heating, and lighting systems, electrical and wiring, glazing, and all doors, windows, locks, and bolts.
14. INDEMNITY AND INSURANCE

Lessee covenants that the Lessor shall not be liable for any damage or any liability of any kind, or damage or injury to persons or property caused by Lessee, or Lessee's guests or invitees, and Lessee will indemnify and save harmless the Lessor from all liability whatsoever on account of any damage and from all liens, claims, and demands arising out of the use of the premises by Lessee, its employees, guests, or invitees.

Lessee further covenants and agrees that it will carry and maintain, during the entire term hereof, at Lessee's sole cost and expense, public liability and property damage insurance in a combined single-limit policy of liability insurance with limits for any one accident of not less than Three Hundred Thousand Dollars ($300,000.00). All such insurance shall name the Lessor as an additional insured. Lessee shall also pay to Lessor the amount by which Lessor's fire insurance premiums increase due to the nature of Lessee's activities on leased premises.

15. DEFAULT

Should the Lessee at any time be in default hereunder with respect to any rental payments or other charges payable by the Lessee hereunder, and should such default continue for a period of ten (10) days, or should the Lessee be in default in the performance of any of its promises, covenants, or agreements herein contained, and should such default continue for thirty (30) days after written notice thereof from the Lessor to the Lessee specifying the particulars of such default, or should the Lessee vacate or abandon the leased premises before the end of the term, or if its right to possession is terminated by Lessor because of the Lessee's breach of this Lease, this Lease terminates at the option of the Lessor. On such termination, the Lessor may recover from the Lessee all those sums as allowed to the Lessor pursuant to California Civil Code Section 1951.2, which Section shall control as to all default rights and remedies under this Lease agreement.

16. ASSIGNMENT AND SUBLETTING

Lessee shall not assign, transfer, or sublet its interest in and to the leased premises without prior written consent of Lessor.

17. COMPLIANCE WITH LAW

Lessee shall comply with all of the requirements of all municipal, state, and federal authorities pertaining to the leased premises.

18. BANKRUPTCY OR INSOLVENCY

Lessee agrees that in the event all or substantially all of the Lessee's assets be placed in the hands of a receiver or trustee, or should Lessee be adjudicated a bankrupt, that Lessor may terminate this Lease on thirty (30) days' notice, and that said Lease shall not become an asset in any bankruptcy proceedings.

19. WAIVER

It is further understood and agreed that any waiver, express or implied, by Lessor of any breach by Lessee of any term of the Lease shall not be nor be construed to be a waiver of any subsequent breach of a like or any other provision of this Lease.

20. HOLDING OVER

Any holding over after the expiration of said term with the consent of the Lessor shall be construed to be a tenancy from month to month.

21. ATTORNEY'S FEES

Should Lessor be compelled to commence or sustain an action at law to collect any rents or to bring an unlawful detainer action relating to the leased premises, the prevailing party in said action shall be entitled to reasonable attorney's fees as may be fixed by the Court.

22. DAMAGE TO OR DESTRUCTION OF THE PROPERTY

Should the leased premises be damaged or destroyed to such an extent that they are untenable, this Lease may be terminated by either party upon thirty (30) days' written notice to the other.

23. SUCCESSORS

This Lease shall bind and inure to the benefit of the parties hereto, their respective personal representatives, successors in interest, and assigns.

24. WASTE AND NUISANCE

Lessee shall not commit, nor suffer to be committed, any waste upon the premises, nor permit any nuisance to exist thereon.
25. **LESSEE’S EXAMINATION OF PREMISES**

Lessee has examined the premises and all fixtures contained therein, and accepts the same as being clean and in good order, condition, and repair.

26. **ENTRY AND INSPECTION**

Lessee will permit Lessor and its agents to enter into and upon the premises at all reasonable times for the purpose of inspecting the same, or for the purpose of protecting Lessor's reversion, or to make alterations or additions to the premises or to any other portion of the building in which the premises are situated, or for maintaining any service provided by Lessor to Lessee hereunder without any rebate of rent to Lessee for any loss of occupancy or quiet enjoyment of the premises, or damage, injury or inconvenience thereby occasioned and will permit Lessor at any time within thirty (30) days prior to the expiration of this Lease to bring upon the premises, for purposes of inspection or display, prospective lessees therefor.

27. **NOTICES**

Any notices that are required under this Lease shall be mailed to the Lessor and Lessee as hereinafter set forth:

To the Lessor:

CEMLAND DEVELOPMENT COMPANY
6151 W. Century Blvd., Ste. 1104
Los Angeles, Ca. 90045
(213)649-4740

To the Lessee:

Santa Barbara Community College District
C/O Donald Sorosbal, Dean of Business
721 Cliff Drive
Santa Barbara, Ca. 93109

Any notice may be given by use of the United States mails.

28. **GENERAL COVENANTS**

This Lease shall be construed in accordance with the laws of the State of California. The invalidity of any portion of this Lease shall not prevent the remainder from being carried into effect. Whenever the context of any provision shall require it, the singular number shall be held to include the plural number, and vice versa, and the use of any gender shall include any, other, or all genders. The paragraph and section headings in this Lease contained are for convenience only, and do not constitute a part of the provisions hereof. No oral modification of or amendment to this Lease shall be effective, but this Lease may be modified or amended by written agreement signed by Lessee and by Lessor.

The parties hereto agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof.

29. **NO RESIDENTIAL USE**

Lessee shall not use the premises for sleeping, washing clothes, cooking, or the preparation, manufacture, or mixing of anything that might emit any odor or objectionable noises or lights into the building in which the premises are located.

30. **NO OVERLOADING**

Lessee shall not do anything on the premises that will cause damage to the premises or to the building in which the premises are located. The premises shall not be overloaded. No machinery, apparatus, or other appliance shall be used or operated in or upon the premises that will in any manner injure, vibrate, or shake the premises.

31. **OPTION TO RENEW**

Lessee shall have the right to renew this Lease for one (1) year in accordance with Section 6 of this Lease.

The Lessor and the Lessee have executed this Lease on the dates written below.

**LESSEE:** Santa Barbara Community College District

By: Dr. Donald Sorosbal

Date: ______________________

**LESSOR:** Cemland Development Company

By: ______________________

Date: ______________________
PLAZA INDUSTRIA
126 EAST HALEY STREET
SANTA BARBARA, CALIF. 93101
Manager's Suite - A-15
(805) 965-6771

CEMLAND DEVELOPMENT COMPANY
6151 W. Century Blvd., Suite 1104
Los Angeles, CA. 90045
(213) 649-4740