

CITY OF RIVERSIDE LEASE

PARKING LOT

On this ____ day of _____, 20____, the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City" or "Lessor"), 20/20 PLUMBING & HEATING, INC., a California corporation, hereinafter referred to as "Lessee", mutually agree as follows:

1) PROPERTY LEASED AND CONDITION. City hereby leases to Lessee a portion the real property, located at 5961 Acorn Street, Riverside, California 92504, Assessor's Parcel Number 155-070-030 consisting of approximately 27,000 square feet of land ("Premises") as more specifically designated Exhibit "A" attached hereto and incorporated herein. By taking possession of the Premises, Lessee accepts the Premises as suitable for Lessee's intended use and as being in good and sanitary operating order, condition and repair, AS IS, and without representation or warranty by City as to the condition, use or occupancy which may be made thereof. Any exceptions to the foregoing must be by written agreement executed by City and Lessee. Lessee understands, acknowledges and agrees that it will perform any improvements to the Premises to accommodate Lessee's use, as further set forth herein.

2) PURPOSE. Lessee shall use the Premises for employee parking. Lessee may use the Premises during its regular business hours, only for the use herein above authorized and for no other purpose. Lessee shall not use the Premises for storage of equipment or work trucks. Lessee and Lessee's employees shall access the Premises only from Acorn Avenue and shall not enter or exit the Premises from Jurupa Avenue. Lessee shall not use and shall not allow its employees to use the parking facilities located at the City's adjacent CNG fueling facility. Lessee shall not use the Premises in such a manner as to interfere with the City's use of the CNG fueling facility.

3) TERM. The initial term of this Lease shall be for three (3) years ("Initial Term"). The Term of this Lease shall commence upon delivery of possession of the Premises by City to Lessee upon completion of the required improvements and reimbursement of the costs to the City as detailed in Section 6 hereof. Delivery of possession to Lessee shall be documented in writing by the Parties ("Commencement Date"). The Parties shall indicate the date of delivery of possession of the Property on Exhibit "B" attached hereto and incorporated herein and signed by the Public Works Director or designee. Prior to the expiration of this Lease, an option to extend this Lease may be considered for a term to be agreed upon by City and Lessee.

4) RENT. Lessee shall pay to City, for the first year of the Initial Term (i.e., from July 1, 2025, through June 30, 2026) Monthly Rent in the amount of Three Thousand Two Hundred Fifty Dollars (\$3,250) ("Monthly Rent"). Following the 12th month after the Commencement Date and annually thereafter, Monthly Rent shall be adjusted upwards by an additional three percent (3%) for each year as follows:

Year 1 \$3,250.00 per month

Year 2 \$3,347.50 per month

Year 3 \$3,447.93 per month

The monthly rental shall be payable in advance on or before the first (1st) day of each month, and shall be paid by check made payable to the "City of Riverside" and sent to the Revenue Division, City of Riverside, 3900 Main Street, Riverside, California 92522.

A late fee equal to 10% (10 percent) of the monthly rental shall be added to any monthly payment not received by the City by the tenth (10th) day of the month in which it is due. Any rental payment received after the tenth (10th) day of the month will be first credited to payment of the late fee. Said late fee shall be added for each month thereafter until said rental payment and late fee or fees are paid in full. Said late fee or fees shall be considered as part of the rent due City hereunder.

5) SECURITY DEPOSIT. Concurrently with the execution of this Lease, Lessee(s) shall deposit with City the sum of Three Thousand Two Hundred Fifty Dollars (\$3,250.00), as partial consideration for City entering into this Lease, and as security for the full and faithful performance of every provision of this Lease to be performed by Lessee(s).

If Lessee defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, City may (but shall not be obligated to) use, apply or retain all or any part of the security deposit for the payment of any rent or any other amount which City may spend or become obligated to spend by reason of Lessee(s) default, or to compensate City for any other loss or damage which City may suffer by reason of Lessee's default. The fact that City is holding or applying this security deposit shall not affect City's remedies upon any breach of this Lease by Lessee. If any portion of the security deposit is so used or applied, said application of funds shall not constitute liquidated damages for such default by Lessee, and Lessee shall, within five (5) days after written demand therefore, deposit cash with City in an amount sufficient to restore the security deposit to its original amount, and Lessee's failure to do so shall be a breach of this Lease.

6) Intentionally omitted.

7) IMPROVEMENTS BY LESSEE. Lessee may make improvements to the Premises as may be appropriate subject to the prior written approval of the Public Works Director of City. Lessee shall submit plans and specifications for such improvements to said Public Works Director and obtain approval therefor prior to commencement of construction. Lessee shall construct such improvements in accordance with the approved plans and specifications. Approval by the Public Works Director shall not relieve Lessee from the obligation of obtaining any other necessary permits or approval from other City departments or governmental agencies having jurisdiction.

The term "improvement" as used herein shall include but not be limited to painting, signs and landscaping.

8) OWNERSHIP OF IMPROVEMENTS. Any improvements installed upon the Premises by Lessee as herein above provided shall become the absolute property of City and title shall automatically vest in City without payment therefor by City upon the expiration of this Lease or upon the earlier termination of this Lease as hereinafter provided.

Notwithstanding anything to the contrary herein above, City reserves the right to require Lessee to remove any or all of the said improvements and restore the leased Premises to its condition at the commencement of this Lease.

9) DAMAGE OR DESTRUCTION. Lessee shall be responsible for any damages or destruction to the Premises resulting from acts or omissions of Lessee or the employees, agents, invitees or guests of Lessee, and shall repair or compensate City for such damages or destruction and shall return the Premises to City, upon termination of this Lease, in its original condition except for reasonable wear and tear.

10) SIGNS. Lessee shall not erect or display, or permit to be erected or displayed on the Premises any sign or advertising matter without first obtaining the written approval of the Public Works Director of City. Any signs which Lessee desires to install shall be submitted first to the Public Works Director for approval as to number, design, size, color and location. The Public Works Director shall not approve any sign which is not in harmony with the City's General Plan, Municipal Code or the appearance of the leased premises. Consent by the Public Works Director shall not relieve Lessee from the responsibility of adhering to and conforming with any applicable City, State or Federal law, ordinance or regulation thereon.

11) MAINTENANCE AND CITY'S RIGHT TO INSPECT. Lessee agrees at Lessee's own expense to maintain and keep the entire Premises and all improvements located thereon or therein, in a good condition and repair, and to keep the Premises, in an attractive, neat, clean and orderly condition. This includes, but is not limited to, any refuse or waste materials which might be or constitute a fire hazard or a public or private nuisance; and the disposal in a safe and proper manner, and in accordance with any applicable law, ordinance, statute, rule or regulation, of any industrial or hazardous waste including engine oil, paint and other waste placed upon the Premises following the commencement of this Lease. If the Premises is landscaped, Lessee shall at Lessee's expense, maintain the landscaping in a presentable fashion consistent with existing landscaping.

City, through its duly authorized representatives, may enter upon the Premises during regular business hours for the purpose of inspecting any or all of said Premises and the improvements and facilities thereon. The Public Works Director of City or other duly authorized representative may from time to time after said inspection of the Premises and after observation of the operation of the business thereon, require all such repairs or changes as shall be reasonable and consistent with maintaining the leased Premises and any improvements thereon in a manner consistent with businesslike operations. Lessee agrees to make all necessary repairs or changes within the period which may be reasonably required by the City's Public Works Director.

In the event the Public Works Director determines that repairs or improvements to the Premises are necessary due to tenant's activity and in order to maintain the Premises for the uses contemplated herein, such requests shall be in writing and delivered or mailed to Lessee. Lessee shall promptly commence making such repairs or improvements within ten (10) days after service of such notice and diligently pursue such repair to completion. If within ten days after service of notice Lessee fails to commence repairs, or if after what the Public Works Director deems a reasonable time the Lessee fails to complete said repairs or maintenance, City may cause such repair or maintenance to be made and add the cost thereof to the rent thereafter accruing. If City

causes such repair or maintenance to be completed by other than Lessee, and if said costs are not promptly paid by Lessee to City, this Lease shall be deemed to be in default, and City shall be entitled to all legal remedies provided hereunder.

12) MECHANICS' LIENS AND PAYMENT BONDS. Lessee agrees to keep the Premises free from any and all claims of persons or firms or corporations, who at the request of Lessee or Lessee's contractor, furnish labor or materials to or for the benefit of the leased Premises. Lessee further agrees to indemnify and hold City harmless from any and all such claims.

City at any time may post and keep posted on the Premises appropriate notices to protect City against the claims of any persons, firms or corporations for work done, labor performed or materials furnished to the Premises. Before commencing any work relating to alterations or improvements affecting the Premises, Lessee shall notify City in writing of the expected date of the commencement of such work so that City can post and record the appropriate notices of non-responsibility to protect City from any mechanics' liens, materialmen's liens, or any other liens.

Prior to the commencement of any construction on the Premises when it is estimated that the cost of construction of such improvement shall be Twenty-Five Thousand Dollars (\$25,000) or more, Lessee shall post a payment bond with City in an amount equal to the proposed cost of construction. All such bonds must be issued by a company qualified to do business in the State of California and acceptable to the City Attorney. Such bonds shall be in a form acceptable to the City Attorney.

13) UTILITIES AND SERVICES. Lessee shall be responsible for the installation of any necessary utilities for the Premises, including the installation of separate meters therefor, if such utilities have not been previously installed. Lessee shall pay for sewer, gas, water, electricity and other utilities supplied to and used on the Premises during the term of this Lease, and shall hold City harmless therefrom.

14) HAZARDOUS MATERIALS. As used in this paragraph, the term "hazardous material" shall mean any hazardous or toxic substance, material or waste that is or becomes regulated by the United States, the State of California or any local government authority having jurisdiction over the Premises. Hazardous material includes:

- a. Any "hazardous substance," as that term is defined in the Comprehensive Environment Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States Code Sections 9601-9675);
- b. "Hazardous waste," as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code Sections 6901-6992k);
- c. Any pollutant, contaminate, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing liability or standards of conduct concerning any hazardous, dangerous or toxic waste, substance, or material, now or hereafter in effect);

- d. Petroleum products;
- e. Radioactive material, including any source, special nuclear, or by-product material as defined in 42 United States Code Sections 2011-2297g-4;
- f. Asbestos in any form or condition; and,
- g. Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs.

Lessee shall at all times observe and satisfy the requirements of, and maintain the Premises including the use and disposal of all hazardous material in compliance with all federal, state and local environmental protection, occupational, health and safety and similar laws, ordinances, restrictions, licenses and regulations, including but not limited to, the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), California Health and Safety Code (Section 25100 et seq., Section 25300 et seq., Section 39000 et seq.), California Water Code (Section 13000 et seq.) and the Environmental Responsibility Acceptance Act (California Civil Code Section 850 et seq.).

If, during the term of this Lease, Lessee becomes aware of (a) any actual or threatened release of any hazardous material on, under, or about the Premises or (b) any inquiry, investigation, proceeding, or claim by any governmental agency or other person regarding the presence of hazardous material on, under or about the Premises, Lessee shall give City written notice of the release or investigation within five (5) days after learning of it and shall simultaneously furnish to City copies of any claims, notices of violation, reports, or other writings received by Lessee that concern the release or investigation.

Lessee hereby indemnifies City and agrees to defend with counsel selected by City and hold City harmless for any loss incurred by or liability imposed on City by reason of Lessee's failure to perform or observe any of its obligations or agreements under this agreement, including but not limited to any damage, liability, fine, penalty, punitive damage, cost or expense (including without limitation all clean up and removal costs and expenses) arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits, or other economic loss, damage to the natural resources or the environment, nuisance, pollution, contamination, leak, spill, release or other adverse effect on the environment.

If the presence of any hazardous material brought onto the Premises by Lessee or Lessee's employees, agents, contractors or invitees results in contamination of the Premises, Lessee shall promptly take all necessary and appropriate actions, at Lessee's sole expense, to return the Premises to the condition that existed before the introduction of such hazardous material and City shall in no event be liable or responsible for any costs or expenses incurred in doing so. Lessee

shall first obtain City's approval of the proposed remedial action. This provision does not limit the indemnification obligations set forth above.

15) PERMITS/LICENSES. Lessee shall be responsible for obtaining all AQMD, health and safety, Federal, State, County and City licenses and permits before occupying the Premises.

16) COMMUNICATIONS. Except for the payment of rent as herein above provided, all notices, requests, consents, approvals or other communications between the parties in connection with this Lease shall be in writing and personally delivered or mailed to the recipient party by certified mail at its last known address as follows:

City

City of Riverside
Attn: Public Works Director
3900 Main Street
Riverside, CA 92522

Lessee

20/20 Plumbing & Heating, Inc.
Attn: Charles Cockey
7343 Orangewood Drive, Suite B
Riverside, CA 92504

The parties may, from time to time, change their respective addresses for the purpose of this paragraph by sending notice of such change to the other as provided herein.

Any notice given pursuant to this paragraph shall be deemed served when personally served or when placed in the U. S. mails with postage prepaid and addressed to the recipient at the recipient's latest known address.

17) POSSESSORY INTEREST AND PAYMENT OF TAXES. Lessee recognizes and understands that this Lease may create a possessory interest subject to property taxation and that the Lessee may be subject to the payment of property taxes levied on such interest.

Lessee agrees to pay or reimburse the City for any and all taxes and assessments charged or assessed on the land and improvements described in this Lease and on Lessee's possessory interest therein together with all penalties and fees, if applicable, during the term of this Lease including any holding over period prior to any installment thereof becoming delinquent. Any such tax payment shall not reduce any payment due the City hereunder.

If Lessee shall, in good faith, desire to contest the validity, the imposition, or the amount of any tax or assessment or any other governmental charge herein agreed to be paid by Lessee, Lessee shall be permitted to do so; provided, however, the Lessee shall not permit or allow any lien to be placed or assessed upon the real property or any improvements thereon.

18) INDEMNIFICATION. Except for City's sole negligence or willful misconduct, Lessee shall fully defend, indemnify and hold the City, its officers and employees, harmless from any and all loss, damage, claim for damage, liability, expense or cost, including attorney's fees, which arises out of or is in any way connected with the performance of Lessee's responsibilities under this Lease by Lessee in the operation of Lessee's business, or any of Lessee's employees, agents,

contractors, subcontractors or consultants and from all claims by Lessee's employees, agents, contractors, subcontractors or consultants for compensation for services rendered to Lessee in connection with this Lease, notwithstanding that City may have indirectly benefitted from their services. This indemnification provision shall apply to any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of Lessee or any of Lessee's employees, agents, contractors, subcontractors or consultants.

The parties expressly agree that any payment, attorney's fees, cost or expense the City incurs or makes to or on behalf of an injured employee under its self-administered workers' compensation program is included as a loss, expense or cost for the purposes of this section, and that this section shall survive the expiration or early termination of this Lease.

19) INSURANCE. Lessee shall obtain and keep in full force and effect during the entire term of this Lease, commercial general liability and property damage insurance (including but not limited to premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in an amount not less than \$2,000,000; automobile liability coverage covering both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. Lessee agrees to deposit with City prior to execution of this Lease by City, certificates of insurance evidencing the required insurance with coverage at least equal to the above types and amounts as a minimum, and further agrees to file certificates with City during the entire term of this Lease showing that continued coverage is being maintained.

To be acceptable, the insurance coverage must meet the following requirements:

- (a) Such policy must provide that the policy shall not be canceled or materially changed unless thirty (30) days' prior written notice thereof by certified or registered mail has been given to City.
- (b) Such policy must provide that City shall be named as additional insured as respects all operations of the insured, which insurance shall be primary insurance and not contributing with any other insurance available to the City under any other third party liability policy or any self- insurance retention.
- (c) Such policy shall contain either a provision for a broad form of contractual liability including leases, or an endorsement providing for such coverage. City shall have the right at any time during the term of this Lease to review the type, form, and coverage limits of the insurance enumerated herein. If, in the opinion of City reasonably obtained, the insurance provisions in this Lease are not sufficient to provide adequate protection for City and the members of the public using these leased premises, City may require Lessee to maintain insurance sufficient to provide such adequate protection.
- (d) Each policy must be placed with a company authorized to do business in the State of California, having a policy holder rating of A or higher and a Financial Class of at least VII or higher.

City shall notify Lessee in writing of any change in the insurance provisions necessary to provide adequate protection. If Lessee does not deposit acceptable copies of valid insurance policies acceptable in form and content to City, incorporating such changes, within sixty (60) days of receipt of such notice, this Lease shall be in default without further notice to Lessee and City shall be entitled to all legal remedies provided herein.

The procuring of such policy of insurance shall not be construed to be a limitation upon Lessee's liability nor as a full performance of its part of the indemnification provisions of this Lease. Lessee's obligation being, notwithstanding said policy or policies of insurance, the full and total amount of any damage, injury or loss caused by the negligence or neglect connected with the operation under this Lease.

Lessee shall provide a valid certificate of insurance and additional insured endorsement prior to occupying the leased property under this Lease. No certificate of insurance and additional insured endorsement shall be acceptable unless first approved by the City's Risk Manager.

20) RELEASE. City shall not be responsible for theft, loss, injury, damage, acts of God, or destruction of any equipment or other property on the Premises, or accident or injury to Lessee, its officers, employees, agents or invitees. Lessee hereby releases and discharges City from any and all claims and demands of Lessee for loss or of damage to Lessee's property or injury to Lessee or Lessee's officers, employees, agents and invitees.

21) ASSIGNMENT AND SUBLETTING.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber any part of Lessee's interest in this Lease or in the Premises without City's prior written consent, which consent shall not be unreasonably withheld, provided that City shall not be liable in damages if such consent is adjudicated to have been unreasonably withheld. It shall not be unreasonable for City to condition such consent upon City's determination that (1) Lessee is not in default in the performance of any of Lessee's obligations under this Lease whether monetary or non-monetary; (2) the proposed assignee or sublessee is financially responsible; and (3) the proposed assignee or sublessee has the ability to conduct a business on the Premises of a quality substantially equal to that conducted by Lessee. Should Lessee attempt to make or allow to be made any such transfer, assignment or subletting, except as aforesaid, or should any of Lessee's rights under this Lease be sold or otherwise transferred by or under court order or legal process or otherwise, then, and in any of the foregoing events, City may, at its option, treat such act as a default by Lessee under the provisions of this Lease. Should City consent to any such transfer, assignment or subletting, such consent shall not constitute a waiver of any of the restrictions of this paragraph and the same shall apply to each successive transfer, assignment or subletting hereunder, if any.

(b) If Lessee shall submit a request to City for City's consent to an assignment, sublease or other transfer by Lessee of all or a portion of Lessee's interest under this Lease or to the Premises, Lessee shall pay, or cause to be paid, to City at the time of such request, a processing fee of One Hundred Dollars (\$100) to cover administrative, accounting and other related expenses.

(c) If Lessee desires at any time to assign this Lease or sublet the Premises or any portion thereof, Lessee shall first notify City of Lessee's desires to do so and shall submit in writing to City (1) the name of the proposed sublessee or assignee; (2) the nature of the proposed sublessee's or assignee's business to be carried on in the subject Premises; (3) the terms and provisions of the proposed sublease or assignment; and (4) such financial information as City may reasonably request concerning the proposed sublessee or assignee. Lessee's failure to comply with the provisions of this subparagraph shall be a breach of this Lease.

(d) City shall respond to Lessee's request for consent hereunder in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of this Lease.

(e) If City consents to Lessee assigning, subleasing or transferring (hereinafter collectively "transfer") Lessee's interest under this Lease, Lessee shall pay to City (in addition to rent and all other amounts payable by Lessee under this Lease) 90% of the consideration payable by such transferee to Lessee for such transfer. Said amount shall be paid to City immediately upon receipt by Lessee of such consideration from the transferee. Any transfer entered into by Lessee in connection with the Premises shall contain a representation by Lessee and the transferee which states the amount of any consideration payable by such transferee. If such representation understates the amount of such consideration or is false or misleading in any other material respect, City shall have the right to treat any such misrepresentation as a non-curable default and terminate this Lease as to Lessee and the proposed transferee.

(f) City may collect rent from the assignee, sublessee, occupant, or other transferee, and apply the amount so collected, first to the rent herein imposed, then to any additional rent due and payable, and refund the balance (if any) to Lessee, but no such assignment, subletting, occupancy, transfer or collection shall be deemed a waiver of City's rights under this paragraph or the acceptance of the proposed assignee, sublessee, occupant or transferee, or a release of Lessee from the further performance of the covenants obligating Lessee under this Lease.

(g) Lessee may enter into a valid assignment or sublease with respect to the Premises, provided that City consents thereto pursuant to this paragraph, and provided further that (1) such assignment or sublease is executed within ninety (90) days after City has given its consent to same; (2) Lessee pays (or causes to be paid) all amounts owed to City under subparagraph (b) above, (3) Lessee is not in default under this Lease as of the effective date of the assignment or sublease, (4) there have been no material changes (since the date on which City's consent was given) with respect to the financial condition of the proposed sublessee or assignee or the business which said party plans to conduct on the Premises,

and (5) a fully executed original of such assignment or sublease (either of which shall state that the assignee or sublessee agrees to be bound by all of the terms, covenants, and conditions of this Lease) is delivered promptly to the City Clerk of City.

(h) Lessee agrees to fully defend and indemnify City with respect to all costs (including attorneys' fees expended by City in connection with any such claim) and liability for compensation claimed by any broker or agent employed by Lessee in connection with any assignment, subletting or other transfer of Lessee's interest under this Lease.

(i) The voluntary or other surrender of this Lease by Lessee or a mutual termination hereof shall not work a merger, and shall, at City's option, either terminate all or any existing subleases or sub-tenancies, or shall operate as an assignment to City of Lessee's interest under such sublease or sub-tenancy.

(j) Regardless of City's consent, no subletting or assignment for financing purposes shall release Lessee of Lessee's obligations or alter the primary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder. The acceptance of rent by City from any other person shall not be deemed to be a waiver by City of any provisions hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

22) INSOLVENCY OR BANKRUPTCY. Lessee agrees that if all or substantially all of Lessee's assets are placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of 30 days, or should Lessee make an assignment for the benefit of creditors or be adjudicated a bankrupt, or should Lessee institute any proceedings under the Bankruptcy Act or under any amendment thereof which may hereafter be enacted, or under any other act relating to the subject of bankruptcy wherein Lessee seeks to be adjudicated a bankrupt, or to be discharged of Lessee's debts, or to effect a plan of liquidation, composition, arrangement or reorganization under such bankruptcy, or should an involuntary proceeding be filed against Lessee under any such bankruptcy laws and Lessee consents thereto or acquiesces therein by pleading or default, then any such act shall be deemed a breach of this Lease, and neither this Lease nor any interest in and to the Premises shall become an asset in any of such proceedings and, in any such event and in addition to any and all rights or remedies of City hereunder or by law provided, this Lease shall terminate automatically as of the date on which any one or more of the above described occurrences takes place, and in such event, it shall be lawful for City to re-enter the leased Premises and take possession thereof and remove all persons and all of Lessee's personal property, including trade fixtures and equipment therefrom, and Lessee shall have no further claim to the Premises or under this Lease.

23) DEFAULT; REMEDIES.

(a) Default. The occurrence of any one or more of the following events shall constitute a default under this Lease:

(1) Non curable defaults:

- a) The vacation or abandonment of the Premises by Lessee.
- b) Any attempted or involuntary transfer of Lessee's interest in this Lease without the City's prior written consent.
- c) If Lessee makes (or has made) or furnishes (or has furnished) any warranty, representation or statement to City in connection with this Lease (or any assignment of this Lease) or any other agreement to which City and Lessee are parties, which is or was false or misleading in any material respect when made or furnished.
- d) Any breach under the paragraph entitled Insolvency or Bankruptcy.

(2) Curable defaults:

- a) The failure by Lessee to make any payment of rent, fee or any other payment required to be made by Lessee hereunder as and when due. If Lessee does not fully cure such default within three (3) days after Lessee has been served with a notice of such default, this Lease shall be terminable at City's option.
- b) The failure by Lessee to observe or perform any non-monetary covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than the aforementioned non curable defaults. If Lessee does not fully cure any such non-monetary default within ten (10) days after Lessee has been served with a notice of such default, this Lease shall be terminable at City's option; provided, however, that if the nature of Lessee's default is such that more than ten days are reasonably required for its cure, then City shall not be entitled to terminate this Lease on account of such default if Lessee commences such cure within said ten day period and thereafter diligently prosecutes such cure to completion.
- c) If the leasehold interest of Lessee is levied upon under execution or is attached by process of law.

(b) Remedies.

(1) In addition to all other rights and remedies it might have, City shall have the right to terminate this Lease and Lessee's right to possession of the leased Premises in the event of any non-curable default as set forth above or if a curable default is not fully cured within the cure period designated above for such default. Termination of Lessee's right to possession of the Premises shall terminate this Lease and vice versa. However, if Lessee has abandoned or vacated the Premises, the mere taking of possession of same by City in order to perform acts of

maintenance or preservation or to attempt to re-let the Premises, or the appointment of a receiver in order to protect City's interests under this Lease, shall not be deemed a termination of Lessee's right to possession of the Premises or a termination of this Lease unless City has notified Lessee in writing that the Lease is terminated. The notification provided for herein for curable defaults shall be in lieu of, and not in addition to, any notice required under Section 1161, et seq., of the California Code of Civil Procedure. If City terminates this Lease and Lessee's right to possession of the Premises pursuant to this paragraph, City may recover the following from Lessee:

- a) the worth at the time of award of the unpaid rent which was due, owing and unpaid by Lessee to City at the time of termination; plus
 - b) the worth at the time of award of the amount by which the unpaid rent which would have come due after termination until the time of award exceeds the amount of rental loss that Lessee proves could have been reasonably avoided; plus
 - c) the worth at the time of award of the amount by which the unpaid rent for the balance of the lease term after the time of award exceeds the amount of rental loss which Lessee proves could be reasonably avoided; plus
 - d) all other amounts necessary to compensate City for all of the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things are likely to result therefrom; and
 - e) at City's election, such other amounts in addition to, or in lieu of the foregoing, as may be permitted from time to time by applicable California law.
- (2) Upon termination of this Lease, whether by lapse of time or otherwise, Lessee shall immediately vacate the Premises and deliver possession thereof to City.
- (3) If Lessee violates any of the terms or provisions of this Lease or defaults in any of its obligations hereunder, other than the payment of rent or other sums payable hereunder, such violation may be restrained or such obligation enforced by injunction.
- (4) Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided at law or in equity.
- (5) No act or thing done by City or its agents during the term hereof shall be deemed an acceptance or a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless made in writing and signed by City.

Neither the reference in this Lease to any particular remedy nor the pursuit of any particular remedy shall preclude City from any other remedy City might have, either at law or in equity.

24) ABANDONMENT. If Lessee shall abandon the Premises at any time during the term of this Lease or be dispossessed therefrom by process of law or otherwise, any personal property belonging to Lessee and left on the Premises thirty (30) days after such abandonment or dispossession shall be deemed to have been transferred to City, and City shall have the right to remove and to dispose of the same without liability to account to Lessee or to any person claiming under Lessee.

25) TERMINATION. If any law or ordinance should come into effect during the term of this Lease, the terms of which so restrict the use to which the Premises can be put so that the Lessee is unable to use the Premises in the manner contemplated herein, then Lessee may, upon thirty (30) days' written notice to City, terminate this Lease.

This Lease may be otherwise terminated upon the mutual agreement of the parties providing that the party desiring to terminate provides the other at least ninety (90) days' notice of the intent to terminate this Lease. In the event the City provides such notice to terminate before the five (5) year term, the City will reimburse the Lessee a prorated amount of the costs Lessee paid for the Required Improvements installed in accordance with Section 6 hereof.

26) WAIVER OF DEFAULT. Acceptance by either party of performance following a default will not be deemed a waiver of such default. No waiver of a default will constitute a waiver of any other default.

27) EMINENT DOMAIN. In the event all or any part of the Premises is taken or damaged by the exercise of the power of eminent domain, all compensation and damages payable by reason of the condemnation of the real property shall be payable to City without any apportionment to Lessee, Lessee hereby waiving any claim for leasehold damages attributable to this Lease having any bonus value, but Lessee shall have the right to claim and receive from the condemning authority (but not from City) any relocation assistance pursuant to Section 7260 et seq. of the Government Code of the State of California.

28) EXISTING TITLE TO LEASED PROPERTY. Lessee accepts the conditions of City's title to the Premises as the same now exists without representation or warranty of any kind, and Lessee shall be bound by any reservations, restrictions, easements, or encumbrances thereon which an examination of title would disclose.

29) QUITCLAIM OF LESSEE'S INTEREST UPON EXPIRATION OR TERMINATION. Upon the expiration or termination of this Lease for any reason, including but not limited to termination because of default by Lessee, at the request of City Lessee shall execute, acknowledge and deliver to City within thirty (30) days after receipt of written demand therefor a good and sufficient deed whereby all right, title and interest of Lessee in the Premises, including any improvements thereon, is quitclaimed to the City. Should Lessee fail or refuse to deliver the required deed to City, City may prepare and record a notice reciting the failure of Lessee to

execute, acknowledge, and deliver such deed and said notice shall be conclusive evidence of the termination of this Lease, and of all right of Lessee or those claiming under Lessee in and to the Premises, and any improvements thereon.

30) VENUE. Any action at law or in equity brought by either party hereto for the purpose of enforcing a right provided for by this Lease shall be tried in the Superior Court of California, County of Riverside and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

31) PROVISIONS BINDING ON SUCCESSORS. Each and all of the covenants, conditions and agreements herein contained shall, in accordance with the context, inure to the benefit of and be binding upon the parties hereto, and the successors in interest, agents and assigns of such parties, or any person who may come into possession or occupancy of the Premises, or any part thereof, in any manner whatsoever. Nothing in this paragraph shall in any way alter the provisions in this Lease against assignment or subletting or other transfers.

32) PARTIAL INVALIDITY. If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

33) MARGINAL CAPTIONS. The various headings and numbers herein and the groupings of the provisions of this Lease into separate sections and paragraphs are for the purpose of convenience only, and shall not be considered a part hereof.

34) RESERVATIONS TO CITY. The Premises herein leased is hereby accepted by Lessee subject to any and all existing easements and other encumbrances. In addition, City hereby reserves and Lessee hereby expressly agrees that City shall have the right to install, lay, construct, maintain, repair and operate sanitary sewers, storm drains, electric lines, telephone lines, telegraph lines, water pipelines, oil pipelines, and gas pipelines and such other appliances and appurtenances necessary or convenient to all of the above listed, over, in, upon, through, across, and along the Premises or any part thereof as will not interfere with Lessee's operations hereunder and to enter upon the Premises for any and all such purposes. City also reserves the right to grant franchises, easements, rights of way and permits in, over, upon, along and across any and all portions of said Premises as City may elect so to do; provided, however, that no right of City provided for in this paragraph shall be so executed as to interfere unreasonably with Lessee's operations hereunder.

City agrees that any right as set forth in this paragraph shall not be exercised unless a prior written notice of thirty (30) days is given to Lessee; provided, however, that in case of emergency such right may be exercised without such prior 30 days' notice, in which event City will give Lessee such notice in writing as is reasonable under the then existing circumstances.

City agrees that it will cause the surface of the Premises to be restored to its original condition upon the completion of any construction permitted hereunder. City further agrees that, should the exercise of these rights temporarily interfere with the use of any or all of the Premises

by Lessee, the rental due to City by Lessee shall be reduced in a proportion of the amount said interference bears to the total use of the Premises.

35) UNLAWFUL USE. Lessee agrees no improvements shall be erected, placed upon, operated nor maintained on the Premises, nor shall business be conducted or carried on thereon in violation of the terms of this Lease, or any regulation, order, law, statute, bylaw or ordinance of any governmental agency having jurisdiction there over.

36) NON-DISCRIMINATION: Except as provided in Section 12940 of the California Government Code, during term of this Lease, neither party shall discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical handicap, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex or sexual orientation, gender, gender identity, gender expression, sexual orientation, or veteran or military status in use of the Premises.

[Signatures on following page.]

IN WITNESS WHEREOF the parties hereto have caused this Lease to be executed the day and year first above written.

CITY OF RIVERSIDE, a
California charter city and
municipal corporation

20/20 PLUMBING & HEATING, INC.
a California corporation

By: _____
City Manager

By: _____
Name: Charles Cockey
Title: President/CEO

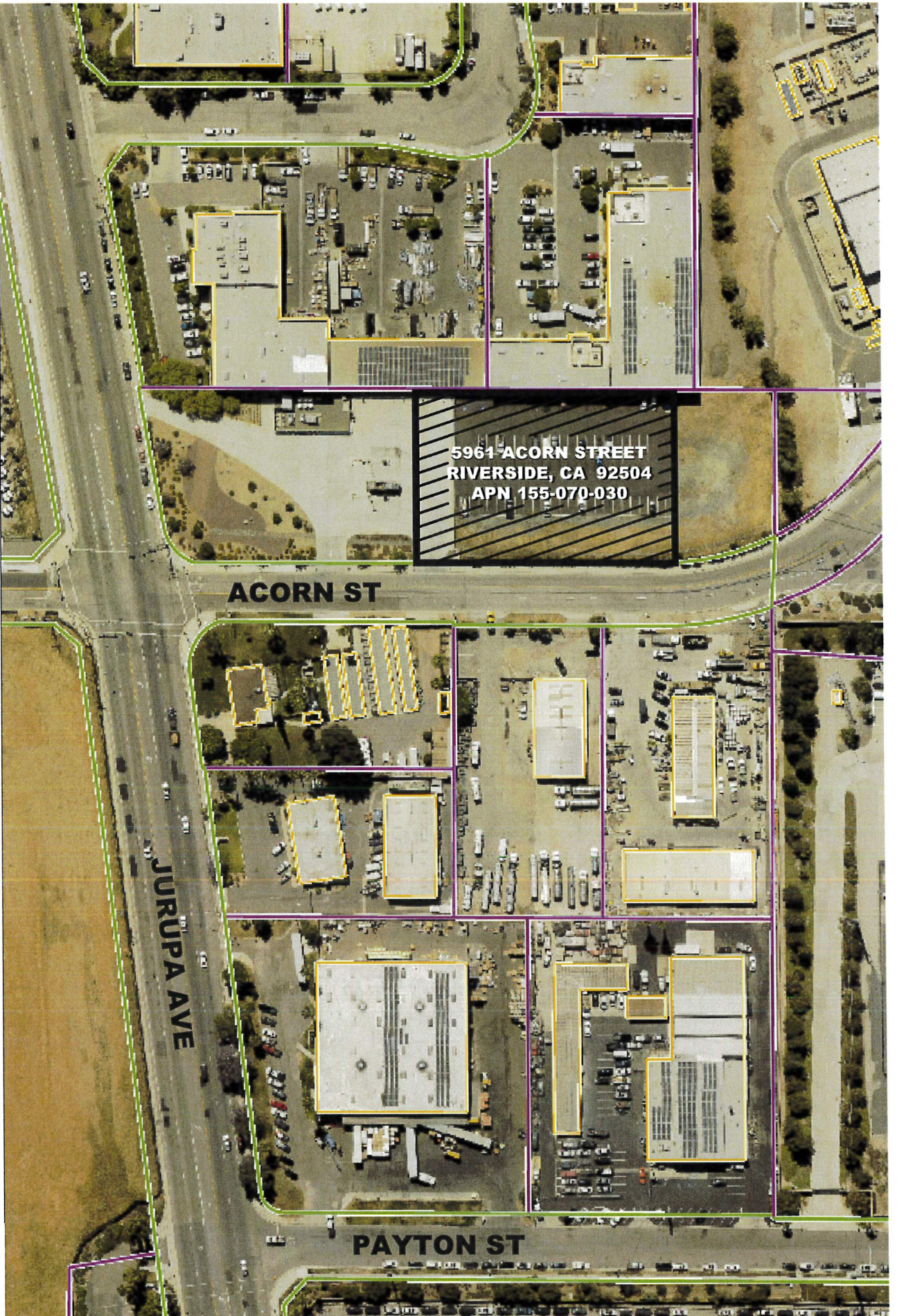
ATTEST

By: _____
City Clerk

By: _____
Name: Alvin Aschlimann - CFO
Title: CFO

APPROVED AS TO FORM:

By: _____
Ruthann M. Salera
Deputy City Attorney



5961 ACORN STREET
RIVERSIDE, CA 92504
APN 155-070-030

ACORN ST

JURUPA AVE

PAYTON ST



LEASED AREA

PARKING LOT LEASE AREA

5961 ACORN STREET
RIVERSIDE, CA 92504
APN 155-070-030

EXHIBIT "A"



Exhibit "B"

Date of Delivery of Possession

Note: This form to be completed by the Parties after the Agreement has been fully executed.

Pursuant to the Lease Agreement dated _____, between the City of Riverside and 20/20 PLUMBING & HEATING, INC. a California corporation, the parties hereby agree, understand and acknowledge that the date of delivery of possession of the Property by Lessor to Lessee is the following: _____.

LESSOR

City of Riverside, a California charter city and
Municipal Corporation

By: _____

Date: _____

LESSEE

20/20 PLUMBING & HEATING, INC.
a California corporation

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____