

SECOND AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("Amendment") is made and entered into as of this _____ day of _____, 2016, between the City of Fresno, a municipal corporation ("Tenant"), and Toews Properties, LLC, a California limited liability company ("Landlord"), the successor in interest to Stephen and Eileen Geil Living Trust.

RECITALS

WHEREAS, Tenant and Landlord's predecessor in interest (Stephen and Eileen Geil Living Trust) entered into a Lease Agreement, dated December 7, 2004, for the lease by Tenant of the first floor of the Sadler building located at 1721 Van Ness, Fresno, California and parking in the adjacent lot located at 1729 Van Ness, Fresno, California ("Lease"); and

WHEREAS, Landlord represents and warrants that it acquired the properties January 31, 2005 on which the Sadler building is located and on which the adjacent parking is located (collectively, the "Property"); and

WHEREAS, Landlord represents and warrants that it currently owns the Property in fee and has all rights, title, and interest necessary to further lease this Property to Tenant; and

WHEREAS, the parties reduced the rental rates for the balance of the Lease term beginning July 1, 2012, and extended the Lease term until December 31, 2016, with the First Amendment to Lease Agreement, dated June 18, 2012; and

WHEREAS, the Lease is due to expire on December 31, 2016, and the parties desire to extend the lease term.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the parties agree that the aforesaid Lease and First Amendment to Lease Agreement be amended as follows:

1. Effective January 1, 2017, the term of this Second Amendment to Lease Agreement shall be one year, commencing January 1, 2017 and ending December 31, 2017.

2. In addition to this, the Tenant shall have a one-time right to extend the lease for an additional six year period, commencing January 1, 2018, and ending December 31, 2023. To exercise this option, Tenant shall notify Landlord in writing no later than August 1, 2017.

3. The "Base Rent" shall be as follows:

January 1, 2017-December 31, 2017 \$1.13 per square foot, per month

Option Period:

| | |
|-----------------------------------|-----------------------------------|
| January 1, 2018-December 31, 2018 | \$1.16 per square foot, per month |
| January 1, 2019-December 31, 2019 | \$1.18 per square foot, per month |
| January 1, 2020-December 31, 2020 | \$1.20 per square foot, per month |
| January 1, 2021-December 31, 2021 | \$1.23 per square foot, per month |
| January 1, 2022-December 31, 2022 | \$1.25 per square foot, per month |
| January 1, 2023-December 31, 2023 | \$1.28 per square foot, per month |

4. Except as otherwise provided herein, the Lease entered into by Tenant and Landlord, dated December 7, 2004, and the First Amendment to Lease Agreement, dated June 18, 2012, remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, the day and year first above written.

TENANT:

City of Fresno,
a municipal corporation

By _____
Scott Mozier, Director
Department of Public Works

Date of Execution: _____

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By _____
Deputy

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By _____ Date: _____

LANDLORD:

Toews Properties, LLC,
a California limited liability company

By Randy Toews
Randy Toews
Manager

By Kevin Toews
Kevin Toews
Manager

Date of Execution: 10/20/16