LEASE

DOWNTOWN PLAZA WEST GARAGE
324 K Street
Lessee: Navin's Incorporated

THIS LEASE, hereinafter referred to as a "Lease", is executed at Sacramento, California, on _____, between the CITY OF SACRAMENTO, a municipal corporation (hereinafter called the Lessor), and Navin's Incorporated (hereinafter called Lessee).

1. **DESCRIPTION OF PREMISES**. Lessor leases to Lessee, and Lessee hires from Lessor, on the terms and conditions hereinafter set forth, those certain "Premises" situated in the City of Sacramento, County of Sacramento, State of California, known as a portion of the Downtown Plaza West Garage and described as space consisting of approximately One Thousand Three Hundred Fifty Two (1,352) square feet of floor space, shown on the diagram attached hereto and marked Exhibit "A".

2. **PARKING SPACES**. During the term of this Lease, the Lessor agrees to make available to Lessee or its employees up to Two (2) undesignated monthly parking spaces in the parking facility which houses the demised Premises at the current rental rate applicable to monthly parking in the garage by members of the public. Rental paid for said monthly parking spaces shall be in addition to the minimum monthly rental specified in Paragraph 5 of this lease. Lessor warrants that parking policies will apply equally and justly to all tenants.

3. **TERM**. The term of this Lease shall be as follows:

This Lease shall be effective upon execution by both parties. The date of execution by both parties shall be known as the "Lease Commencement Date."

(a) The Initial Lease Term of this Lease shall be for Sixty (60) full calendar months commencing September 1, 2007 and terminating at midnight on August 31, 2012.

(b) Lessee is entitled to One (1) 5-year option to extend this Lease ("Extended Term") following expiration of the Initial Lease Term, by giving notice to Lessor at least Six (6) months but not more than One (1) year before the expiration of the Initial Term to exercise the first Extended Term. If Lessee has been in default in the payment of rent as provided in the last sentence of Paragraph 6 of this Lease, more

than one time in any one-year period prior to the date the first Extended Term is to commence, the Lessor, at its sole discretion, may deny commencement of the Extended Term, at which point this Lease shall expire at the end of the Initial Term.

4. **OCCUPANCY** Lessee shall occupy the leased Premises upon Lease execution by Lessor and Lessee.

5. **RENT**

(a) Rent charges shall begin September 1, 2007

(b) The minimum monthly rental charges shall be Two Thousand Five Hundred Sixty Eight dollars and Eighty cents ($2,568.80) per month, which is based on One dollar and Ninety cents ($1.90) per square foot, times approximately One Thousand Three Hundred Fifty Two (1,352) square feet, in lawful money of the United States of America, which Lessee agrees to pay Lessor, without deduction or offset, except as otherwise set forth in this lease, at such place or places as may be designated from time to time by Lessor, in writing to the Lessee, in installments as follows: Two Thousand Five Hundred Sixty Eight dollars and Eighty cents ($2,568.80) on the Rent Commencement Date, and Two Thousand Five Hundred Sixty Eight dollars and Eighty cents ($2,568.80) thereafter on the first day of each and every succeeding calendar month. Rent for any partial month of occupancy shall be prorated as to the number of days in such month. The monthly rental payments shall be due and payable on the first day of each month in advance.

(c) Beginning the first day of the 3rd year of the Initial Term, the monthly rent shall increase 6% over the prior year's lease rental rate. Every Twelve (12) months of the Initial Term thereafter, the monthly rent shall increase by Five (5%) percent over the prior year's lease rental rate. (See attached rent schedule Exhibit "C").

(d) If the option for first Extended Term is exercised, rent shall increase by Five (5%) percent over the prior year's lease rental rate, beginning the first day of the option period, except for the Fifth (5) year of the Extended Term during which rental lease rate will not increase from the prior year (See attached rent schedule Exhibit C).

(e) Upon commencement of Lessee Improvements as described in paragraph 13, Lessor agrees to abate Lessee's rent ("Abated Rent") for a period of two consecutive months, so long as lessee completes

the renovations within one (1) year of the lease commencement period.

6. **DELINQUENT RENT**. In the event that rent payment is not received by Lessor on or before the Tenth (10th) day of the month for which rent is due, rent for that month shall be automatically increased by an amount equal to Ten (10%) percent ("Late Fee") of the current monthly rent. The Late Fee shall be in addition to and not in lieu of all other remedies of Lessor for failure to make timely payment of rentals pursuant to this Lease. In addition to the Late Fee, in the event that any rent payment is not actually received by Lessor on or before thirty (30) days after it is due, Lessee shall be considered in default under this Lease. All monetary obligations of Lessee to Lessor under the terms of this Lease, including but not limited to late fees, are deemed to be rent.

7. **RENT FOR EXTENDED TERM**. In the event that Lessee exercises the option for an Extended Term as provided in paragraph 3(c) herein Lessee shall pay the rental rate as shown on the attached rent schedule (Exhibit "C").

8. **UTILITIES AND SERVICES**

(a) Lessor shall pay water, sanitary sewer and storm drainage charges that are associated with Lessee's use of the Premises.

(b) Except as otherwise provided for above and in Exhibit "C" of this Lease, Lessee shall pay for all other utilities and services serving the Premises, including, but not limited to, trash removal, natural gas and electricity.

9. **SERVICE AREAS AND GARBAGE REMOVAL**.

(a) Lessee agrees that all removal of garbage and refuse from the Premises shall be made only by way of loading areas, or such portion of the parking areas within the parking structure operated by Lessor, as Lessor may designate from time to time for such use by Lessee, and at such hours as may be designated by Lessor from time to time. Lessee shall comply with all applicable provisions of the Sacramento City Code related to refuse, garbage storage, removal and collection.

(b) Lessee shall tie all trash bags prior to placing trash bags in garbage receptacle(s). Lessee shall ensure that the lid on the garbage receptacle(s) into which Lessee's trash is placed is closed at all times the receptacle is not receiving trash. Lessee shall ensure that trash is not dragged on any surface.

(c) Lessor agrees to arrange and pay for trash removal on a regular schedule sufficient to accommodate the reasonable needs of tenants

located in the building of which the Premises is a part. Lessor shall arrange for trash to be removed more frequently if, in Lessor's reasonable discretion, odor, health, or safety problems caused by all tenants' garbage develop. Each month, Lessor will charge Lessee its share of trash removal service in an amount based on the total net usable square footage defined in Section 1 or, based on the calculation defined pursuant to Section 36, as a percentage of the total square footage for the building in which the Premises is a part. Lessee will pay Lessor such amount in full within 30 calendar days of receipt of invoice.

(d) Lessee's trash area is defined as Trash Area (See Exhibit A) in the service corridor behind the Premises.

10. **TAXES**. Lessee shall, in addition to other sums to be paid under this Lease, pay to the County of Sacramento all personal property taxes which shall be levied against the personal property of the Lessee. Lessee is also responsible for the payment of possessory interest tax. Pursuant to Section 107.6 of the California Revenue and Taxation Code, there may be a possessory interest tax levied by virtue of this Lease. Lessee shall be billed and shall pay the possessory interest tax directly to the County Assessor's Office.

11. **USE**. The Premises are leased to the Lessee for the purpose of operation of a clothier/tailor. Lessee shall not use or permit said Premises, or any part thereof, to be used for any other purpose(s). Lessor makes no warranty, express or implied, as to the suitability of the Premises for the specified use.

12. **INSURANCE HAZARDS**. Other than the approved use set forth in Paragraph 11 of this Lease, no use shall be made or permitted to be made of the Premises, nor acts done, which will increase the existing rate of insurance upon the building in which the Premises are 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 the Premises, any article which may be prohibited by the standard form of fire insurance policies. Lessee shall, at its sole cost and expense, comply with any and all requirements, pertaining to the Premises, of any insurance organization or company, necessary for the maintenance of reasonable fire and public liability insurance, covering the building and appurtenances.

13. **LESSOR/LESSEE INITIAL IMPROVEMENTS TO PREMISES**.

(a). Lessee shall bear the cost of the improvements and the cost of architectural and engineering consultants in connection with tenant improvements, except that Lessor shall contribute a Lessee Improvement Allowance equal to Six Thousand Seven Hundred Sixty ($6,670) Dollars, for construction of the Lessee Improvements. Payment of Lessee Improvement Allowance is conditioned upon

Lessor's approval of Lessee's Improvement Plans described in section 13e. and Exhibit D. The Lessee Improvement Allowance shall be paid to the Lessee within 30 business days of Lessor receiving all invoices and unconditional lien releases from all persons performing labor or providing materials on or to the Premises, and providing copies of the lien releases, dated and with original signatures, to the Lessor from Lessee's contractor.

(b). The Lessee Improvements may be commenced any time after the Lease Commencement Date and shall be completed within a reasonable period of time following commencement of such improvements. However, no delay in completion of the Lessee Improvements shall change or extend the date of the expiration of the Lease Term unless such delay is caused by Lessor's acts or omission

(c). Lessor has determined that at the time of delivery of space to Lessee, no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilation and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, and the structure or exterior appearance of the Building. Lessor shall have no responsibility to make any improvements to the structure of the Premises including those required by federal and state disability access laws. Lessor will determine that the building shell meets all current federal and state disability access laws at time of delivery. Any of Lessee's specific changes to interior space that trigger additional requirements under federal and state disability access laws shall be Lessee's sole responsibility.

(d). Except for the Lessee Improvement Allowance, Lessor shall have no liability or responsibility for repairs to, changes to or code upgrades required in connection with the construction of the Lessee Improvements.

(e). Prior to commencement of any Lessee Improvements, Lessee will provide Lessor with a set of detailed drawings showing Lessee's proposed improvements to the Leased Premises. Within fifteen (15) business days after receipt of Lessee's plans, Lessor shall provide Lessee with written approval or disapproval of the improvements, with reasons for disapproval. Lessee shall not commence any improvements to the Premises without Lessor's written approval. Lessor may post a notice of non-responsibility prior to the start of any improvements. Lessee Improvements shall include, at a minimum, the improvements described in "Exhibit D".

(f). All construction work required or permitted by this Lease shall be done in a good and workmanlike manner, and in compliance with all applicable laws and ordinances, regulations, and orders of governmental authority and insurers of the Premises. Lessor may inspect the Lessee's work at reasonable times and shall promptly give notice of observed defects.

(g). Before starting any work, Lessee shall:

(i) Obtain all required governmental approvals and permits required to start construction; and

(ii) Satisfy all requirements regarding insurance imposed by this Lease; and

(iii) Deliver to Lessor a statement of the names of all contractors and subcontractors and the estimated cost of all labor and material to be furnished by them;

(iv) Cause Lessee's contractors to carry the minimum insurance coverage specified in paragraph 21.

14. **ACCEPTANCE OF PREMISES. SURRENDER AT END OF TERM.** By signature hereto, Lessee accepts the Premises as being in good and sanitary order, condition and repair, and in the size and condition represented by Lessor, and agrees on the last day of the term, or sooner termination, of this Lease, to surrender the premises with appurtenances to the Lessor in broom clean condition reasonable use and wear excepted, and to remove all of Lessee's signs and personal property, not affixed to the premises, from the premises.

15. **WASTE. QUIET CONDUCT/QUIET ENJOYMENT.** Lessee shall not commit, or suffer to be committed, any waste upon the Premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Lessee in the building in which the Premises are located. Lessor covenants and represents that it has full right and lawful authority to enter into and perform the Lessor's obligations under this lease and that it has a fee simple title, in the building of which the Premises is a part, free and clear of all conditions, covenants, restrictions, mortgages and other liens or defects in title of any nature whatsoever affecting the Premises, or the rights granted Lessee in this Lease. Lessor further covenants that if Lessee shall discharge the obligations set forth to be performed by Lessee, Lessee shall have and enjoy, during the term hereof, and all extensions herein provided, the quiet and undisturbed possession of the Premises and all appurtenances appertaining thereto, together with the right to use the areas common to all lessees as in the this lease contemplated.

16. LESSEE ALTERATIONS; MECHANICS' LIENS

(a) Lessee shall not make, or suffer to be made, any alterations of the Premises, or any part thereof, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. All alterations, improvements, additions, or fixtures, other than trade fixtures not permanently affixed to realty, that may be made or installed upon the premises by either of the parties and that in any manner are attached to the floors, walls, or ceilings, shall be the property of the Lessor, and, at the termination of this Lease, shall remain upon and be surrendered with the premises as a part of the premises, without disturbance, molestation, or injury; provided, however, Lessee may remove trade fixtures, if Lessee repairs any damage to the Premises caused by such removal.

(b) Lessee shall pay, when, due, all sums of money that may become due or purportedly due for any labor, services, materials, supplies, or equipment alleged to have been furnished or to be furnished to or for Lessee in, at, upon or about the Premises and which may be secured by any mechanics', material men's or other lien against the premises or Lessor's interest in the Premises, and Lessee shall cause each such lien to be fully discharged and released at the time performance of the obligation secured matures or becomes due. Alternatively, Lessee shall have the right to contest the correctness of the validity of any such lien if, immediately on demand by Lessor, Lessee procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one-half times the amount of the claim of lien. The bond shall meet the requirements of California Civil Code Section 3143 and shall provide for the payment of any sum that the claimant may recover on the claim (together with costs of suit, if it recovers in the action). Lessor shall have the right to post and maintain on the Premises such notices of non-responsibility as are provided for under the mechanics' lien law of California.

17. CARE AND MAINTENANCE OF THE DEMISED PREMISES.

(a) Lessee shall maintain the Premises, except all structural portions thereof, in the same order and condition as when received, wear and tear in the usual and ordinary operation of Lessee's business, and action of the elements, excepted. The term "structural portions" as used in this Paragraph, shall mean and include the foundations, exterior walls, concrete slabs, the beams and columns bearing the main load on the roof, of the Premises. Lessee shall maintain the exterior and interior of doors, windows, and plate glass located on the Premises.

(b) Lessor shall keep in good order, condition and repair (i) the structural portions of the Premises, as hereinabove defined, (ii) the plumbing and sewage system serving up to the Premises, and (iii) the heating, air conditioning and ventilating equipment provided for the Premises by the Lessor, except (as to all items) for any damage caused by any negligent or intentional act or omission of Lessee or its employees, agents, invitee, licensees, or contractors. Lessor shall maintain the cleanliness and maintenance of all areas common to retail Lessees at Downtown Plaza West Garage including, but not limited to the exterior of Premises, any common garbage areas, pedestrian walkways, patios, landscaped areas, sidewalks, service corridors, stairways, non-structural portions of the roofs and exterior walls, and loading areas.

(c) Lessee and Lessor shall complete all repairs for which they are respectively responsible in a timely manner, not to exceed five (5) working days in the event of an emergency repair. In an emergency situation where Lessor is required to make the repair and is unable to make the repair so as to prohibit Lessee from conducting Lessee's normal business, Lessee shall be permitted to make the repair itself and deduct the reasonable and documented cost of such repair from Lessee's next rental payment. The amount of such repair shall not exceed the fair market rate(s) for the pertinent industry from which the repair is performed. For the purposes of this Subparagraph, "emergency" shall mean a condition affecting the health, safety or security of Lessee or Lessee's invitees.

(d) The plumbing facilities serving the premises shall not be used for any other purpose than that for which they are constructed. No foreign substance of any kind shall be thrown in the plumbing facilities. The expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Lessee if Lessee or its employees, agents, contractors, or invitees shall have caused it.

18. **ABANDONMENT OF PREMISES, TRADE FIXTURES**. Lessee shall not vacate or abandon the Premises at any time during the term, 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 to be abandoned at the option of Lessor, subject to Lessee's mortgage company security interest.

19. **COMPLIANCE WITH LAW**.

(a) Lessee shall, at its sole cost and expense, 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 specific activity of Lessee on the premises. 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 the use of the Premises shall be conclusive of the fact as between Lessor and Lessee.

(b) Lessee represents, warrants and covenants that Lessee will remain in compliance with all applicable federal, state and local laws, ordinances and regulations (including consent decrees and administrative orders) relating to public health and safety and protection of the environment ("Environmental Laws"), and that Lessee will not permit to occur any release, generation, storage, disposal or treatment of any hazardous material as that term is defined in any of the Environmental Laws. Lessee shall immediately notify Lessor of any such release, generation, storage, disposal or treatment and Lessee shall take such necessary remediation measures at Lessee's expense to the complete satisfaction of Lessor. Lessee shall immediately notify Lessor of any complaints, citations, inquires or notices from any governmental entity relating to compliance with Environmental Laws. Lessee represents, warrants and covenants that all governmental permits relating to the use or operation of the premises required by applicable Environmental Laws are and will remain in effect, and Lessee will comply with them.

20. **INDEMNITY**. This lease is made upon the express condition that Lessee shall indemnify and hold harmless Lessor from and against any and all claims, damages, causes of action, suits, or damages (including costs and expenses incurred in connection therewith) for death or injury to persons or for loss of or damage to property arising out of or in connection with the use and occupancy of the premises by Lessee, its agents, servants, employees, or invitees and to the extent not caused by Lessor's or Lessor's employees' negligence or willful misconduct; provided, however, Lessor shall be liable for loss, damages, or injury resulting from structural defects of the building in which the premises are situated which are not caused by negligence or intentional act of Lessee, its agents, servants, employees, or invitees. Lessor shall indemnify and hold harmless Lessee from and against any and all claims, causes of action, suits or damages (including costs and expenses incurred in connection therewith) for death or injury to persons or for loss of or damage to property arising out of or in connection with Lessor's or Lessor's employees' negligence or willful misconduct or resulting from structural defects of the building in which the Premises are situated which are not caused by the negligence or intentional act of Lessee, its agents, servants, employees or invitees. In the event of any claims made or suits filed, Lessor shall give Lessee notice thereof.

21. INSURANCE REQUIREMENTS.

During the term of this Lease Agreement, and until final completion and acceptance of any work required by this Agreement, Lessee shall maintain in full force and effect at its own cost and expense the following insurance coverage. By requiring the insurance herein, the CITY does not represent that the coverage and limits will necessarily be adequate to protect the LESSEE. It is understood and agreed by the LESSEE that the required insurance coverage and limits shall not be deemed as a limitation on LESSEE'S liability under the indemnities granted to the CITY in this Lease Agreement.

Insurance requirements are subject to review and revision every five (5) years to assure that policy terms, conditions and limits are maintained in accordance with current insurance industry standards for comparable premises and buildings.

A. Minimum Scope & Limits of Insurance Coverage

1. General Liability Insurance is required providing coverage at least as broad as ISO GL Form 00 01 on an occurrence basis for bodily injury including death of one or more persons, property damage and personal injury, with limits of not less than one million dollars ($1,000,000). The policy shall include coverage for premises, operations, products and completed operations and contractual liability for the term of the policy. The policy shall include a fire legal liability limit of $50,000 per occurrence.

2. Auto liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 on an occurrence basis for bodily injury of one or more persons, property damage and personal injury with limits no less than $1,000,000 combined single limit. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the LESSEE.

3. Worker's Compensation Insurance is required with statutory limits including a waiver of subrogation in favor of the City and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000).

4. All Risk Property Insurance is required for all tenant improvements, fixtures and equipment located on or about the premises against loss or damage including fire, flood or other acts of nature and vandalism. Tenant improvements, fixtures, and equipment shall be insured for replacement value. The proceeds from any such policy shall be used by the LESSEE for replacement of personal property and

restoration of LESSEE'S tenant improvements or alterations.

B. Additional Insured Coverage

1. Commercial General Liability Insurance The City, its officers, employees and volunteers shall be covered by policy terms or endorsement as additional insured as respects general liability arising out of activities performed by or on behalf of the Lessee including products and completed operations of Lessee and premises owned, leased or used by Lessee.

2. Auto Liability Insurance The City, its officers, employees and volunteers shall be covered by policy terms or endorsement as additional insured as respects auto liability.

C. Other Insurance Provisions

The policies are to contain or be endorsed to contain the following provisions.

1. LESSEE's insurance shall be primary as respects The City, its officers, employees and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers shall be in excess of Lessee's insurance and shall not contribute with it.

2. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the CITY, its officers, employees and volunteers.

3. Coverage shall state that LESSEE'S insurance shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the insurer's liability.

4. The CITY will be provided with thirty (30) days written notice of cancellation or material change in the policy terms or language.

D. Acceptability of Insurers

Insurance shall be placed with insurers with a Bests' rating of not less than A:V. Self insured retentions, policy terms or other variations that do not comply with the requirements of Section 12 must be declared to City's representative and approved by the City Risk Management Division.

E. Verification of Coverage

1. LESSEE shall furnish CITY with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the CITY'S representative. Copies of policies shall be delivered to the CITY on demand. Certificates of insurance shall be signed by an authorized representative of the insurance carrier.

2. The CITY may withdraw its offer or cancel this Lease Agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this Agreement. Failure to provide insurance certificates and endorsements and keep such certificates and endorsements current will be considered a material breach by LESSEE of this Lease Agreement.

F. Contractors

Lessee shall require and verify that all contractors and subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in subsections A, C and D above with the exception of subsection A(4).

22. **AUCTIONS. SIGNS**. Lessee shall not conduct or permit to be conducted any sale by auction on the Premises. Lessee shall not place or permit to be placed any sign, decoration, marquee or awning on the front of the premises without the prior written consent of Lessor. Lessee shall not place or permit to be placed upon any wall, sidewall, rear wall, or roof, any sign, advertisement, or notice without the prior written consent of Lessor. All signage shall be agreed to between Lessor and Lessee, however Lessor shall not unreasonably withhold said approval. Lessee's signage must meet all applicable governmental codes and regulations. Lessor further grants to Lessee during the term of this lease a non-exclusive right and easement over that portion of the Center as may be required by Lessee to improve, renovate, repair, replace, and maintain the Premises or replace its signage. Tenant shall have the right to change or alter such signage at any time during the term of this Lease provided such signage is in compliance with all applicable governmental codes and regulations.

23. **ENTRY BY OWNER**. Lessee shall permit Lessor and its agents to enter the Premises at all reasonable times during normal business hours, when given a minimum of 24 hours notice from Lessor, (except in the case of emergency, in which case Lessor may enter as reasonably necessary) for the purpose of inspecting the same or for the purpose of maintaining the building in which Premises are situated, or for the purpose of making repairs, alterations, or additions to any other portion of said building in which the premises are located, including the erection and maintenance of such scaffolding, canopies, fences and props as may be required, for the purpose of posting notices of non-liability for alterations, additions or repairs, or for the purpose of enforcing the

provisions of Paragraph 22 of this Lease, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the premises thereby occasioned. Provided, however, that if Lessor's repairs/alterations interrupt Lessee's operations for longer than five (5) business days, rent shall abate until repairs are completed. Lessee shall permit Lessor, at any time within sixty (60) days prior to the expiration of this Lease, to place upon Premises any usual or ordinary "to let" or "to lease" signs. In, addition Lessor shall have access to the electrical room in the rear of Lessee's space at any time with reasonable notice. If there is an emergency however Lessor shall have the right to immediate access. Lessor shall use its best efforts to interfere with operation of Lessee as little as is reasonably possible.

24. **DESTRUCTION OF PREMISES**. In the event of a partial destruction of the Premises during the term of this Lease, from any cause for which Lessor is responsible for repair according to the terms and conditions of this Lease, Lessor shall forthwith repair the same, provided such repairs can be made within one hundred twenty (120) days under the laws and regulations of state, federal, or municipal authorities, but such partial destruction shall in no way annul or void this Lease, except that Lessee shall be entitled to a proportionate reduction in rent to be based upon the extent to which the making of such repairs shall interfere with the occupancy of the premises by Lessee. If such repairs cannot be made within one hundred twenty (120) days, Lessor may, at its option, make same within a time mutually agreeable between Lessor and Lessee, this Lease continuing in full force and effect, and the rent will be proportionately reduced as aforesaid in this Paragraph. In the event that Lessor does not so elect to make such repairs, or repairs cannot be made in one hundred twenty (120) days, or such repairs cannot be made under such laws or regulations, this Lease may be terminated at the option of either party upon thirty (30) days notice to other party. In respect to any partial destruction which Lessor is obligated to repair or may elect to repair under the terms of this paragraph , the provisions of section 1932, subdivision 2, and of section 1933, subdivision 4, of the Civil Code of the State of California are waived by Lessee. A total destruction of the building in which the Premises are situated shall terminate this Lease.

25. **ASSIGNMENT OR SUBLETTING**. Lessee shall not assign this Lease, or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the agents, employees and invitees of Lessee excepted) to occupy or use the Premises, or any portion thereof, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. A consent to one assignment, subletting, occupation or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation, or use by another person. Any such assignment or subletting without such consent shall be void, and shall at the option of Lessor, terminate this Lease. This Lease shall not, nor shall any interest therein, be assignable, as to the interest of Lessee, by operation of law, without the prior written consent of Lessor.

26. **INSOLVENCY. RECEIVER**. 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. Should such action occur against Lessee, Lessee shall have thirty (30) days to cure the action or suit prior to being considered in default of this Lease.

27. **REMEDIES OF LESSOR**. The following rights and remedies shall be available to Lessor in the event Lessee commits any act of default during the term. Unless a different time period is set forth elsewhere in this Lease, Lessee shall be deemed to be in default only after receipt of written notice from Lessor specifying the nature of the violation and not having cured said violation within thirty (30) days after receipt of the notice. These rights and remedies shall not be exclusive, but shall be cumulative subject to Paragraph 39 of this Lease, and in addition to any and all rights and remedies now or hereafter allowed by law:

(a) Even though Lessee breaches this Lease, or abandons the Premises, this Lease shall continue in full force and effect for so long as Lessor does not terminate Lessee's right to possession of the Premises; and Lessor shall be entitled to enforce all its rights and remedies under this Lease, including the right to collect rent as it becomes due. It is hereby specifically agreed between the parties that acts of maintenance or efforts to relet the premises, and/or the appointment of a receiver on initiative of Lessor to protect Lessor's interest under this Lease, will not constitute a termination of Lessee's right to possession. Lessor shall not be deemed to have elected to terminate Lessee's right to possession of the Premises unless Lessor gives written notice of such election to terminate.

(b) Lessor may elect, by written notice to Lessee, to terminate Lessee's right to possession of the Premises at any time after the occurrence of any act of monetary default by Lessee, if said default is not cured within thirty (30) days of written notice of said default, and in such event may, at Lessor's option, declare this Lease and Lessee's right to possession terminated. It is hereby specifically agreed between the parties that acts of maintenance or efforts to relet the Leased Premises, and/or the appointment of a receiver on initiative of Lessor to protect Lessor's interest under this Lease will not constitute a termination of Lessee's right to possession. In the event Lessor elects to terminate this Lease and Lessee's right to possession as aforesaid, Lessor may recover as damages from Lessee the following:

(i) The worth at the time of award of the unpaid rental which has been earned at the time of termination of the Lease; and

(ii) The worth at the time of award of the amount by which the unpaid rental which would have been earned after the date of termination of this Lease until the time of award exceeds the

amount of such loss of rental that Lessee proves Lessor could have reasonably avoided; and

(iii) The worth at the time of the award of the amount by which the unpaid rental for the balance of the term after the time of award exceeds the amount of the loss of such rental that Lessee proves Lessor could have reasonably avoided; and

(iv) Any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's act or default or which in the ordinary course of things would be likely to result therefrom. The phrase "the worth at the time of the award" as referred to in this paragraph is to be computed by the allowing interest at the rate of ten (10) percent annually. The phrase "the worth at the time of the award" as referred to in this paragraph shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one (1) percent.

(c) Efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not waive Lessor's right to recover damages under this Paragraph.

(d) Nothing in this Paragraph shall affect the right of Lessor to indemnification against liability arising from or related to acts or events occurring prior to the termination of this Lease for personal injuries or property damage, or against mechanic's liens or other liens, claims or expenses.

28. **SURRENDER OF LEASE NOT MERGER**. The voluntary or other surrender of this Lease by Lessee, or mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to it of any or all such subleases or subtenancies.

29. **JOINT & SEVERAL OBLIGATIONS**. If more than one individual or entity comprises Lessee, the obligations imposed on each individual or entity that comprises Lessee under this Lease shall be joint and several.

30. **NOTICES**. Any and all notices or demands by or from Lessor to Lessee, or Lessee to Lessor, shall be in writing. They shall be served either personally or by mail. If served personally, service shall be conclusively deemed made at the time of service. If served by mail, service of notices or demands shall be conclusively deemed made as of the time of deposit in the United States mail, postage paid, certified mail, return receipt requested.

Any notice or demand to Lessor or Lessee may be given to:

LESSOR:
City of Sacramento
Parking Facilities Division
Attn: Properties Coordinator
And Parking Manager
921 10th Street, Suite 100
Sacramento, CA 95814-3329
(916) 264-5110

LESSEE:
Navin's, Incorporated
Attn: Peter Navin
324 K Street
Sacramento, CA 95814
(916) 448-6295

Any party hereto shall change the address for notice by giving written notice to the other party according to this Paragraph.

31. **WAIVER**. The waiver by either party 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. The subsequent acceptance of any delinquent rental payment by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Lease, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

32. **BINDING ON SUCCESSORS**. 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 of the parties hereto.

33. **TIME**. Time is of the essence of this Lease.

34. **CONDEMNATION**. In the event any entity with the power of eminent domain shall take the Premises, or any part thereof, actually using the power of eminent domain or negotiating under the threat of the use of the power of eminent domain, then:

(a) In the event of taking of the entire Premises, this Lease shall be terminated when title passes to the condemner or when possession is obtained by the condemner, whichever shall first occur; or

(b) In the event of a taking any area of the Premises less than the entire Premises, the rent shall be reduced in the same proportion as the area taken bears to the remainder and the Lease shall continue in full force and effect, unless within ten (10) days of the date the condemner takes possession or legal title vests in the condemner, Lessee shall give written notice of termination, which assigns and transfers to the Lessor any right to compensation or damages to which the Lessee may become entitled during the term hereof by reason of the condemnation of all, or a part of the premises. Lessee

shall have the right to petition the condemning authority for Lessee's relocation costs.

35. **EXCUSABLE DELAYS**. If the performance of any act required by this lease to be performed by either Lessor or Lessee is prevented or delayed by reason of an Act of God, strike, lockout, labor troubles, inability to secure materials or permits, restrictive governmental laws or regulations, or any other cause except financial inability that is not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused. However, nothing contained in this section shall excuse the prompt payment of rent by Tenant as required by this lease or the performance of any act rendered difficult solely because of the financial condition of the party required to perform the act.

36. **RIGHT TO MEASURE FLOOR SPACE OF PREMISES**. Within thirty (30) days following execution of this lease, Lessee, at its sole cost and expense, or Lessor, at its sole cost and expense, may elect to cause the net usable floor space of the Premises to be measured by a licensed architect. In the event such calculation reflects a deviation from the floor space set forth in Paragraph 1, and the other party approves the calculation, this Lease shall be amended to reflect the recalculated floor space. If the parties do not exercise their right to measure the floor space as provided herein, both Lessor and Lessee hereby acknowledge and agree that each party shall automatically be deemed to have absolutely and unconditionally (i) waived such right, (ii) accepted the floor space calculation as set forth in Paragraph 1, and (iii) released and waived any rights the parties may have against one another in the event the floor space calculation set forth in Paragraph 1 is different from the actual floor space.

37. **CAPTIONS**. The title or headings to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease.

38. **RULES AND REGULATIONS**. Lessor shall have the right from time to time to promulgate reasonable rules and regulations and amendments thereto for the safety, care and cleanliness of the building in which the Premises are located and for the preservation of good order. Upon delivery of a copy of such rules and regulations or upon receiving written notice of such rules and regulations, together with a copy thereof, Lessee will comply with the rules and regulations, and a violation of any of them shall constitute a breach and default of this Lease as provided in Paragraph 27 of the Lease. If there is a conflict between the Lease and any rule or regulation, the Lease shall prevail. Lessor shall make all reasonable efforts to enforce any such rules and regulations uniformly against all Lessees in the building. No such rules and regulations shall require Lessee to pay any additional rent under this Lease.

39. **ARBITRATION**. Except with respect to Lessor's right to employ the provisions of state law relating to unlawful detainer proceedings, which right Lessor expressly reserves, in the event of a dispute between the parties as to the rights and obligations under or to enforce provisions of this Lease, it is agreed that such dispute shall proceed to arbitration upon

written request by any party. The arbitrator shall be chosen by the selection process supplied by the American Arbitration Association. The rules for commercial arbitration of the American Arbitration Association, as then in effect, shall apply to the arbitration and govern the same, except, the parties shall have the right to conduct all discovery available to parties in a civil action as provided in the California Code of Civil Procedure, except that time limits for discovery shall be determined by the arbitrator. The arbitration hearing shall be conducted in the County of Sacramento, California. The payments of the expenses of the arbitration shall be determined by the arbitrator, except that each party shall be responsible for its own attorneys fees and costs relating to the arbitration. To the extent practicable, arbitration shall commence within forty-five (45) days of service of the initial demand. The arbitrator's decision shall be final, subject to correction and enforcement of a court of competent jurisdiction pursuant to California Code of Civil Procedure Sections 1284 and 1285 et seq, or any successor statutes as then in effect. In the event a party hereto necessarily invokes the jurisdiction of a court of competent jurisdiction to enforce the determination of the arbitrator(s), the prevailing party shall be entitled to recover its attorney's fees and costs in a reasonable amount, which shall be determined by the court and included in the judgment in said action.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS SECTION 40 DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS PARAGRAPH 40. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS PARAGRAPH 40 TO NEUTRAL ARBITRATION.

LESSOR: _____ LESSEE: _____

41. **MERCHANT VALIDATION PROGRAM**. Lessee agrees to participate in Lessor's Merchant Validation Program.

42. **NON-DISCRIMINATION IN EMPLOYEE BENEFITS.** This Agreement is subject to the provisions of Sacramento City Code Chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. The requirements of Sacramento City Code Chapter 3.54 are summarized in Exhibit B. Lessee is required to sign the attached Declaration of Compliance (Equal Benefits Ordinance), Exhibit B, to assure compliance with these requirements.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on the date herein above first written.

LESSEE:

BY: _____

Its: _____

LESSOR:

CITY OF SACRAMENTO,
a Municipal Corporation

BY: _____
CITY MANAGER

APPROVED AS TO FORM:

BY: _____
DEPUTY CITY ATTORNEY

ATTEST:

BY: _____
CITY CLERK

EXHIBIT "A"

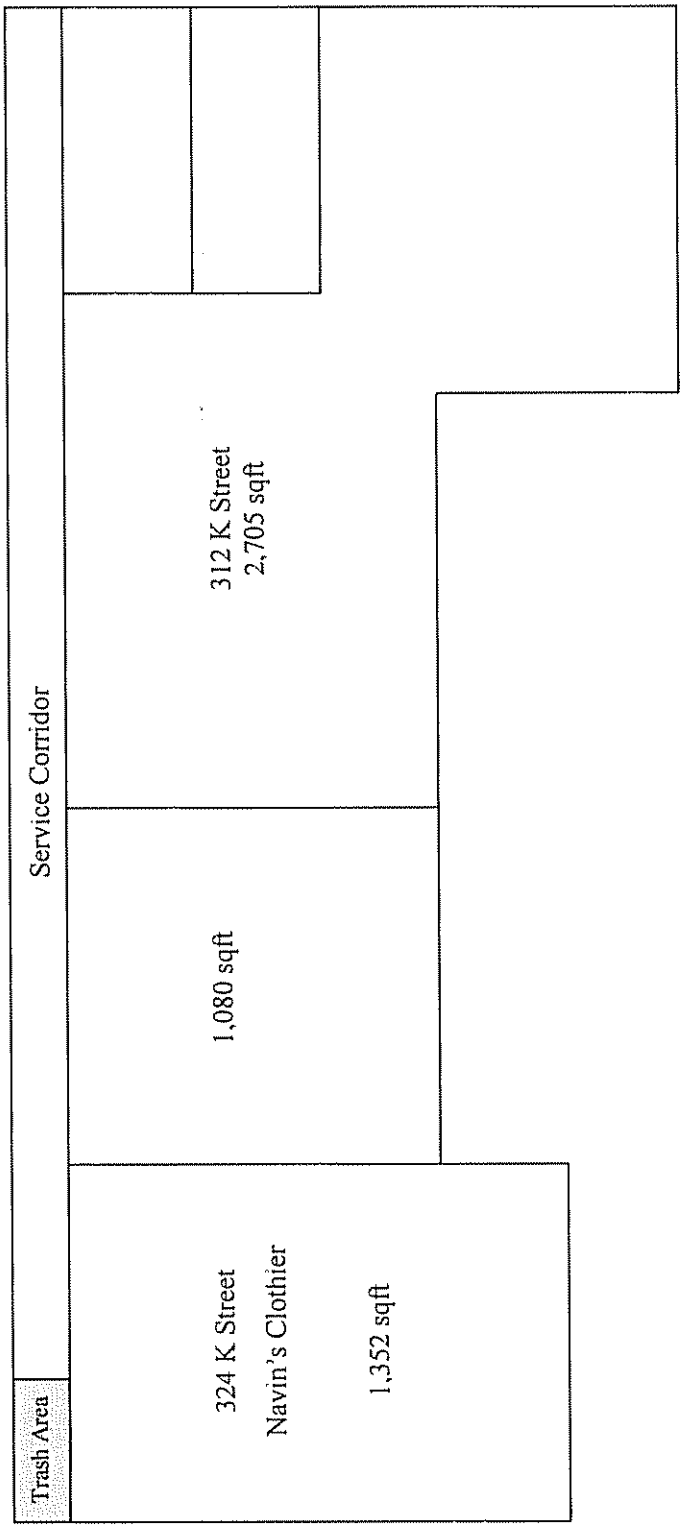
Trash Area
Service Corridor
324 K Street
Navin's Clothier
1,352 sqft
1,080 sqft
312 K Street
2,705 sqft

EXHIBIT "B"

DECLARATION OF COMPLIANCE
Equal Benefits Ordinance

Name of Lessee: NAUCN'S

Address: 324 K STREET SACTO. CA 95814

The above named Lessee ("Lessee") hereby declares and agrees as follows:

1. I have read and understand the Requirements of the Non-Discrimination In Employee Benefits Code (the "Requirements") provided to me by the City of Sacramento ("City") and attached as Exhibit E to my City contract or agreement ("Contract").

2 As a condition of receiving the City Contract, I agree to fully comply with the Requirements, as well as any additional requirements that may be specified in the City's Non-Discrimination In Employee Benefits Code codified at Chapter 3 54 of the Sacramento City Code (the "Ordinance")

3 I understand, to the extent that such benefits are not preempted or prohibited by federal or state law, employee benefits covered by the Ordinance, are any of the following:

a Bereavement Leave
b Disability, life, and other types of insurance
c Family medical leave
d Health benefits
e Membership or membership discounts
f Moving expenses
g Pension and retirement benefits
h Vacation
i Travel benefits
j Any other benefit offered to employees

I agree that should I offer any of the above listed employee benefits, that I will offer those benefits, without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouses and domestic partners of such employees.

4. I understand that I will not be considered to be discriminating in the provision or application of employee benefits under the following conditions or circumstances:

a In the event that the actual cost of providing a benefit to a domestic partner or spouse, exceeds the cost of providing the same benefit to a spouse or domestic partner of an employee, I will not be required to provide the benefit, nor shall it be deemed discriminatory, if I require the employee to pay the monetary difference in order to provide the benefit to the domestic partner or to the spouse

b In the event I am unable to provide a certain benefit, despite taking reasonable measures to do so, if I provide the employee with a cash equivalent, I will not be deemed to be discriminating in the application of that benefit

c If I provide employee benefits neither to employee's spouses nor to employee's domestic partners.

d If I provide employee benefits to employees on a basis unrelated to marital or domestic partner status.

e If I submit, to the Program Coordinator, written evidence of making reasonable efforts to end discrimination in employee benefits by implementing policies which are to be enacted before the

first effective date after the first open enrollment process following the date the Contract is executed with the City

I understand that any delay in the implementation of such policies may not exceed one (1) year from the date the Contract is executed with the City, and applies only to those employee benefits for which an open enrollment process is applicable

f. Until administrative steps can be taken to incorporate, in the infrastructure, nondiscrimination in employee benefits

The time allotted for these administrative steps will apply only to those employee benefits for which administrative steps are necessary and may not exceed three (3) months from the date the Contract is executed with the City

g. Until the expiration of a current collective bargaining agreement(s) where, in fact, employee benefits are governed by a collective bargaining agreement(s)

h. I take all reasonable measures to end discrimination in employee benefits by either requesting the union(s) involved agree to reopen the agreement(s) in order for me to take whatever steps are necessary to end discrimination in employee benefits or by my ending discrimination in employee benefits without reopening the collective bargaining agreement(s)

i. In the event I cannot end discrimination in employee benefits despite taking all reasonable measures to do so, I provide a cash equivalent to eligible employees for whom employee benefits (as listed previously), are not available

Unless otherwise authorized in writing by the City Manager, I understand this cash equivalent must begin at the time the union(s) refuse to allow the collective bargaining agreement(s) to be reopened or no longer than three (3) months from the date the Contract is executed with the City

5. I understand that failure to comply with the provisions of Section 4 (a) through 4 (i), above, will subject me to possible suspension and/or termination of this Contract for cause; repayment of any or all of the Contract amount disbursed by the City; debarment for future contracts until all penalties and restitution have been paid in full; deemed ineligible for future contracts for up to two (2) years; the imposition of a penalty, payable to the City, in the sum of $50.00 for each employee, for each calendar day during which the employee was discriminated against in violation of the provisions of the Ordinance

6. I understand and do hereby agree to provide each current employee and, within ten (10) days of hire, each new employee, of their rights under the Ordinance. I further agree to maintain a copy of each such letter provided, in an appropriate file for possible inspection by an authorized representative of the City. I also agree to prominently display a poster informing each employee of these rights

7. I understand that I have the right to request an exemption to the benefit provisions of the Ordinance when such a request is submitted to the Procurement Services Division, in writing with sufficient justification for resolution, prior to contract award

I further understand that the City may request a waiver or exemption to the provisions or requirements of the Ordinance, when only one lessee is available to enter into a contract or agreement to occupy and use City property on terms and conditions established by the City, when sole source conditions exist for goods, services, public project or improvements and related construction services; when there are no responsive bidders to the Ordinance requirements and the contract is for essential goods or services; when emergency conditions with public health and safety implications exist; or when the contract is for specialized legal services if in the best interest of the City

9. In consideration of the foregoing, I shall defend, indemnify and hold harmless, the City, its officers and employees, against any claims, actions, damages, costs (including reasonable attorney fees), or other liabilities of any kind arising from any violation of the Requirements or of the Ordinance by me

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind the Contractor to the provisions of this Declaration

Signature of Authorized Representative

08/02/07
Date

Peter Kavid
Print Name

M. Director
Title

REQUIREMENTS OF THE NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

INTRODUCTION

The Sacramento Non-Discrimination In Employee Benefits Code (the "Ordinance"), codified as Sacramento City Code Chapter 3.54, prohibits City contractors from discriminating in the provision of employee benefits between employees with spouses and employees with domestic partners, and between the spouses and domestic partners of employees.

APPLICATION

The provisions of the Ordinance apply to any contract or agreement (as defined below), between a Contractor and the City of Sacramento, in an amount exceeding $25,000.00. The Ordinance applies to that portion of a contractor's operations that occur: (i) within the City of Sacramento; (ii) on real property outside the City of Sacramento if the property is owned by the City or if the City has a right to occupy the property; or (iii) at any location where a significant amount of work related to a City contract is being performed.

The Ordinance does not apply: to subcontractors or subcontracts of any Contractor or contractors; to transactions entered into pursuant to cooperative purchasing agreements approved by the Sacramento City Council; to legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City; where the requirements of the ordinance will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement; to permits for excavation or street construction; or to agreements for the use of City right-of-way where a contracting utility has the power of eminent domain.

DEFINITIONS

As set forth in the Ordinance, the following definitions apply:

"Contract" means an agreement for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided, at the expense of the City or to be paid out of moneys deposited in the treasury or out of the trust money under the control or collected by the City. "Contract" also means a written agreement for the exclusive use ("exclusive use" means the right to use or occupy real property to the exclusion of others, other than the right reserved by the fee owner) or occupancy of real property for a term exceeding 29 days in any calendar year, whether by singular or cumulative instrument, (i) for the operation or use by others of real property owned or controlled by the City for the operation of a business, social, or other establishment or organization, including leases, concessions, franchises and easements, or (ii) for the City's use or occupancy of real property owned by others, including leases, concessions, franchises and easements.

"Contract" shall not include: a revocable at-will use or encroachment permit for the use of or encroachment on City property regardless of the ultimate duration of such permit, excavation, street construction or street use permits, agreements for the use of City right-of-way where a contracting utility has the power of eminent domain; or agreements governing the use of City property that constitute a public forum for activities that are primarily for the purpose of espousing or advocating causes or ideas and that are generally protected by the First Amendment to the United States Constitution or that are primarily recreational in nature.

"Contractor" means any person or persons, firm partnership or corporation, company , or combination thereof, that enters into a Contract with the City. "Contractor" does not include a public entity.

"Domestic Partner" means any person who has a currently registered domestic partnership with a governmental entity pursuant to state or local law authorizing the registration.

"Employee Benefits" means bereavement leave; disability, life, and other types of insurance; family medical leave; health benefits; membership or membership discounts; moving expenses; pension and retirement benefits, vacation; travel benefits; and any other benefit given to employees;. "Employee benefits" shall not include benefits to the extent that the application of the requirements of this chapter to such benefits may be preempted by federal or state.

CONTRACTOR'S OBLIGATION TO PROVIDE THE CITY WITH DOCUMENTATION AND INFORMATION

Contractor shall provide the City with documentation and information verifying its compliance with the requirements of the Ordinance within ten (10) days of receipt of a request from the City. Contractors shall keep accurate payroll records, showing, for each City Contract, the employee's name, address, Social Security number, work classification, straight time pay rate, overtime pay rate, overtime hours worked, status and exemptions, and benefits for each day and pay period that the employee works on the City Contract Each request for payroll records shall be accompanied by an affidavit to be completed and returned by the Contractor, as stated, attesting that the information contained in the payroll records is true and correct, and that the Contractor has complied with the requirements of the Ordinance. A violation of the Ordinance or noncompliance with the requirements of the Ordinance shall constitute a breach of contract.

EMPLOYER COMPLIANCE CERTIFICATE AND NOTICE REQUIREMENTS

(a) All contractors seeking a Contract subject to the Ordinance shall submit a completed Declaration of Compliance Form, signed by an authorized representative, with each proposal, bid or application. The Declaration of Compliance shall be made a part of the executed contract, and will be made available for public inspection and copying during regular business hours.

(b) The Contractor shall give each existing employee working directing on a City contract, and (at the time of hire), each new employee, a copy of the notification provided as attachment "A."

(c) Contractor shall post, in a place visible to all employees, a copy of the notice provided as attachment "B."

YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

On ..... (date), your employer (the "Employer") entered into a contract with the City of Sacramento (the "City") for ..... (contract details), and as a condition of that contract, agreed to abide by the requirements of the City's Non-Discrimination In Employee Benefits Code (Sacramento City Code Section 3.54).

The Ordinance does not require the Employer to provide employee benefits. The Ordinance does require that if certain employee benefits are provided by the Employer, that those benefits be provided without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouse or domestic partner of employees.

The Ordinance covers any employee working on the specific contract referenced above, but only for the period of time while those employees are actually working on this specific contract.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

(Employee Benefits does not include benefits that may be preempted by federal or state law.)

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, or in the application of these employee benefits, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of the Ordinance, and after having exhausted all remedies with your employer,

You May . . .

O Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento

Contract Services Unit
915 I St., 2nd Floor
Sacramento, CA 95814

- Bring an action in the appropriate division of the Superior Court of the State of California against the Employer and obtain the following remedies:

  - Reinstatement, injunctive relief, compensatory damages and punitive damages

  - Reasonable attorney's fees and costs

Exhibit "C"

Rent Schedule
(Calculations based on 1,352 square feet)

Months	Rate per Square Foot	Monthly Rent
1-12	$1.90	$2,568.80
13-24	$1.90	$2,568.80
25-36	$2.01	$2,722.93
37-48	$2.11	$2,859.07
49-60	$2.22	$3,002.03
First Extended Term		
61-72	$2.33	$3,152.13
73-84	$2.45	$3,309.74
85-96	$2.57	$3,475.22
97-108	$2.70	$3,648.98
109-120	$2.70	$3,648.98

EXHIBIT "D"

Lessee Improvements

1. Remove t-bar ceiling and installed vaulted ceiling with approximately 50 canister light fixtures.
2. Remove carpeting and install white oak hardwood flooring (approximately 1,352 sqft)
3. Install new ceramic tiling in restroom and walls (3' high from floor).