

GROUND LEASE

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This Ground Lease made in duplicate this 18th day NOV 9 1972
of March, 1968, by and between BERNARD A. JETTIE, ^{husband} and
and MILDRED M. JETTIE, husband and wife, hereinafter called
"LESSOR," and ROBERT ZENGRABE, a married man, hereinafter called
"LESSEE."

W I T N E S S E T H:

1. PROPERTY LEASED: For and in consideration of the
payment of the rents and taxes and other charges, and the perfor-
mance of all of the covenants and conditions herein contained,
LESSOR does hereby lease, demise and let unto LESSEE the real
property in the State of California, County of Orange, described as:

Property
The North $\frac{1}{2}$ of Lot 10 in Block "G" of Tract No. 7, in
the city of Huntington Beach, county of Orange, state
of California, as per map recorded in book 9 page 8
of Miscellaneous Maps, in the office of the county re-
corder of said county.

EXCEPT all minerals, oil, gas and other hydrocarbon
substances in or under said land, as reserved by J. H.
Hecht and Irma S. Hecht, husband and wife, in deed re-
corded November 12, 1946, in book 1453, page 578, of
Official Records.

2. PAYMENT FOR EXECUTION OF LEASE: As and for con-
sideration for LESSOR executing this lease the LESSEE agrees to
pay to LESSOR the following sums from the date of execution hereof
until the date of commencement of the lease term:

(a) All real property taxes assessed against the
real property, the subject of this lease. Said taxes shall be paid
upon such becoming payable and in no event later than fifteen (15)
days prior to their becoming delinquent. ~~The real property taxes~~
~~for the second half of the fiscal year 1967-68 shall be prorated~~
~~between LESSOR and LESSEE as of the date of execution of this~~
~~lease.~~

(b) All assessments, general or special, which may
become payable and which may be levied or assessed against the real

C. WILLIAM CARLSON, JR.
ATTORNEY AT LAW
18080 BEACH BOULEVARD

property, the subject of this lease.

3. TERM OF LEASE: Said land is leased for the term of fifty-four (54) years commencing the 1st day of February, 1971, to and including the 1st day of February, 2025. ~~LESSEE may cause this lease to commence at an earlier date, however, upon LESSEE paying to LESSOR the sum set forth in paragraph 4; hereof and the payment of the first month's rent, as set forth in paragraph 5;~~ and the term of said lease shall be deemed to have commenced upon the payment of said sums without any further act on the part of LESSEE or LESSOR to be performed. The parties, however, agree to execute a memorandum setting forth the exact commencement date in such event. In the event the LESSEE shall cause said term to commence at a date earlier than February 1, 1968, the term of this lease shall nevertheless extend to and include the 1st day of February, 2025.

4. PERFORMANCE PAYMENT: As a further consideration for the making of this lease, LESSEE agrees to pay to LESSOR the sum of \$3,000.00 on the 1st day of the term of this lease. The LESSEE shall be entitled to a credit to the extent of said payment as hereinafter provided. In the event that all of the conditions and agreements of this lease have been met by the LESSEE up to the commencement of the 11th year of the lease term, the LESSEE shall be entitled to a reduction of the monthly rental to the extent of \$62.50. Likewise as to the 12th, 13th and 14th years of the lease term, the LESSEE shall be entitled to a similar reduction of the monthly rental so long as all of the conditions and agreements of this lease have been met by the LESSEE.

5. RENT: LESSEE agrees to pay to LESSOR during the term of this lease, in lawful money of the United States, at such place or places as LESSOR may from time to time designate, the sum of \$250.00 per month, the first payment to be made upon the first day

of the lease term and a like sum of \$250.00 on the same day of each succeeding month during the entire term of this lease, except that the monthly payments for the 11th, 12th, 13th and 14th years of the lease term may be decreased as provided in the preceding paragraph and except as the monthly payment be increased as hereinafter provided.

6. RENT INCREASE FORMULA: There is an official price index for the metropolitan area of Los Angeles, California, prepared by the Bureau of Labor Statistics of the United States Department of Labor, known and referred to hereinafter as "Consumers Price Index." The monthly rental payable under this lease shall be increased by reference to the Consumers Price Index in the manner provided hereinafter in this paragraph

(a) Effective on the 10th annual anniversary of this lease the monthly rental for the ensuing ten (10) years shall be determined as follows:- The monthly rental for the ensuing ten (10) years shall be the minimum monthly rental reserved in paragraph 5 above, increased in the same proportion that the Consumers Price Index-All Items-for the month of January immediately preceding the effective date of the rent determination shall have increased, if any, over the Consumers Price Index-All Items-for the month of January, 1968.

(b) Likewise, effective on the 20th annual anniversary of this lease, the monthly rental for the next ensuing ten (10) years shall be determined as follows:- The monthly rental for the next ensuing ten (10) years shall be the monthly rental reserved in paragraph 5, as adjusted under subparagraph (a) of this paragraph 6, increased or decreased, as the case may be, in the same proportions that the Consumers Price Index-All Items-for the month of January, immediately preceding the effective date of this second rent determination shall have increased or decreased, if any, over the Consumers Price Index-All Items-for the month of

(c) Likewise, effective on the 30th annual anniversary of this lease, the monthly rental for the next ensuing ten (10) years shall be determined as follows:- The monthly rental for the next ensuing ten (10) years shall be the monthly rental reserved in paragraph 5, as adjusted under subparagraphs (a) and (b) of this paragraph 6, increased or decreased, as the case may be, in the same proportions that the Consumers Price Index-All Items-for the month of January, immediately preceding the effective date of this third rent determination shall have increased or decreased, if any, over the Consumers Price Index-All Items-for the month of January of the second rent determination period.

(d) Likewise, effective on the 40th annual anniversary of this lease, the monthly rental for the next ensuing ten (10) years shall be determined as follows:- The monthly rental for the next ensuing ten (10) years shall be the monthly rental reserved in paragraph 5, as adjusted under subparagraphs (a), (b) and (c) of this paragraph 6, increased or decreased, as the case may be, in the same proportion that the Consumers Price Index-All Items-for the month of January, immediately preceding the effective date of this fourth rent determination shall have increased or decreased, if any, over the Consumers Price Index-All Items-for the month of January of the third rent determination period.

(e) Likewise, effective on the 50th annual anniversary of this lease, the monthly rental for the remainder of the lease shall be determined as follows:- The monthly rental for the remainder of the lease shall be the monthly rental reserved under paragraph 5, as adjusted under subparagraphs (a), (b), (c) and (d) of this paragraph 6, increased or decreased, as the case may be, in the same proportion that the Consumers Price Index-all Items-for the month of January, immediately preceding the effective date of this fifth rent determination shall have increased or decreased,

if any, over the Consumers Price Index-All Items-for the month of January of the fourth rent determination period.

(f) In any event, the monthly rental shall not be decreased below the minimum of \$250.00 per month except as the monthly rental for the 11th, 12th, 13th, and 14th years of the lease term may be reduced under the provisions of paragraph 4 hereof.

(g) If there shall be no such Consumer Price Index-All Items-existing on said rent determination dates, then it is agreed that the parties shall use any successor thereto or the most nearly comparable successor index thereto.

7. TAXES AND ASSESSMENTS: In addition to the rents above provided, LESSEE shall, from and after the date hereby, pay, when and as the same becomes due and payable, but not later than fifteen (15) days prior to the delinquency date thereof, all taxes of every description which may be levied upon or against the leased land, and all interest therein and improvements thereon, whether the same are real property taxes or personal property taxes and whether the said property belongs to the LESSOR or LESSEE. The real property taxes for the last half of the fiscal year 1967-68 shall be pro-rated between LESSOR and LESSEE as of the date of this lease. In addition thereto, LESSEE shall pay in addition to all other sums all assessments, general or special which may become payable and which may be levied or assessed against the demised premises during the term hereof.

Anything notwithstanding to the contrary, LESSOR agrees that the LESSEE shall have the right to contest the amount or legality of any real estate taxes or assessments which it is obligated to pay and to make proper application for the reduction thereof, or any assessment upon which the same may be based, and the LESSOR agrees that at the request of the LESSEE, to execute or join in the execution of any instrument or document necessary

shall contest the amount or legality of any such real estate taxes or assessments, or make application for the reduction thereof, or any assessment upon which the same may be based, the time within which the LESSEE shall be required to pay the same shall be extended until such contest or application shall have been finally determined, provided that LESSEE shall give the LESSOR security in twice the amount of the contested tax or assessment for any damages which may be sustained by LESSOR by reason of the adverse ruling of any such application. LESSEE agrees that it will prosecute any such contest or application with due diligence, and that it will, within thirty (30) days after final determination thereof, pay the amount of any such real estate taxes or assessments which have been the subject of such contest or application as so determined, together with any interest and penalties, costs and charges which may be payable in connection therewith.

LESSEE agrees to furnish LESSOR, at least five (5) days before any taxes or assessments become delinquent, with satisfactory proof that the LESSEE has paid same.

8. UTILITIES: During the term hereof, LESSEE shall pay all charges for water, sewage, gas, electricity, trash collection and other utility services supplied to and used on said premises. All such charges shall be paid before delinquency, and LESSOR and said premises shall be protected and held harmless by LESSEE therefrom.

9. INDEMNITY TO LESSOR AGAINST LITIGATION: The LESSEE will pay and indemnify the LESSOR from the payment of all loss, legal costs and charges, including counsel fees, by the LESSOR lawfully and reasonably incurred or expended in or about the prosecution or defense of any suit or other proceeding in discharging the premises or any part thereof from any liens, judgments, or encumbrances created upon or against the same or

against the LESSOR'S leasehold estate, and in the event that LESSOR shall, without any fault on its part, be made a party to any litigation commenced by or against the LESSEE.

10. LAWFUL USE: The LESSEE will obey and comply with all lawful requirements, rules, regulations, laws and ordinances of all legally constituted authorities, in any way affecting this lease, the demised premises, the building or buildings and improvements hereafter thereon, or the use of the same, existing at any time during the continuance of this lease (subject to the right of LESSEE to contest the validity of any such law, ordinance, rule, regulation, or other requirement). The LESSEE will not knowingly permit any part of the demised premises or of the building, or buildings, or improvements hereafter thereon, to be used for the purpose of any illegal or immoral business or occupation.

11. IMPROVEMENTS: In the event that during the lease term or any extension thereof, the LESSEE desires to erect a building or buildings upon the demised premises, no work shall be commenced without giving LESSOR thirty (30) days prior written notice of the plans and specifications of the new improvements. LESSOR may require that the LESSEE cause to be filed lien and completion and faithful performance bonds in the amount of the aggregate contract price set forth in all original contracts made by LESSEE in connection with such construction, and/or such other reasonable guarantees acceptable to LESSOR, guaranteeing LESSOR that such improvements shall actually be completed and fully paid for by LESSEE, such bond or bonds and/or guarantees to be filed for record prior to the commencement of the construction.

When the construction of any building, improvement, addition, or alteration is commenced by LESSEE, the same shall be prosecuted with reasonable diligence until completed and shall conform to all public laws, ordinances and regulations applicable

thereto, and sh be constructed and compl id at the sole cost and expense of LESSEE and without any cost, expense or liability to LESSOR whatsoever.

12. MAINTENANCE OF PREMISES: LESSOR shall not be obligated to make any repairs, alterations, additions or improvements in or to or upon or adjoining the leased premises or any structure or other improvements erected or installed thereon, but LESSEE shall, at all times during the full term of this lease and at its sole cost and expense, keep and maintain all buildings, structures and other improvements erected and installed on said premises ^{hereinafter} in good order and repair and keep said premises and the whole thereof in a clean, sanitary, neat and attractive condition; and LESSEE shall construct, maintain and repair all fences, walls, sewers, sewer connections, drains, driveways, sidewalks and other improvements which may be required at any time by law to be constructed, maintained and repaired upon or in connection with or for the use of said premises or any part thereof, and LESSEE shall make any and all additions to or alterations in the buildings and structures erected on said premises which may be required by and shall otherwise observe and comply with any and all public laws, ordinances and regulations for the time being applicable to said premises; and LESSEE agrees to indemnify and save harmless the LESSOR against all actions, claims and damages by reason of LESSEE'S failure to keep and maintain said premises and the buildings and improvements thereon as hereinabove provided, or by reason of LESSEE'S non-observance or non-performance of any law, ordinance and regulation applicable thereto.

13. INSURANCE: LESSEE shall, at his cost and expense, at all times during the term of this lease, maintain and carry,

for the joint protection of LESSEE and LESSOR (LESSOR being named as one of the insured) property damage and personal liability insurance, by the term of which LESSEE and LESSOR shall be indemnified against liability for any damages or injury to the property or person of any subtenant, invitee, or licensee of LESSEE, or any part thereof, and arising from the use or occupancy thereof. Such insurance policy or policies shall be written and maintained on the minimum basis of Twenty-Five Thousand (\$25,000.00) Dollars for property damage, and One Hundred Thousand (\$100,000.00) Dollars for personal injury to one person and Three Hundred Thousand (\$300,000.00) Dollars for personal injury to any one accident. LESSEE shall pay all premiums and other charges payable in respect to all such insurance and shall from time to time deposit with LESSOR the certificate of the insurance carrier as to each policy of such insurance and the receipt for each premium or other charge as paid or satisfactory evidence thereof.

14. LIENS AND CLAIMS: LESSEE shall not suffer or permit any mechanics', materialmen's, contractors' or subcontractors' liens arising from any work of construction, repair, restoration or removal as herein provided, or any other lien, claim or demand howsoever the same may arise, to be enforced against the leased premises or any part thereof, but LESSEE shall pay all such liens, claims and demands before any action is brought to enforce the same; and LESSEE agrees to hold LESSOR and said premises free and harmless from all liability for any and all such liens, claims or demands, together with all cost and expenses, including attorney's fees, in connection therewith. LESSOR shall have the right at any time to post and maintain on said premises such notices as may be necessary to protect LESSOR against liability for all such liens or otherwise.

Notwithstanding anything to the contrary contained in this lease, if LESSEE shall in good faith contest the validity of any lien, claim or demand, tax or charge, the LESSEE shall, at his expense, defend LESSEE and LESSOR against the same and shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof against LESSOR or the leased premises.

15. ASSIGNMENT: LESSEE shall not assign this lease (except as set forth under paragraph 16 hereof, and subject to the provisions therein contained), or any interest therein, without the written consent of LESSOR first had and obtained, provided, however, that the consent of LESSOR to such assignment shall not be arbitrarily withheld if (1) at the time of assignment or transfer the LESSEE is not in default in the performance and observance of the covenants and conditions of this lease; (2) the assignee of the lease shall expressly assume in writing all of LESSEE'S obligations hereunder; and (3) that the assignee is of good moral character and is a financially responsible firm, corporation, or person. It is agreed that no such assignment shall release LESSEE from any of his obligations hereunder during the first five (5) years of the lease term. A consent to one such assignment shall not be deemed to waive the provisions of this paragraph as to any additional assignment. This lease shall not, nor shall any interest therein, be assignable, as to the interest of the LESSEE, by operation of law, without the written consent of LESSOR. Nothing herein contained shall be construed as prohibiting LESSEE from subleasing any portion of the leased premises.

16. HYPOTHECATION: If requested by LESSEE, LESSOR

agrees to execute its written consent to the assignment of this lease by mortgage or trust deed for the sole purpose of enabling LESSEE to finance the construction of improvements upon the demised premises herein provided; provided, however, LESSOR shall have the right to refuse to so consent should it have reasonable cause to question the financial responsibility or the reputation of the proposed lender. Said consent shall be made upon and subject to the covenants and conditions hereinafter set forth, to wit: (a) except as hereinafter otherwise provided, said assignment and all rights thereunder shall be subject to each and all of the covenants, conditions and restrictions of this lease and to all rights and interests of LESSOR hereunder, none of which shall be deemed waived by said consent, (b) if the leasehold estate of LESSEE hereunder shall be foreclosed or otherwise acquired under said mortgage or trust deed the transferee thereof shall thereupon and thereby assume the performance of and shall be bound by each and all of the covenants, conditions and obligations herein provided to be kept and performed by LESSEE during the period such transferee or transferees shall hold title to said leasehold; and (c) LESSOR shall not terminate this lease because of any default or breach hereunder on the part of LESSEE, if the holder of said mortgage or trust deed, within thirty (30) days after service of written notice from LESSOR of its intention to terminate this lease for such default or breach, shall either cure such default or breach, if the same can be cured by the payment of money, or if such default or breach is not so curable and cannot be remedied

within said thirty (30) day period, if the holder of said mortgage or trust deed, within said period, shall (1) commence in good faith to cure such default or breach and thereafter diligently prosecute the same to completion, and (2) institute proceedings for the foreclosure of such mortgage or trust deed and thereafter diligently conclude the same, and (3) shall keep and perform all of the covenants and conditions of this lease herein provided to be kept and performed by LESSEE until such time as the leasehold hereunder shall be sold upon foreclosure pursuant to any such mortgage or trust deed or shall be released from said mortgage or reconveyed under said trust deed; provided, however, that if the holder of said mortgage or trust deed shall fail or refuse to comply with any or all of the conditions of this clause (c), then and thereupon LESSOR shall be released from the covenant of forbearance herein contained. LESSEE shall furnish LESSOR at the time of such consent a complete copy of such mortgage or trust deed, together with the address of the holder thereof.

17. INSOLVENCY: Either the appointment of a receiver to take possession of all or substantially all of the assets of LESSEE, or a general assignment by LESSEE for the benefit of creditors, or any action taken or suffered by LESSEE under any insolvency or bankruptcy act shall constitute a breach of this lease by LESSEE, whereupon LESSOR shall have the full right to enter into and upon the demised premises as provided in paragraph 19 hereof without giving notice as prescribed therein, but subject to the rights of the mortgagee or the beneficiary under a deed of trust given under the terms of paragraph 16 hereof.

15. 7 INADDITION: Time is of the essence of this lease. Should LESSEE (a) fail to pay any tax assessment, insurance premium, lien, claim, charge or demand provided in this lease to be paid by LESSOR at the time and in the manner herein provided, or (b) should LESSEE default in the payment of any installment of rent or any other sum when due as is herein provided, or (c) should LESSEE default in the performance of or breach any other covenant, condition or restriction of this lease herein provided to be kept or performed by LESSEE, including the repair, restoration or replacement of any destroyed or damaged building or buildings on said premises, and (d) should such default continue for thirty (30) days after notice in writing thereof shall have been given by LESSOR to the LESSEE and to any encumbrancer who became such pursuant to the provisions of this lease, then and in such event, the LESSOR at any time thereafter shall have the full right, at his election, to enter into and upon the demised premises and take possession of the same, together with all buildings and improvements thereon.

From the time of such entry, this lease shall become void and of no effect, and LESSOR may hold and retain the said premises, and all buildings and improvements thereon, as of their first or former estate, and this lease shall be forfeited to the LESSOR. The LESSOR may bring legal action for and collect all of the rents, taxes, assessments, charges, liens, penalties and damages, including damages to LESSOR by reason of such breach or default on the part of the LESSEE which have accrued up to the time of such entry.

The LESSOR may, if he elects so to do, bring legal action for and collect all such rents, taxes, assessments,

charges, liens, penalties and damages, in the event of any default as aforesaid, without voiding this lease; provided, however, that any surety of the LESSEE under the provisions of this lease, or any mortgagee of any interest under this lease, may avoid forfeiture of this lease as herein provided by satisfying and curing the defaults as herein set forth.

19. ATTORNEYS' FEES ON DEFAULT: In case suit shall be brought to enforce any of the covenants or conditions hereof, the prevailing party shall be entitled to reasonable attorneys' fees.

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

21. WAIVER: No waiver by the LESSOR of any default or breach of any covenant, condition or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition or stipulation hereof.

22. NOTICE: All notices which may be proper or necessary for the parties hereto to serve upon each other may be served by the deposit of the said notice in the United States Mail, registered, with return receipt requested, to the last known address of the party to be notified, and said notice will be deemed to have been given as of the date of mailing of said notice. Until notice to the contrary is given, the address of the LESSOR for all purposes of this lease shall be: 936 Seventh Street, Sibley, Iowa;

and the address the LESSEE shall be:

18792 Delaware Street, Huntington Beach, California, 92646.

23. IMPROVEMENTS AT TERMINATION: At the end of the term of this lease, or any earlier termination thereof, the LESSEE shall deliver possession of said demised premises to the LESSOR, and the said LESSOR shall own all improvements upon said real property at the time of said termination of this lease, and the LESSEE shall have no further right, title or interest in and to said demised premises or any improvements thereof.

LESSEE hereby agrees to pay all encumbrances incurred by LESSEE upon said premises or the improvements thereon, and all debts against said premises and the improvements thereon, at or before the termination of this lease, whether the same be terminated by the expiration of the term provided herein or any earlier termination.

24. CONDEMNATION: If at any time during the term hereof, the leased premises or any part thereof is taken or condemned by public authority under the laws of eminent domain, then and in every such case, the leasehold estate and interest of LESSEE in said premises, or part thereof taken, shall forthwith cease and terminate, and all compensation awarded by reason of the taking of the leased land and improvements thereon (other than buildings) shall be payable to and be the sole property of LESSOR, and such compensation as shall be awarded for the taking of or injury to any building then located on the leased land shall be paid to LESSEE, and unless all of the leased premises shall be so taken, or LESSEE shall exercise the option to terminate this lease as herein provided, this lease shall continue in force and effect as to the remainder

of the leased premises. If any part of the leased premises shall be taken or condemned and this lease shall continue as to the remainder of the term hereof the rent shall be reduced (calculated to the nearest dollar) in the proportion that the area of land so taken shall bear to the area hereby leased, and LESSOR shall refund to LESSEE the unearned portion, if any, of the installment of rent which shall have been paid by LESSEE in advance. Provided, however, that if such public taking or condemnation shall be of such portion as to prevent LESSEE'S beneficial use and occupancy of the remaining portion of the demised premises, the LESSEE shall have the option to terminate this lease, which option to terminate shall be conditioned upon LESSEE'S restoring said premises to the condition of a vacant lot, and paying to LESSOR any rent accruing hereunder to the date of termination, and all unpaid taxes, assessments and encumbrances then a lien upon said premises.

All compensation awarded by reason of the taking of any or all buildings shall be payable to the LESSEE.

25. OPTION TO RENEW LEASE: LESSEE is hereby granted an option to renew this lease for a further period of ten (10) years from and after the expiration of the original term, upon the same terms and conditions as herein contained, except the basic monthly rental shall be the monthly rental payable immediately preceding the termination of the original lease term, adjusted by the proportion that the Consumers Price Index-All Items-or any successor thereto, or if none, the most nearly comparable successor thereto, on said termination, has increased or decreased over said index for the last preceding rent determination date. Written notice of LESSEE'S intention to renew this lease shall be given to LESSOR at least ninety

(90) days prior to the expiration of this lease.

26. QUIET ENJOYMENT: LESSOR makes no warranty of title as to the leased premises nor shall LESSEE have any claim whatsoever against LESSOR for any damages, nor shall LESSEE be released or discharged from any of his obligations, liabilities, or indebtedness hereunder, should the possession by LESSEE of the demised premises be disturbed or interfered with or affected in any manner whatsoever, and irrespective of how caused or by whom, excepting only the intentional, wrongful, affirmative, and wilful eviction of LESSEE by LESSOR or anyone claiming under or through LESSOR.

27. CAPTIONS: The title or headlines 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 hereof.

28. PROVISIONS BINDING: Each and all of the conditions, covenants and agreements herein contained shall inure to the benefit of both the LESSOR and the LESSEE and shall apply to and bind both the LESSOR and LESSEE and their heirs, legatees, devisees, administrators, assigns, or sub-lessees, or any person or persons who may come into possession of the demised premises or any part thereof in any manner whatsoever, except that in the event of any transfer of the fee interest by the LESSOR herein named (and in case of any subsequent transfers or conveyances, the then grantor) the LESSOR shall be freed and relieved from and after the date of such transfer or conveyance of all liabilities as respects performance of any covenants or obligations on the part of LESSOR contained in this lease thereafter to be performed.

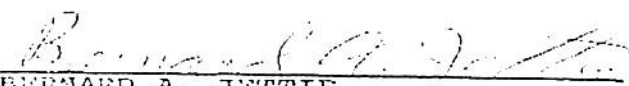
29. The liability of the LESSEE herein is joint

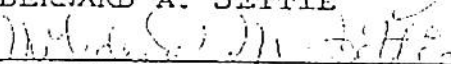
and several for 1 of the obligations of the lease.

30. If LESSOR intends to sell the real property which is the subject of this lease it will give LESSEE the first refusal. LESSOR shall inform LESSEE of any offer for the property which LESSOR intends to accept and, upon being so informed, LESSEE shall have thirty (30) days in which to offer to purchase the property upon the same terms and conditions as are in said offer.


31. CHANGE OF ZONE: The LESSEE may apply for a change of zone or zoning variance not detrimental to the property and LESSOR agrees to sign or join in any and all papers and documents necessary to effectuate such change of zone or zoning variance, provided, however, such acts are at the sole cost and expense of LESSEE.

IN WITNESS WHEREOF, the above named LESSOR and LESSEE have hereunto set their hands the day and year first above written.


BERNARD A. JETTIE


MILDRED M. JETTIE

LESSOR


ROBERT ZINNGRABE

LESSEE

Julia Co
RECEIVED

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NOTES OF
WALL & CURRA

MODIFICATION OF LEASE

THIS SUPPLEMENTAL AGREEMENT made and entered into as of the 1st day of June, 1971, by and between BERNARD A. JETTIE and MILDRED M. JETTIE, husband and wife, hereinafter for convenience sometimes referred to as LESSOR, and ROBERT ZINGRABE, hereinafter for convenience sometimes referred to as LESSEE,

WHEREAS, the parties hereto made and entered into a written lease, herein called "lease" on March 18, 1968, which lease covers certain real property located in the City of Huntington Beach, County of Orange, State of California, described as follows:

"The North 1/2 of Lot 10 in Block "G" of Tract No. 7, in the city of Huntington Beach, county of Orange, State of California, as per map recorded in book 9 page 8 of Miscellaneous Maps, in the office of the county recorder of said county.

EXCEPT all minerals, oil, gas and other hydrocarbon substances in or under said land, as reserved by J. H. Hecht and Irma S. Hecht, husband and wife, in deed recorded November 12, 1946, in book 1453, page 578, of Official Records."

WHEREAS, the parties hereto wish to modify certain of the provisions of said lease;

NOW, THEREFORE, Paragraph 11, entitled IMPROVEMENTS; Paragraph 12, entitled MAINTENANCE OF PREMISES; and Paragraph 26, entitled QUIET ENJOYMENT, are modified in the following particulars only:

1. Paragraph 11 is modified to read as follows:

11. IMPROVEMENTS: In the event that during the lease term or any extension thereof, the LESSEE desires to erect a building or buildings upon the demised premises, no work shall be commenced without giving LESSOR thirty (30) days prior written notice of the plans and specifications of the new improvements.

with reasonable diligence until completed and shall conform to all public laws, ordinances and regulations applicable thereto, and shall be constructed and completed at the sole cost and expense of LESSEE and without any cost, expense or liability to LESSOR whatsoever. Nothing in this lease shall be deemed or construed in any way as constituting the consent or request of LESSOR, expressed, or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration, or repair of or to the Leased Land, any buildings or improvements thereof, or any part thereof. LESSOR shall have the right at all reasonable times to post and keep posted on the Leased Land such notices of nonresponsibility as LESSOR may deem necessary for the protection of LESSOR and the fee of the Leased Land from mechanic's and materialman's liens.

2. Paragraph 12 is modified to read as follows:

12. MAINTENANCE OF PREMISES: LESSOR shall not be obligated to make any repairs, alterations, additions or improvements in or to or upon or adjoining the Leased Premises or any structure or other improvements erected or installed thereon, but LESSEE shall, at all times during the full term of this lease and at its sole cost and expense, keep and maintain all buildings, structures and other improvements erected and installed on said premises in reasonably good order and repair and keep said premises and the whole thereof in a clean, sanitary, neat and attractive condition; and LESSEE shall construct, maintain and repair all fences, walls, sewers, sewer connections, drains, driveways, sidewalks and other improvements which may be required at any time by law to be constructed, maintained and repaired upon or in connection with or for the use of said premises or any part thereof, and

required by and shall otherwise observe and comply with any and all public laws, ordinances and regulations for the time being applicable to said premises; and LESSEE agrees to indemnify and save harmless the LESSOR against all actions, claims and damages by reason of LESSEE'S failure to keep and maintain said premises and the buildings and improvements thereon as hereinabove provided, or by reason of LESSEE'S non-observance or non-performance of any law, ordinance and regulation applicable thereto.

3. LESSOR agrees to delete Paragraph 26, entitled QUIET ENJOYMENT from said lease if the following conditions are complied with, compliance being an express condition precedent to the deletion of said Paragraph 26:

- (a) LESSEE at his sole cost and expense causes all rights of entry on or in to the surface and 500' below the surface of said land arising out of any and all oil leases or mineral rights reservation to be terminated (excepting any and all rights of entry that have been derived from or granted by LESSOR, subsequent to the date of said lease, if any;) and
- (b) LESSEE, at his sole cost and expense furnishes to LESSOR a policy of title insurance, issued by Title Insurance & Trust Company, First American Title Insurance Company or some other title insurer approved by LESSOR, insuring that title to the real property which is the subject of said lease is vested in LESSOR (or either of them) subject only to current real property taxes and this lease.

4. The modifications herein agreed to are expressly conditioned upon:

- (a) Any and all defaults in the provisions of said lease be promptly cured and that all rental payments called for herein be paid.

(b) LESSEE pays to LESSOR one-half of LESSOR'S attorney's fees incurred (said one-half not exceeding \$100.00) in connection with this modification.

In all other respects said lease shall continue in full force and effect.

Bernard A. Jettie
BERNARD A. JETTIE
Mildred M. Jettie
MILDRED M. JETTIE

LESSOR

Robert Zinngrabe
ROBERT ZINNGRABE

LESSEE

COUNTY OF)
STATE OF IOWA) ss.

On June 17, 1971, before me, the undersigned, a Notary Public in and for said State, personally appeared BERNARD A. JETTIE and MILDRED M. JETTIE, known to me to be the persons whose names are subscribed to the within MODIFICATION OF LEASE and acknowledged that they executed the same.

WITNESS my hand and official seal.

Notary Public in and for
said County and State.

COUNTY OF ORANGE)
STATE OF CALIFORNIA) ss.

On , 1971, before me, the undersigned, a Notary Public in and for said state, personally appeared ROBERT ZINNGRABE, known to me to be the person whose name is subscribed to the within MODIFICATION OF LEASE and acknowledged that he executed the same.

WITNESS my hand and official seal.

Notary Public in and for
said County and State.