

**FIRST AMENDMENT TO THE LEASE AGREEMENT  
BETWEEN  
PERRIS UNION HIGH SCHOOL DISTRICT  
AND ALBERT R. RENTERIA CORPORATION**

This First Amendment ("Amendment No. 1") to the Lease Agreement, for property located at 11 South D Street, Perris, California ("Lease") by and between the Perris Union High School District, a public school district organized and existing pursuant to California law ("District"), and Albert R. Renteria Corporation, a California corporation ("Lessee"), is made and entered into, effective as of October 17, 2012. Hereinafter, District and Lessee may be referred to individually as "Party" and collectively as "Parties."

***Recitals***

A. The District is the owner of real property, located at 11 South D Street, in the City of Perris ("City"), County of Riverside ("County"), Riverside County Assessor Parcel Number 313-091-001, (hereinafter, the "Property") a legal description of which is attached as Exhibit "A" to the Lease, which is incorporated herein by this reference.

B. On December 7, 2011, the District and Lessee entered into the Lease pursuant to the terms and conditions set forth therein, and now seek to amend that Lease to provide Lessee and District with the rights and duties provided in this Amendment No. 1, for purposes of allowing the Lessee to sublease portions of the Leased Premises to interested third parties for commercial office space uses, in a manner consistent with the Lease and this Amendment No. 1.

***Agreement***

Wherefore, the Parties agree as follows:

***Section 1. Sublease of Leased Premises.*** Subject to the terms and conditions of the Lease, the Lessee may sublease or rent (collectively "Sublease") to third parties ("Sublessee" or "Sublessees"), only those interior portions of the permanent building facility located on the Leased Premises (subleased portions of the Leased Premises are herein referred to as "Subleased Areas"), for purposes and uses restricted to those permitted by the Lease, including commercial business office space.

***Section 2. Sublease Agreements.*** Lessee shall require all Sublessees to enter into a written sublease agreement with the Lessee ("Sublease Agreement"), regardless of the duration of any Sublease term. The Sublease Agreement shall include, but not be limited to the inclusion of, sufficient language to give notice to any potential Sublessee, that the Sublease Agreement is limited by and subject to, the terms and conditions provide in the Lease, this Amendment No. 1, and any future Lease amendment. The Sublease Agreement shall not provide any rights, warranties, promises, or guarantees to any Sublessee, which have not been lawfully provided to Lessee pursuant to the Lease. No Sublessee shall be permitted to sub-sublease any portion of the Leased Premises, and the Sublease Agreement shall expressly prohibit any Sublessee from

subleasing any Subleased Area. The Sublease Agreement shall additionally provide that all Sublessees are required to procure and maintain at all times during any Sublease term, insurance coverage sufficient to satisfy the requirements of the Lease and this Amendment No. 1. Sublessees shall be required, in writing, by the Sublease Agreement to obtain and provide Lessee with proof of adequate insurance as required by this Amendment No. 1 and the Lease, prior to the start of any Sublease term.

Upon the written request from the District, Lessee shall provide the District with any and all requested copies of Sublease Agreements. The District's receipt or request of such Sublease Agreements shall not be construed, in any manner, as the District's approval of any Sublease Agreement, including but not limited to the appropriateness of the Sublessee, the lawfulness of the Sublease Agreement or its terms, or the lawfulness of the Sublessees' use of the Leased Premises.

**Section 3. Lessee to Remain Liable.** Lessee shall remain liable for all obligations imposed upon Lessee pursuant to the Lease and this Amendment No. 1, including but not limited to, all payments of Monthly Rent to the District and all other costs and obligations required by the Lease. A Sublessee's failure to pay rent or any other costs imposed upon the Sublessee, for the sublease of any portion of the Leased Premises, shall not relieve Lessee of Lessee's obligations pursuant to the Lease. Lessee shall bear the sole responsibility for ensuring, collecting, and administering, all payments, costs and other obligations required of all Sublessees by the Lessee and this Amendment No. 1.

**Section 4. Indemnification.** In addition to the Lessee's indemnification of the District as provided for in the Lease, the Lessee shall indemnify, defend and hold harmless the District, its governing board and each individual member thereof, its officers and employees, and each of them from and against any and all, loss, damage, expense, costs and other liabilities of any nature arising out of or in connection with any act or omission by Lessee or any Sublessee, including any employee, director, officer, agent, independent contractor, vendor, volunteer, or invitee, in connection with the use or operation of the Leased Premises.

**Section 5. Sublessee Insurance.** Sublessees shall be required to procure and maintain, prior to and during any Sublease term, insurance coverage to the extent required of the Lessee by the Lease, including but not limited to the type and amount of coverage and all endorsement and waiver of subrogation requirements, in favor of and naming the District, the District's Board of Trustees collectively and individually, officers, employees, volunteers, agents, consultants, and subcontractors, all of which shall be named as additional insureds. Such insurance shall be required to be primary with respect to any other insurance or self-insurance policies or programs covering the District, its Board of Trustee members, officers, employees, agents and consultants. Upon a written request from the District, the Lessee shall provide the District with any and all requested copies of the Lessee's and Sublessees' proof of required insurance coverage, including but not limited to, all required policies, endorsements and waivers of subrogation. Lessee shall ensure that the insurance requirements, required by this Amendment No. 1 and the Lease, are satisfied by each Sublessee.

**Section 6. Sublessee Indemnification of the District.** All Sublease Agreements shall include language sufficient to provide that all Sublessees, shall indemnify, defend, and hold harmless the District, its governing board and each individual member thereof, its officers and employees, and each of them from and against any and all, loss, damage, expense, costs (including without limitation costs and fees of litigation) and other liabilities of any nature arising out of or in connection with Sublessee's use of the Leased Premises, Sublease of the Subleased Area, any use or operation arising thereunder, or failure by the Sublessee to comply with any of its obligations under law, the Lease, this Amendment No. 1, any future Amendment to the Lease, and the Sublease Agreement. The Sublessee shall not be so obligated to the extent any such loss, damage or other liability is attributable to the active negligence or willful misconduct of the District, provided that, in any such event, the Parties shall be liable on a comparative basis. Sublessee shall reimburse the District for all damages, expenses and losses incurred by the District as a consequence of any claim, demand, or cause of action for which the Sublessee herein indemnifies the District. With respect to incidents occurring prior to expiration or termination of the Lease or the Sublease Agreement, the requirements of this Section shall survive the expiration or termination of the Lease or Sublease Agreement. Sublessee's obligations pursuant to this Section shall not be construed or deemed to be limited or restricted as a result of any insurance coverage required or any proceeds thereof.

**Section 7. Termination of this Amendment No. 1.** The District may, in its sole discretion and with or without cause, terminate this Amendment No. 1 upon 30 days written notice to Lessee. Upon such termination, Lessee shall give immediate written notice to all Sublessees, that any and all Sublease Agreement are effectively terminated and all Sublessees shall be required to vacate the Subleased Areas within a reasonable time, but not more than sixty (60) days following notice of termination to Lessee from the District. Sublessees vacating the Subleased Areas, for reason of termination as contemplated in this Section, or for any other reason, shall be required to leave the Subleased Areas in a condition equal to that existing on the first date of the Sublease term, less ordinary and reasonable wear and tear.

**Section 8. Lease Agreement.** Except as expressly provided herein, the provisions of the Lease, as amended by Amendment No. 1, shall remain in full force and effect, and apply to the lease of the Leased Premises, as defined therein.

**Section 9. Incorporation of Recitals.** All Recitals stated herein are hereby incorporated as an effective and operative part of this Lease.

**Section 10. Counterparts.** This Amendment No. 1 may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument. Signature pages may be detached from counterpart originals and inserted in other counterpart original to physically create one or more copies of this Amendment No. 1 having original signatures of both Parties.

**Section 11. Capitalized Terms.** All capitalized terms in this Amendment No. 1, not otherwise defined, are intended to have the same definition as those capitalized terms in the Lease.

**Section 12. Due Authority of Signatories.** Each person signing this Lease represents and warrants that he or she has been duly authorized, by appropriate action of the Party that he or she represents, to act on behalf of that Party and to bind that Party to the terms and conditions of this Lease.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 by their authorized representatives as indicated below:

**PERRIS UNION HIGH  
SCHOOL DISTRICT**

Date: October \_\_, 2012

By: \_\_\_\_\_  
Candace Reines  
Assistant Superintendent  
Business Services

**ALBERT R. RENTERIA  
CORPORATION**

Date: October \_\_, 2012

By: \_\_\_\_\_  
Albert R. Renteria  
Chief Executive Officer