

OFFICE LEASE

This OFFICE LEASE AGREEMENT ("Lease Agreement") is made and entered into as of March 14, 2013, between HONEYCHURCH AND FINKAS ("Landlord") and the FAIRFIELD HOUSING AUTHORITY ("Tenant").

RECITALS

A. Landlord is the owner of a building hereinafter referred to as the "Building," the address of which is 823 Jefferson Street, Fairfield, California 94533. The site on which the Building, its related improvements, and its accompanying parking are located is hereinafter referred to as the "Land."

B. Tenant has occupied a portion of the Building under a lease with Landlord dated May 10, 2004 and amended by the First Amendment to Lease Agreement dated April 4, 2011, which lease terminated on March 31, 2013. Tenant desires to lease a portion of the Building as described more particularly in Section 1.01 below from Landlord for use as offices for its housing programs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Landlord and Tenant agree as follows:

ARTICLE 1

Agreement of Lease; Use of Premises

1.1 Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those certain premises commonly known as Suite B on the first floor of the Building consisting of approximately 2,673 square feet (the "Premises"), together with the nonexclusive right, in common with others, to the use of common entrance ways, lobbies, corridors, lavatories, elevators, ramps, stairs and similar access and service ways in and adjacent to the Building. In addition, Tenant shall have the non-exclusive right to use three (3) reserved parking spaces in the parking lot adjacent to the Building.

1.2 The Premises shall be used and occupied solely for office and related purposes.

ARTICLE 2

Preparation of Premises for Occupancy

2.1 Landlord prepared the Premises prior to Tenant's initial occupancy, and no further work is required of Landlord prior to the Commencement Date. Landlord has agreed to make the following repairs on a schedule to be agreed upon by both Landlord and tenant following the Commencement Date: repair and repaint cinderblock walls throughout Premises with elastomeric or water proof paint, repair and repaint exterior cinderblock wall with elastomeric or water proof paint, clean carpets throughout the Premises and add transition strips where needed, replace the carpet in Tenant's copy/storage room, replace the locks and weather stripping on both exterior doors accessing the Premises, replace or repair carpeting in Tenant's reception area.

2.2 Tenant shall not make any alterations or modifications to, or any improvements in, the Premises without Landlord's written approval or in compliance with Article 8 herein. Tenant has requested and Landlord has agreed that the following repairs may be completed by Tenant at Tenant's sole cost and on a schedule determined by Tenant but are not required to be made; new paint throughout Premises, repair or remove water fountain in Premises hallway, replace stained ceiling tiles, upgrade light fixtures, replace missing ceiling light covers, paint or replace the cabinet's in Tenant's kitchen area, add electrical poles in Tenant's reception area and clean air ducts and vents.

ARTICLE 3

Term and Commencement Date

3.1 The initial term of this Lease Agreement is three (3) years (the "Initial Term"); provided, however, that if the Commencement Date (hereinafter defined) occurs on a date other than the first day of a calendar month, the Initial Term shall be extended by that partial month from the Commencement Date to the first day of the following calendar month.

3.2 The commencement date of the Initial Term, herein referred to as the "Commencement Date," shall be whichever of the following dates shall last occur: (a) the date first written above; or (b) the date on which the governing body of Tenant approves this Lease Agreement.

3.3 At the expiration of the Initial Term described in Section 3.01, Tenant shall have two (2) options to extend the term for one (1) year each. Tenant shall provide written notice to Landlord at least ninety (90) days prior to the end of the Initial Term, or first extended term, as the case may be, of its desire to exercise each option.

3.4 Notwithstanding any other term of this Lease Agreement, Tenant shall have the right to terminate this lease upon ninety (90) days' written notice if Tenant's funding for Rent is not appropriated as part of the City of Fairfield's budget process.

ARTICLE 4

Rent

4.1 Rent shall be \$2,673.00 per year, payable monthly in advance beginning on the Commencement Date. On the first anniversary of the Commencement Date and each subsequent anniversary thereof, the Rent shall be increased by the percentage increase in the consumer price index (CPI) for the San Francisco Bay Area as published by the U.S. Department of Housing and Urban Development for the previous twelve months, but in no event shall the Rent increase more than five percent (5%) on any anniversary date.

ARTICLE 5

Services, Utilities and Furnishings.

5.1 Tenant shall be responsible for maintaining the interior on the Premises.

5.2 This Lease Agreement shall be a "fully serviced lease." There shall be no common area maintenance or other charges, property taxes or insurance which Tenant shall pay.

5.3 Tenant shall pay electricity and gas for the Premises. Landlord shall pay for water, sewer and garbage services.

ARTICLE 6

Taxes

6.1 Tenant shall be responsible for any business license use or other taxes which may be assessed as a consequence of Tenant's activities in the Premises.

ARTICLE 7

Maintenance and Repairs

7.1 Landlord shall reasonably maintain, repair and replace, as necessary, and keep in good order and condition, as applicable: (a) the heating, ventilating and air conditioning systems serving the Premises and the common areas in the Building; (b) the plumbing, sprinkler and electrical lines and systems serving the Premises and the common areas in the Building; (c) the interior of the Premises and the interior and exterior structure of the Building, including the roof, exterior walls, load-bearing walls, support beams, foundation, columns and exterior doors and windows; (d) the common areas located within or adjacent to the Building, including any common driveways, parking areas, entrance ways, lobbies, corridors, lavatories, elevators, ramps, stairs and similar access and service ways; and (e) landscaping around the Building.

ARTICLE 8

Alterations

8.1 Tenant may not make any removals, additions, improvements or other alterations in or to the Premises without landlord's prior written approval of such. Any mechanic's lien filed against the Premises, the Building or the Land for work done or materials or equipment furnished to or contracted for by Tenant shall be discharged or bonded by Tenant, at Tenant's expense, within thirty (30) days after the date it is filed or the date Tenant is notified of such filing, whichever is later.

8.2 All articles of personal property and all business and trade fixtures, furniture and movable partitions owned, leased or installed by Tenant at its expense in the Premises shall be and remain the property of Tenant and may be removed by Tenant at any time, provided that Tenant, at its expense, shall repair any damage to the Building caused by such removal or by the original installation. Tenant shall remove all of the aforementioned property at the expiration or termination of this Lease Agreement and Tenant shall, at its expense, repair any damage to the Building caused by such removal or by the original installation.

ARTICLE 9

Damage to Tenant's Property

9.1 Subject to the provisions of Article 12 of this Lease Agreement, the Landlord its officers, agents or employees shall be liable to Tenant for any loss of or damage to personal property of Tenant located in the Premises resulting from fire, explosion, steam, gas, electricity, water or moisture in or from any part of the Building, including its roof, walls, ceilings and floors, or from the pipes, appliances, or mechanical and electrical systems in the Building or from any other place or from any other cause, whether or not similar to the foregoing causes.

9.2 Tenant shall immediately notify Landlord verbally, and promptly thereafter in writing, in the event of any damage to the Building, Premises or Tenant's property resulting from any fire, accident, occurrence or condition in, on or about the Premises or the Building.

ARTICLE 10

Personal Property Taxes

10.1 Tenant shall be liable for and shall pay or reimburse Landlord for any taxes levied against or attributable to any of Tenant's personal property placed in the Premises.

ARTICLE 11

Insurance; Mutual Waiver of Subrogation

11.1 Landlord shall obtain and maintain in effect at all times during the term of this Lease Agreement an insurance policy covering all risks of direct physical loss or damage to the Premises and Building and to all alterations, installations, additions and improvements made to or within the Building at Landlord's cost and expense, to the extent of their full replacement value, as well as general comprehensive liability in an amount no less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damages.

11.2 Tenant, at Tenant's expense, shall obtain and maintain in effect at all times during the term of this Lease Agreement insurance through the Bay Cities Joint Powers Insurance Authority covering all risks of direct physical loss or damage to Tenant's personal property in, on or about the Premises to the extent of their full replacement value, as well comprehensive general liability insurance in an amount no less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damages. In addition, Tenant shall maintain a program of workers' compensation insurance in the amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers' Liability with a \$1 Million limit covering all persons providing services by or on behalf of Lessee and all risks to such persons under this Lease.

11.3 Notwithstanding any other provision of this Lease Agreement, neither Landlord nor Tenant shall be liable to the other or to any insurer (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or other tangible property, or any resulting loss of income or additional expense, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees, if such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required to be covered by insurance pursuant to this Article. If required to make the foregoing waiver of subrogation binding upon their respective insurance carriers, Landlord and Tenant shall give notice to their respective insurance carriers that such mutual waiver of subrogation is contained in this Lease Agreement. Tenant agrees to cause all other occupants of the Building claiming by, under, or through Tenant to execute and deliver to Landlord such a waiver of claims and to obtain such waiver of subrogation rights endorsements.

ARTICLE 12

Hold Harmless

12.1 Tenant shall hold harmless and defend Landlord, its officers, agents and employees, at Tenant's sole cost with counsel reasonably satisfactory to Landlord, from and against any and all claims, damages or causes of action for damages on account of any injury to or death of any person or any loss of or damage to property occurring in, on or about the Premises at any time during the term of this Lease Agreement, provided such injury, death, loss or damage is not directly caused by the intentional misconduct or gross negligence of Landlord, its officers, agents or employees.

12.2 Landlord shall hold harmless and defend Tenant, its officers, agents and employees, at Landlord's sole cost with counsel reasonably satisfactory to Tenant, from and against any and all claims, damages or causes of action for damages on account of any injury to or death of any person or any loss of or damage to property occurring in, on or about the Premises at any time during the term of this Lease Agreement, provided such injury, death, loss or damage is not directly caused by the intentional misconduct or gross negligence of Tenant, its officers, agents or employees.

12.3 This Article 12 shall survive the expiration or termination of this Lease Agreement. Any subsequent attempt to change this Section 12.03 must be in writing, signed by both Landlord and Tenant and expressly reference this Section.

ARTICLE 13

Landlord's Access to Premises

13.1 Landlord and its employees, contractors, agents and authorized representatives shall have the right to enter the Premises at any time during emergencies or at other times upon twenty-four (24) hours' notice to Tenant.

ARTICLE 14

Assignment, Subletting, etc.

14.1 Tenant may not assign, transfer, mortgage or encumber this Lease Agreement, or sublet the Premises or any part thereof, or suffer or permit the Premises or any part thereof to be used or occupied by any other person or entity without Landlord's approval which shall not be unreasonably withheld.

ARTICLE 15

Default and Remedies

15.1 The occurrence of any one of the following shall constitute a default by Tenant under this Lease Agreement: (a) Tenant shall fail to pay and Landlord has not received any Rent or any other sum payable by Tenant hereunder when due, and such failure is not cured within three (3) business days after Tenant receives written notice thereof from Landlord (provided, however, that the notice requirement contained in this subsection (a) is not in addition to any legal requirement that notice be given and may be satisfied by sending the notice required by any applicable law or statute including, but not limited to, Section 1161 of the California Code of Civil Procedure); or (b) Tenant shall fail to perform or comply with any of the other covenants or conditions of this Lease Agreement, and such failure is not cured within thirty (30) days after Tenant receives written notice thereof from Landlord; provided, however, that if the failure to perform or comply cannot reasonably be cured within thirty (30) days, Tenant shall not be in default if Tenant commences to cure the failure to perform or comply within the thirty (30) day period and diligently and in good faith continues to cure the same thereafter. Notices given by Landlord to Tenant under this section shall specify the provision(s) of this Lease Agreement with which Tenant is not in compliance, and shall demand that Tenant pay the Rent or perform or comply with any other provision of this Lease Agreement, as the case may be, within the

applicable period of time. No such notice shall be deemed forfeiture or a termination of this Lease Agreement unless it specifically provides therefore.

15.2 If Tenant commits a default under this Lease Agreement, Landlord shall have, in addition to any and all other rights and remedies which Landlord may have under this Lease Agreement, all rights and remedies available at law or in equity:

15.3 The various rights, options, elections, powers and remedies of Landlord contained in this Article shall not be deemed to be exclusive; they are cumulative and in addition to any other remedies, rights or priorities contained elsewhere in this Lease Agreement or now or later allowed by law or in equity.

ARTICLE 16

No Waiver

16.1 The failure of Landlord or Tenant to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease Agreement shall not be deemed a waiver by Landlord or Tenant of its right to such redress for a prior, concurrent or subsequent violation of the same or to subsequently insist upon strict performance of any other covenant or condition of this Lease Agreement. The receipt and acceptance by Landlord of Rent with knowledge of any preceding breach by Tenant of any covenant, term or condition of this Lease Agreement shall not be deemed a waiver of such breach. No provision of this Lease Agreement and no default by Landlord or Tenant hereunder shall be deemed to have been waived by the other party unless such waiver is in writing and signed by the waiving party.

16.2 No payment by Tenant or receipt and acceptance by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other right or remedy provided herein or at law or in equity.

ARTICLE 17

Litigation Expenses

17.1 In the event any action, suit or proceeding is commenced under or in connection with this Lease Agreement, or for recovery of possession of the Premises, the losing party shall pay to the prevailing party, and the prevailing party shall be entitled to an award for, the reasonable amount of the attorneys' fees, court costs and other litigation expenses incurred by the prevailing party in connection with such action, suit or proceeding.

ARTICLE 18

[Intentionally Omitted]

ARTICLE 19
Damage by Fire or Other Casualty

19.1 If the Premises, the Building or any material portion thereof shall be damaged by fire or other casualty, and if this Lease Agreement is not terminated as herein provided, Landlord shall proceed with reasonable diligence to repair the damage at its expense, except that any repairs made to Tenant's additions, improvements or other alterations to the Premises, other than the additions, improvements and alterations constructed by Tenant at its expense pursuant to Article 2 hereof in preparation of the Premises for Tenant's initial occupancy thereof, shall be made at the expense of Tenant, and the repair or replacement of any property which Tenant is entitled to remove pursuant to Article 8 hereof shall be the responsibility and at the expense of Tenant. Tenant shall not be entitled to compensation or damages on account of annoyance or inconvenience arising out of the making of the repairs which Landlord is required to make pursuant to this Section.

19.2 During such period as all or any portion of the Premises are rendered untenable as a result of a fire or other casualty, the Rent shall be ratably abated (based on square footage of the area affected) until the Premises shall be once again wholly tenantable. However, notwithstanding the foregoing, there shall be no abatement in Rent if such fire or other casualty shall have been caused by the gross negligence or intentional misconduct of Tenant or its officers, agents, employees or invitees. Furthermore, in no event shall there be any abatement in Rent for any time required for repairs to additions, improvements or other alterations which are to be made at the expense of Tenant, or to repair or replace any property which Tenant is entitled to remove.

19.3 If the Premises, the Building or any portion thereof shall be damaged by fire or other casualty so as to render the Premises wholly untenable, and if such damage shall be so great that the Premises, with the exercise of reasonable diligence, cannot be made fit for occupancy within ninety (90) days from the happening thereof, then either Landlord or Tenant may elect to terminate this Lease Agreement effective as of the date of the occurrence of such damage by giving the other party written notice of such election within thirty (30) days after such date. If such damage occurs during the last year of the term of the Lease Agreement, including any extensions thereof, and if such damage shall be so great that the Premises, with the exercise of reasonable diligence, cannot be made fit for occupancy within sixty (60) days of the happening thereof, then either Landlord or Tenant may elect to terminate this Lease Agreement effective as of the date of the occurrence of such damage by giving the other party written notice of such election within thirty (30) days after such date. In the event of any such termination, Tenant shall be given fifteen (15) days to remove its personal property from the Premises, after which Tenant shall surrender the Premises to Landlord and Landlord may reenter and take possession of the Premises and remove Tenant and its personal property there from. Landlord and Tenant waive the provisions of any law that would dictate automatic termination or grant either of them an option to terminate in the event of damage or destruction.

19.4 If the Building shall be damaged by fire or other casualty to the extent of thirty percent (30%) or more of the replacement cost thereof, whether or not the Premises were rendered wholly untenable by such damage, Landlord may elect to terminate this Lease Agreement by giving Tenant written notice of such election within thirty (30) days after the date of the occurrence of such damage. The effective date of such a termination shall be the date specified in such notice by Landlord, which date shall be not less than thirty (30) nor more than sixty (60) days after the giving of such notice. Tenant shall surrender the Premises to Landlord on or before the effective date of such a termination, after which date Landlord may reenter and take possession of the Premises and remove Tenant and its personal property there from.

19.5 In the event of any damage to the Premises, Landlord and Tenant each hereby waive the provisions of Section 1932, Subdivision 2, and of Section 1933, Subdivision 4, of the Civil Code of California.

ARTICLE 20

Eminent Domain

20.1 If the whole of the Premises shall be taken by eminent domain or disposed of under threat of an impending taking by eminent domain, by or to any public authority, this Lease Agreement shall cease and terminate one (1) day prior to the date legal title to the Premises shall vest in such authority.

ARTICLE 21

Notices

21.1 Any notice or communication which is required under this Lease Agreement shall be sent by registered or certified mail, return receipt requested, or by Federal Express or any other nationally recognized overnight delivery service, addressed to the parties as follows:

If to Tenant:

City of Fairfield
1000 Webster Street
Fairfield, CA 94533
Attn: Erin L. Beavers, Director of Community
Development
Telephone No.: (707) 428-7649
Facsimile: (707) 428-7621

&

Fairfield Housing Authority
823 Jefferson Street, Suite B
Fairfield, CA 94533
Attn: Robert Basile

If to Landlord:

Honeychurch & Finkas
823 Jefferson Street, Suite A
Fairfield, CA 94533
Attn: Tony Finkas
Telephone No.: (707) 429-3111

or at such other address or addresses as the parties shall designate by written notice to each other. All notices sent by mail shall be deemed given on the date the return receipt is signed or delivery rejected by the addressee. Notice sent by Federal Express or any other nationally recognized overnight delivery service shall be deemed to have been duly given one (1) business day after delivery to the service prior to its deadline for overnight delivery.

ARTICLE 22

No Representations by Landlord

22.1 Tenant acknowledges that neither Landlord nor any of Landlord's agents, representatives, officers or employees has made any representations or promises with respect to the Building or the Premises except as herein expressly set forth, and that it has not executed this Lease Agreement in reliance upon any representations or promises of Landlord or Landlord's agents, representatives, officers or employees with respect to the Building or the Premises except as herein expressly set forth. Tenant acknowledges that neither Landlord nor its agents or employees have made any representations or warranties as to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose, nor has Landlord or its agents or employees agreed to undertake any alterations or construct any improvements to the Premises except as expressly provided in this Lease Agreement.

ARTICLE 23

Recording

23.1 This Lease Agreement shall not be recorded.

ARTICLE 24

Security Deposit

24.1 Tenant has an existing deposit with landlord in the amount of \$2,546.00 (the "Deposit") to secure Tenant's performance of its obligations hereunder. If any portion of the Deposit is applied to Tenant's obligations during the term hereof, Tenant shall replace the funds so used within thirty (30) days' written notice from Landlord. Landlord shall return the Deposit to Tenant within thirty (30) days of Tenant's surrender of the Property if Tenant has complied with all requirements of this Lease Agreement.

ARTICLE 25

Miscellaneous

25.1 Words of any gender used herein shall include any other gender, and singular words include the plural, and vice versa, and "person" includes persons, firms and corporations and all other types of entities and organizations, unless in each case the sense otherwise requires. The term "Landlord" as used herein shall mean only the Owner of the Premises at the relevant time.

25.2 Tenant, at any time and from time to time, at the written request of Landlord, shall promptly execute, acknowledge and deliver to Landlord a certificate certifying (a) that this Lease Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications); (b) that there are not then existing any offsets or defenses against the enforcement of any provision of this Lease Agreement except as therein specified; (c) the amount of the Rent; (d) the dates, if any, to which the Rent or other charges have been paid in advance; and (e) the amount of any security deposit being held by Landlord. Any such certificate may be relied upon by a prospective purchaser of, or lender for, all or any portion of the Premises, the Building or the Land.

25.3 Time is of the essence of the notice requirements and the obligations of the parties under this Lease Agreement.

25.4 If there are any covenants yet to be performed by Tenant as of the date of expiration or termination of the term hereof, including, without limitation, the payment of taxes and Rent accruing under this Lease Agreement as of such date, such covenants shall survive the expiration or termination of the term hereof whether or not they are then known or determined.

25.5 This Lease Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and any purported agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part unless such purported agreement is in writing and signed by the party against whom enforcement is sought.

25.6 This Lease Agreement shall be governed and interpreted in accordance with the laws of California.

25.7 The unenforceability, invalidity or illegality of any provision of this Lease Agreement shall not render the other provisions unenforceable, invalid or illegal.

25.8 The individuals executing this Lease Agreement on behalf of Landlord and Tenant represent and warrant that they are duly authorized to execute and deliver this Agreement on behalf of Landlord and Tenant, respectively.

25.9 The covenants, conditions and agreements contained in this Lease Agreement shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided in this Lease Agreement, their respective successors and assigns.

25.10 The Article headings are inserted only as a matter of convenience and reference and in no way define, limit or describe the scope of any Article of this Lease Agreement nor the intent of any of its provisions.

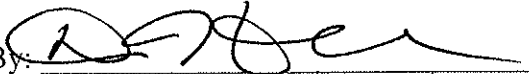
25.11 This Agreement may be executed in multiple counterparts each of which said executed counterparts shall be deemed an original for all purposes.

[Signatures Appear on Next Page]

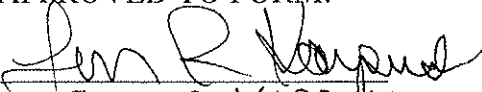
IN WITNESS WHEREOF, and intending to be legally bound hereby, Landlord has caused this Lease Agreement to be executed on its behalf by a duly authorized officer, and Tenant has caused this Lease Agreement to be executed on its behalf by a duly authorized officer, all as of the day and year first written above.

Landlord:

HONEYCHURCH & FINKAS

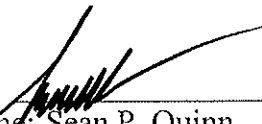
By: 
Name: Denis Honeychurch
Title: Owner

AS APPROVED TO FORM:

By: 
Name: JIM R KARPIS
Title: City Attorney

Tenant:

FAIRFIELD HOUSING AUTHORITY

By: 
Name: Sean P. Quinn *EAB*
Title: City Manager