

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("First Amendment"), is dated as of this 15th day of June 2007 by and between STG Three Properties, LLC ("Lessor") and Santa Monica Malibu Unified School District ("Lessee").

THIS AMENDMENT IS ENTERED INTO on the basis of the following facts, intentions and understanding of the parties:

- A. Bay City Properties, L.P. and Lessee entered into a lease dated June 19, 1997 ("Lease"). Pursuant to the Lease, Lessee leased from Bay City Properties, L.P. certain premises described in the Lease as 1638 17th Street consisting of approximately 2,905 rentable square feet, in the City of Santa Monica, County of Los Angeles, in the State of CA 90404.
- B. Lessee desires to extend the term of the lease for an additional sixty (60) month period.

NOW, THEREFORE, IN CONSIDERATION of the usual covenants and promises, the parties agree as follows:

- 1. **Term.** Lease Section 1.3, Term, shall be extended for an additional sixty (60) month period commencing July 1, 2007 and ending June 30, 2012.
- 2. **Base Rent.** Lease Section 1.5, Base Rent, shall be amended to \$6,623.40 per month. Effective July 1, 2007, the Base Rent schedule shall be as follows:

<u>Period Covered</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>
7/1/07 – 6/30/08	\$6,623.40	\$79,480.80
7/1/08 – 6/30/09	\$6,822.10	\$81,865.20
7/1/09 – 6/30/10	\$7,026.76	\$84,321.12
7/1/10 – 6/30/11	\$7,237.56	\$86,850.72
7/1/11 – 6/30/12	\$7,454.69	\$89,456.28

- 3. **Tenant Improvements.** Lessor hereby grants to Lessee a Tenant Improvement allowance in an amount not to exceed \$5.00 per square foot (\$14,525.00) for Lessee's construction of Tenant Improvements.
- 4. **Early Termination.** Lessor hereby grants to Lessee the option to cancel the lease after the twelfth (12) month of the lease term. In order for Lessor to honor such request by Lessee, Lessee must notify Lessor in writing 180 days prior. Lessee shall also pay any and all unamortized tenant improvements.
- 5. **Third Party Charges.** Each party shall be responsible for paying its own third party charges associated with all lease extensions, renewals and/or expansions, including, but not limited to, all legal costs and brokerage fees.
- 6. **Expiration.** If this Amendment is not signed by Lessee and received by Lessor prior to Friday, June 29, 2007, this Amendment shall be null and void.

In all other respects, the terms, covenants and conditions of the Lease shall remain in full force and effect.

This Agreement may be executed in counterparts, each of which shall be deemed an original and shall be deemed duly executed upon the signing of the counterparts by the parties hereto. The parties agree that facsimile signatures hereto shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the parties have executed this Amendment to Lease on the date(s) set forth below, as of the day and year first above written.

LESSOR
STG Three Properties, LLC

LESSEE
Santa Monica Malibu Unified School District

By: _____

By: _____

Name Printed: John Ziegler

Name Printed: _____

Title: Managing Member

Title: _____

Date: _____

Date: _____