

## LEASE OF SCHOOL DISTRICT OWNED FACILITIES

**THIS LEASE OF SCHOOL DISTRICT OWNED FACILITIES** (this "Lease") dated as of July 1, 2015 is entered into by and between the MANHATTAN BEACH UNIFIED SCHOOL DISTRICT ("Landlord"), and The Rock Covenant Church ("Tenant").

### RECITALS:

A. Landlord is the owner of certain improved and unimproved real property which is not currently needed for public school purposes and which Landlord desires to lease to Tenant.

B. Tenant desires to lease certain real property owned by Landlord upon the terms and conditions set forth in this Lease.

**NOW, THEREFORE**, in consideration of the foregoing Recitals and for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and upon and subject to the terms, covenants and conditions set forth in this Lease, Landlord leases to Tenant and Tenant hires from Landlord a leasehold estate in the Premises (as that term is defined hereinafter), for the term, use and purpose herein set forth. Landlord and Tenant further agree as follows:

#### 1. **DESCRIPTION OF PREMISES**

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain real property commonly known as Transition School Multipurpose Room, Storage, Rooms 20, 21, 22 & 23, and more particularly described on Exhibit A attached hereto (the "**Premises**"). The Premises have been inspected by Tenant and Tenant hereby acknowledges that Tenant is entering into this Lease after such inspection of the Premises and with full awareness of the conditions and character of the Premises and without reliance upon any representations as to the condition or character of the Premises which may have been made by representatives of Landlord. Tenant hereby accepts the Premises "AS IS".

#### 2. **USE**

Tenant shall only have the right to use the Premises for

- Sunday services 3 – 7 p.m. including music and amplifiers
- Office hours Rm 21 8 a.m. – 5 p.m. Monday – Friday
- Tuesday night prayer meeting 7 – 8:30 p.m. in Rm 21 – approx. 8-10 people
- Friday evening youth gathering 5 – 8:30 p.m.,
- Monthly art group meeting
- Vacation Bible School (typically in July – 9 a.m. – 12 p.m. - does not include set up-clean-up time)
- Occasional summer BBQ's on Sunday after 5 p.m. service.
- Christmas Eve service
- Easter morning service
- All uses include use of parking lots

and for no other purposes. Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter become effective.

Additionally: (a) The serving and/or sale of alcoholic beverages will not be permitted on the Premises, (b) Unlicensed vehicles, campers, mobile homes or portable buildings shall not be allowed on the Premises, and (c) Gambling shall not be permitted on the Premises.

Under no circumstances shall Tenant be allowed to keep or bring on the Premises or permit any other person to bring onto the Premises any Hazardous Materials (as defined below). "**Hazardous Materials**" shall mean (a) any oil, petroleum, petroleum product, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials or pollutants which (i) pose a hazard to the Premises or to persons on or about the Premises or (ii) cause the Premises to be in violation of any law; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million; (c) any chemical, material or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," or "toxic substances" or words of similar import under any applicable law; and (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the users of the Premises or the owners and/or occupants of property adjacent to or surrounding the Premises.

Tenant hereby agrees to make all playground space available for use by community individuals and/or groups one hour after students are dismissed from classes on weekdays and all day on weekends and holidays.

### **3. ACCESS TO PREMISES**

Landlord hereby grants to Tenant reasonable access to the Premises as set forth on "Hours of Use". Landlord hereby reserves the right to change Tenant's access to the Premises upon 30 days' prior written notice. Landlord reserves the right to enter the Premises at any time, for any reason.

### **4. TERM OF ANNUAL LEASE**

Subject to the provisions of Paragraph 5 herein, the term of this Lease shall be for a period of one year commencing upon July 1, 2015 and terminating on June 30, 2016.

5. **TERMINATION OF LEASE**

Either Landlord or Tenant shall have the right to cancel or terminate this Lease prior to the expiration of its term by giving the other party hereto 180 days' prior written notice of its intention to so terminate.

6. **SECURITY DEPOSIT**

Tenant has deposited with Landlord an amount equal to \$ -0- as security for the full performance and observance of each and every provision of this Lease. If Tenant defaults in any of its obligations under this Lease, including but not limited to the payment of Base Rent (as defined below), Landlord may use, apply or retain the whole or any part of this security deposit to satisfy any sum due to Landlord or to defray any expense or damage reasonably incurred by reason of the default. In the event that all or part of the security deposit is so used or applied, Tenant shall on demand pay Landlord a like sum to replenish the security deposit. Landlord is not a trustee of the security deposit and may commingle it or use it in the ordinary course of its business. No interest shall accrue on the security deposit for the benefit of Tenant. Within 30 days after the expiration or earlier termination of this Lease, if Tenant has not been in default under the terms of this Lease, Landlord shall return the remaining balance of this security deposit to Tenant. Tenant may not apply the security deposit to the last month's lease payment.

7. **BASE RENT**

The rent for the Lease shall be \$ 50,600.88 ("**Base Rent**"), payable in 12 equal monthly payments of \$ 4,216.74 each due on the 1st day of each calendar month commencing on July 1, 2015 and ending on June 30, 2016. Rent is made payable to Manhattan Beach Unified School District. The tenant also has the first right of refusal on the facilities for Saturday evenings and Sunday mornings.

8. **ANNUAL ADJUSTMENT OF BASE RENT**

The Base Rent of \$ 4216.74/mo shall be increased for the following year beginning July 1 of such following year in the amount of 3%.

9. **UTILITIES**

Tenant agrees that the monthly rent stated in Paragraph 7 above includes amounts for standard utilities (described below) furnished to the Premises by Landlord as of the first day of the lease term. Any additional utilities or services which Tenant desires to be furnished shall be at the expense of Tenant and subject to the approval of Landlord. Landlord shall provide the Premises with the following utilities and services:

Water, trash, gas & electricity.

10. **FURNITURE AND EQUIPMENT RENTAL**

As rental payment for the use of Landlord's furniture and equipment listed on Exhibit C, Tenant shall pay the sum of \$ N/A per year, payable in 12 equal payments of \$ N/A. Such payments shall be due on the Base Rent due date described above.

11. **LATE PAYMENTS**

All payments due hereunder are due in the Office of Landlord at 325 S. Peck Ave., Manhattan Beach, California 90266, attention: accounts payable, on the dates set forth above and payments received by Landlord more than ten (10) days after the payment due date specified above (regardless of the date on any check used in payment) shall be subject to a late payment fee of 10% of the monthly payment amount. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any other rights and remedies available to Landlord.

12. **MAINTENANCE OF PREMISES**

Tenant acknowledges the Premises are in good repair and order unless otherwise indicated herein. Upon the termination of this Lease Tenant shall surrender the Premises to Landlord in the same condition as of the date first set forth above, ordinary wear and tear excepted. Structural, electrical, heating, air conditioning and plumbing repairs to the Premises shall also be made by Landlord unless necessitated by the negligent or willful acts or omissions of, or otherwise caused by, Tenant. Any other repairs to the Premises shall be made by Tenant. Notwithstanding the foregoing, any damage to the Premises arising out of Tenant's (or Tenant's Parties') use of the Premises shall be paid by Tenant.

Custodial and cleaning service shall be provided by Tenant, and shall be at a level consistent with custodial and cleaning services at other school sites operated and maintained by Landlord. If, upon inspection by the staff of Landlord, custodial services are determined to be at a level unacceptable to Landlord or inconsistent with Landlord-maintained services, the services will be provided by a Landlord employed staff and the cost thereof shall be the responsibility of Tenant.

13. **ALTERATIONS TO PREMISES**

No changes, repairs, additions, or improvements shall be built or made to or upon the Premises by Tenant without the prior written consent of Landlord. Notwithstanding the foregoing, Tenant shall be permitted to make emergency repairs to the Premises when necessary to avoid any threat to person or property without Landlord's consent; provided that, Tenant promptly notifies Landlord of such repair thereafter.

14. **TAXES AND NON-USE PAYMENTS**

This Lease may create a possessory interest which may be subject to the payment of property taxes levied on such interest. In the event of the foregoing, Tenant shall pay and discharge all taxes and assessments imposed by any duly-constituted authority upon such a use or possessory interest of Tenant, whether the same be assessed to Landlord or to Tenant. Any such taxes or assessments paid by Tenant to Landlord under the provisions hereof will be remitted by Landlord to the appropriate taxing agency in a timely manner, and the payment of such taxes or assessments by Tenant to Landlord shall fully discharge Tenant from its obligation to pay the same. In the event that Landlord shall pay any such taxes or assessments, Tenant shall be obligated to reimburse Landlord therefor.

If a non-use penalty is imposed in accordance with Section 17219 of the Education Code, such penalty shall be paid by Tenant.

15. **HOLD HARMLESS**

Tenant hereby indemnifies, defends and holds harmless Landlord, its Board, staff, officers and employees from and against any and all liabilities, claims, demands, costs, losses, damages or expenses, including, without limitation, attorneys' fees and costs, by reason of, arising out of or resulting from any injury to person or damage to the Premises or any other property, in connection with or relating to the use of the Premises by Tenant or the acts or omissions of any of the Tenant Parties, except such injury to person or damage to property caused by and due solely and exclusively to the gross negligence or willful misconduct of Landlord, its Board, staff, officers or employees. Tenant agrees to carry throughout the term of this Lease liability insurance covering its use of the Premises of not less than \$100,000 for bodily injury per person, \$300,000 for bodily injury per occurrence, and \$100,000 for property damage, naming Landlord as additional insured, and to provide a certificate of such insurance coverage to Landlord, the first of which shall be delivered to Landlord prior to the commencement of the term of this Lease. Such certificate of insurance shall provide the following endorsement to the said insurance policy:

“This policy shall not be suspended, canceled, reduced in coverage or required limits of liability or amounts of insurance or non-renewed until notice has been mailed to the Manhattan Beach Unified School District. Date of suspension, cancellation, reduction in coverage or non-renewal shall not be less than thirty (30) days after the date of mailing of such notice. The insurance afforded by this policy is primary and any other insurance carried by the Manhattan Beach Unified School District with respect to the matters covered by such policy shall be excess and non-contributing.”

If Tenant fails to purchase and maintain the insurance required under this Paragraph 15, the Landlord may, but shall not be obligated to, upon five (5) days' written notice to the Tenant, purchase such insurance on behalf of the Tenant and shall be entitled to be reimbursed by the Tenant promptly thereafter, together with interest thereon from the date such premiums are paid by Landlord until reimbursed to Landlord at the rate of ten percent (10%) per annum.

**16. ASSIGNMENT AND SUBLETTING**

Tenant shall not voluntarily or by operation of law or otherwise license, assign, transfer, mortgage, sublet or otherwise encumber convey all or any part of Tenant's interest in this Lease or in the Premises without obtaining the prior written consent of Landlord in each instance, and any attempt to do so without such consent being first had and obtained shall be wholly void (such consent shall not be unreasonably withheld). No subletting or assignment, even with the consent of Landlord, shall permit a change in the use or relieve Tenant of its obligation to pay Base Rent and to perform all of the other obligations to be performed by Tenant hereunder. The acceptance of payments by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent of any assignment, subletting or other transfer and shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer. The term "transfer" shall include the direct or indirect transfer, assignment, hypothecation or conveyance of legal or beneficial ownership of Tenant (or of any corporate, partnership or membership shares or interests of or in Tenant).

**17. FAILURE TO COMPLY WITH CURRENT TERMS AND CONDITIONS**

In the event of the failure of Tenant to comply fully with any of the terms, covenants, and conditions of this Lease, Landlord shall have the right to immediately terminate all rights and privileges thereby granted to Tenant, and Landlord shall have the right to enter into and upon the Premises and take immediate possession thereof and to exclude Tenant from such property. Tenant shall reimburse Landlord for any and all legal expenses and rental losses incurred by Landlord as a result of Tenant's default. The rights granted above to Landlord are hereby expressly agreed to be in addition to any and all other legal rights that may be exercised by Landlord in the event of a breach of any of the terms, conditions, and covenants of this Lease by Tenant (including, without limitations, the remedies set forth in California Civil Code Sections 1951.2 and 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations) or any successor statutes).

**18. ADDITIONAL CONDITIONS**

Upon one hundred eighty (180) days' prior written notice, Landlord shall have the right, but not the obligation, to relocate Tenant to another location owned by Landlord which is reasonably similar to the Premises. The cost of any such relocation pursuant to this Paragraph 18 shall be in addition to Landlord's right to terminate this Lease pursuant to Paragraph 5. Tenant shall peaceably vacate the Premises and leave the Premises in reasonably good condition, ordinary wear and tear excepted, in accordance with the requirement of Paragraph 12.

In the event of destruction of or damage to the Premises not occasioned by the action or default of any Tenant Parties, Landlord shall have the sole option of either repairing the Premises or terminating this Lease as of the date of the destruction or damage. If Landlord chooses to repair the Premises, Tenant shall remain liable under the terms of this Lease and shall pay Base Rent to Landlord for the damaged Premises should they be fit for occupancy during the time of repair. Tenant shall, however, be obligated to pay Base Rent during such period of repair only in the proportion that the portion of the Premises which are fit for occupancy bears to the entire

Premises. Tenant shall repair any damage or destruction caused by Tenant Parties and shall pay the entire monthly Base Rent due during such period of repair.

The failure of Landlord to insist upon strict performance of any of the terms, conditions or covenants of this Lease shall not be deemed a waiver of any right or remedy Landlord may have and shall not be deemed a waiver of any right or remedy for subsequent breach or default of the terms, conditions, or covenants herein contained.

All tenants who provide child care, nursery, or preschool programs shall abide by the conditions adopted by Landlord's board of trustees as follows:

#### CARE AND MAINTENANCE OF PROPERTY

1. Property of Landlord and others shall be protected. Children shall not be allowed to destroy property.
2. Property shall be maintained in a safe condition. Any damages shall be properly repaired.

#### RULES FOR SAFE AND COURTEOUS BEHAVIOR

1. Rules for behavior shall meet the standards and requirements of Landlord or host school, if the site is in an operating school site.
2. Behavior of children shall not be permitted to disrupt or disturb neighboring classes.
3. Loud and active games shall be scheduled for the playground area during after school hours to reduce any disruption or disturbance to other classes or programs.
4. Where the location of a child care program is adjacent to next door neighbors, every attempt shall be made to schedule loud activities on the playground areas and as far away from neighbors as possible.

#### RESOLUTION OF PROBLEMS

1. If the location is in an operating school, the principal shall report any problem or complaint to the director of the child care program immediately. The director shall be responsible for seeking a solution to any major or frequently reported problem.
2. In the event problems are not resolved, a committee composed of the school principal, the director, two parents with children enrolled in the program, one teacher from the school, the person reporting the complaint, and one school board member shall meet to review the situation and propose an appropriate resolution.

**19. BANKRUPTCY DEFAULT**

In addition to the other terms and provisions of this Lease, the following shall constitute a default by Tenant (a "Bankruptcy Default"): (i) the making by Tenant of any general arrangement or assignment for the benefit of creditors, (ii) Tenant becomes a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within 30 days. The Lease shall automatically terminate (without the necessity for any act by Landlord) upon the occurrence of a Bankruptcy Default.

**20. HOLDING OVER**

If Tenant, with or without Landlord's consent, remains in possession of the Premises or any part thereof after the expiration of the term hereof, such occupancy shall be a tenancy from month to month upon all of the provisions of this Lease pertaining to the obligations of Tenant, but the Base Rent then in effect shall be increased and will equal 200% of the Base Rent currently set forth in Paragraph 7 hereof.

**21. CUMULATIVE REMEDIES**

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**22. ATTORNEY'S FEES**

If either party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on arbitration, trial or appeal, shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court or arbitrator, as the case may be.

**23. TIME OF ESSENCE**

Time is of the essence of every term, covenant and condition of this Lease.

**24. SECURITY MEASURES**

Tenant hereby acknowledges that the rental payable to Landlord hereunder does not include the cost of guard service or other security measure, and that Landlord shall have no obligation whatsoever to provide same. Tenant assumes all responsibility for the protection of Tenant Parties and its and their property from acts of third parties.

25. **SEVERABILITY**

The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision of law.

26. **PROVISIONS REQUIRED BY LAW**

Each and every provision of law and clause required to be inserted into this Lease shall be deemed to be inserted herein, and this Lease shall be read and enforced as though such law and clause were included herein.

27.. **EXHIBITS**

All exhibits attached hereto are hereby incorporated herein by this reference as if set forth herein in their entirety.

28. **PERSONAL GUARANTY**

The obligations of Tenant set forth herein are guaranteed by **The Rock Covenant Church** pursuant to the terms of that certain Guaranty of Lease dated of even date herewith.

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the date first written above.

**TENANT**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

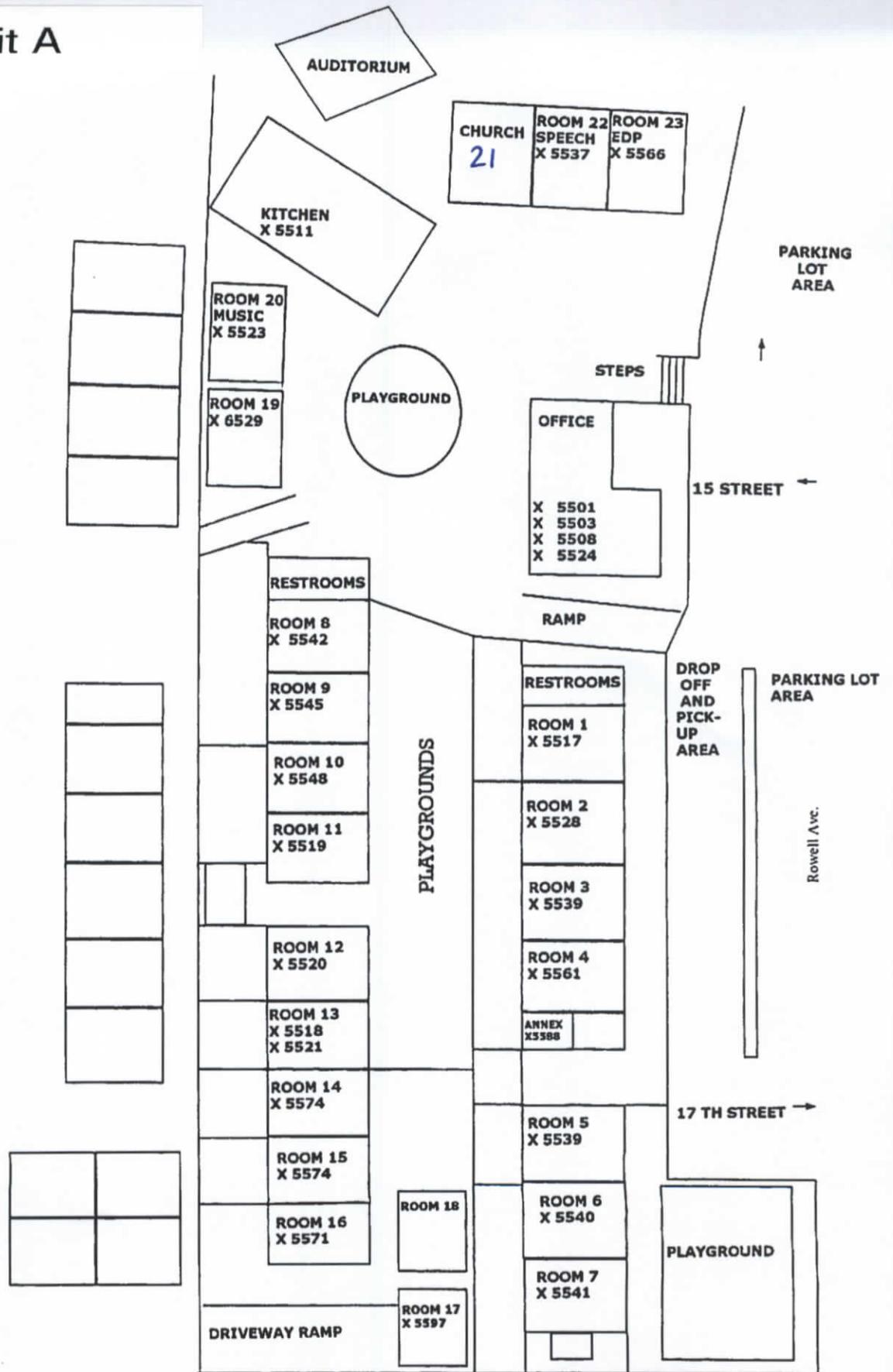
MANHATTAN BEACH UNIFIED  
SCHOOL DISTRICT

BY: \_\_\_\_\_

PRINTED NAME: Dawnalyn Murakawa-Leopard

TITLE: Assistant Superintendent, Admin. Services

# Exhibit A



## GUARANTY OF LEASE

THIS GUARANTY OF LEASE (this "**Guaranty**") is made as of July 1, 2015 by **The Rock Covenant Church** (collectively the "**Guarantors**" and individually each a "Guarantor), in favor of the **MANHATTAN BEACH UNIFIED SCHOOL DISTRICT** ("Landlord").

### R E C I T A L S:

- A. Landlord and **The Rock Covenant Church** (**Tenant**) have entered into that certain Lease of School District Owned Facilities dated July 1, 2015 (the "**Lease**) concerning the premises located at **Transition School** in the City of Manhattan Beach, State of California.
- B. Guarantors have a financial interest in Tenant.
- C. Landlord would not execute the Lease if Guarantors did not execute and deliver to Landlord this Guaranty.

**NOW, THEREFORE**, for and in consideration of the execution of the Lease by Landlord and as a material inducement to Landlord to execute the Lease, Guarantors hereby jointly, severally, unconditionally and irrevocably guaranty the prompt payment by Tenant of all rentals and all other sums payable by Tenant under the Lease and the faithful and prompt performance by Tenant of each and every one of the terms, conditions and covenants of the Lease to be kept and performed by Tenant, and further agree as follows:

- 1. It is specifically agreed and understood that the terms of the Lease may be altered, affected, modified or changed by agreement between Landlord and Tenant, or by course of conduct, and the Lease may be assigned by Landlord or any assignee of Landlord without consent or notice to Guarantors and that this Guaranty shall thereupon and thereafter guaranty the performance of the Lease as so changed, modified, altered or assigned.
- 2. This Guaranty shall not be released, modified or affected by failure or delay on the part of Landlord to enforce any of the rights or remedies of Landlord under the Lease, whether pursuant to the terms thereof or at law or in equity.
- 3. No notice of default need be given to Guarantors, it being specifically agreed and understood that the guaranty of the undersigned is a continuing guaranty under which Landlord may proceed forthwith and immediately against Tenant or against Guarantors following any breach or default by Tenant or for the enforcement of any rights which Landlord may have as against Tenant pursuant to or under the terms of the Lease or at law or in equity.
- 4. Landlord shall have the right to proceed against Guarantors hereunder following any breach or default by Tenant without first proceeding against Tenant and without previous notice to or demand upon either Tenant or Guarantors.

5. Guarantors hereby waive (a) notice of acceptance of this Guaranty, (b) demand of payment, presentation and protest, (c) all right to assert or plead any statute of limitations as to or relating to this Guaranty and the Lease, (d) any right to require the Landlord to proceed against Tenant or any other Guarantor or any other person or entity liable to Landlord, (e) any right to require Landlord to apply to any default any security deposit or other security it may hold under the Lease, (f) any right to require Landlord to proceed under any other remedy Landlord may have before proceeding against Guarantors, and (g) any right of subrogation.

6. (a) Each Guarantor agrees that nothing contained herein shall prevent Landlord from suing on the Lease or from exercising any rights available to it thereunder and that the exercise of any of the aforesaid rights shall not constitute a legal or equitable discharge of Guarantor. Without limiting the generality of the foregoing, each Guarantor hereby expressly waives any and all benefits under California Civil Code 2809, 2810, 2819, 2845, 2847, 2848, 2849 and 2850.

(b) Each Guarantor agrees that such Guarantor shall have no right of subrogation against Tenant or any right of contribution against any other Guarantor hereunder unless and until all amounts due under the Lease have been paid in full and all other obligations under the Lease have been satisfied. Each Guarantor further agrees that, to the extent the waiver of such Guarantor's rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation such Guarantor may have against Tenant shall be junior and subordinate to any rights Landlord may have against Tenant, and any rights of contribution such Guarantor may have against any other Guarantor shall be junior and subordinate to any rights Landlord may have against such other Guarantor.

(c) To the extent any dispute exists at any time between or among any of the Guarantors as to any Guarantor's right to contribution or otherwise, each Guarantor agrees to indemnify, defend and hold Landlord harmless from and against any loss, damage, claim, demand, cost or any other liability (including, without limitation, reasonable attorneys' fees and costs) Landlord may suffer as a result of such dispute.

(d) The obligations of each Guarantor under this Guaranty shall not be altered, limited or affected by any case, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Tenant or by any defense which Tenant may have by reason of the order, decree or decision of any court or administrative body resulting from any such case. Landlord shall have the sole right to accept or reject any plan on behalf of each Guarantor proposed in such case and to take any other action which such Guarantor would be entitled to take, including, without limitation, the decision to file or not file a claim. Each Guarantor acknowledges and agrees that any payment which accrues with respect to Tenant's obligations under the Lease (including, without limitation, the payment of rent) after the commencement of any such proceeding (or, if any such payment ceases to accrue by operation of law by reason of the commencement of said proceeding, such payment as would have accrued if said proceedings had not been commenced) shall be included in Guarantors' obligations hereunder because it is the intention of the parties that said obligations should be determined without regard to any rule or law or order which may relieve Tenant of any of its obligations under the Lease. Each Guarantor hereby permits any trustee in bankruptcy, receiver, debtor-in-possession, assignee for the benefit of creditors or similar person to pay Landlord, or allow the claim of Landlord in respect of, any such payment accruing after the date on which such proceeding is commenced. Each Guarantor hereby assigns to Landlord such Guarantor's right to

receive any payments from any trustee in bankruptcy, receiver, debtor-in-possession, assignee for the benefit of creditors or similar person by way of dividend, adequate protection payment or otherwise.

7. The term "Landlord" whenever hereinabove used refers to and means the Landlord in the Lease specifically named and also any assignee of said Landlord, whether by outright assignment or by assignment for security, and also any successor to the interest of said Landlord or of any assignee in such Lease or any part thereof, whether by assignment or otherwise. So long as the Landlord's interest in or to the leased premises or the rents, issues and profits therefrom, or in to or under the Lease, are subject to any mortgage or deed of trust or assignment for security, no acquisition by Guarantors of the Landlord's interest in the leased premises or under said Lease shall affect the continuing obligation of Guarantors under this Guaranty which shall nevertheless continue in full force and effect for the benefit of the mortgagee, beneficiary, trustee or assignee under such mortgage, deed of trust or assignment, of any purchaser at sale by judicial foreclosure or under private power of sale, and of the successors and assigns of any such mortgagee, beneficiary, trustee, assignee or purchaser.

8. The term "**Tenant**" whenever hereinabove used refers to and means the Tenant in the Lease specifically named and also any assignee or sublessee of said Lease and also any successor to the interests of said Tenant, assignee or sublessee of such Lease or any part thereof, whether by assignment, sublease or otherwise.

9. In the event any action be brought by said Landlord against Guarantors hereunder to enforce the obligation of Guarantors hereunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee which shall be fixed by the court.

**IN WITNESS WHEREOF**, Guarantors have executed this Guaranty as of the day and year first above written.

**GUARANTORS**

Printed Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_