

**BUILDING SPACE LEASE**

LEASE COVERING PREMISES LOCATED AT 950 LAUREL STREET WILLOWS, CALIFORNIA
AGENCY MILITARY DEPARTMENT

LEASE NO. L-1654

This Lease, dated for reference purposes only this 8<sup>th</sup> day of August, 2001, by and between the State of California, acting by and through its Director of General Services, with the consent of the Military Department, hereinafter called STATE, and Opengate Christian Fellowship, hereinafter called LESSEE.

**WITNESSETH:**

**DESCRIPTION**

1. STATE does hereby lease to the LESSEE, and LESSEE hereby hires from STATE, upon the terms, agreements, and conditions hereinafter set forth, those certain Premises as outlined on the attached plot and floor plans designated as Exhibit "A", consisting of two(2) pages attached hereto and made a part therein by this and more particularly described as follows:

Building located at 950 Laurel Street, Willows, California, also known as the Willows Armory, consisting of approximately 10,644 square feet together with its installed equipment and the adjacent parking lot and grounds located the City of Willows, County of Glen, California, hereinafter called "Premises". The Premises do not include the area designated as the armament safe which by law must be exclusively used by the State of California or the United State Government.

**TERM**

2. The term of this Lease shall be for five (5) years, commencing January 1, 2002 and ending December 31, 2006, with such rights of termination as are hereinafter expressly set forth.

**USE**

3. The Premises shall be used by LESSEE during the term hereof for the purpose of Church related services, and for no other purpose whatsoever without prior written consent from the STATE.

**UTILITIES**

4. LESSEE shall, at its sole cost and expense, make arrangements for and pay for all utilities used by LESSEE at or upon the Premises, including but not limited to electric, gas, water, sewer, trash disposal, or any other utility charges in connection with LESSEE's use of leased Premises.

**RENT**

5. LESSEE shall make rental payments for the Premises, monthly in advance, in the sum of:  
EIGHT HUNDRED TWENTY FIVE AND 00/100 DOLLARS (\$825.00)

**IN LIEU BENEFITS**

6. STATE acknowledges LESSEE providing maintenance and repair to the facility. As long as LESSEE provides all maintenance and repairs as listed in exhibit "B", attached and made part consisting of one (1) page attached hereto and made a part therein the STATE shall accept the following amount of rents established in exhibit "C" from the LESSEE:

From January 1, 2002 to December 31, 2002 shall pay monthly rent of \$275.00.  
From January 1, 2003 to December 31, 2003 shall pay monthly rent of \$0.00.  
From January 1, 2004 to December 31, 2004 shall pay monthly rent of \$0.00.  
From January 1, 2005 to December 31, 2005 shall pay monthly rent of \$0.00.  
From January 1, 2006 to December 31, 2006 shall pay monthly rent of \$683.33.

Payments to be made to: Military Department  
Facilities Section  
9800 Goethe Road  
Sacramento, CA 95826-9101

(b) If at any time during the term of this Lease, STATE shall discover that LESSEE has failed to provide maintenance to the facility, said failure will constitute a forfeiture by LESSEE of all in lieu rent benefits. Upon written notice by STATE of forfeiture, LESSEE shall make rental payments for the leased Premises monthly in advance on the first day of each month as follows:

EIGHT HUNDRED TWENTY FIVE AND 00/100 DOLLARS (\$825.00)

**Lessee's method of payment shall be paid directly to the above address, shall display the State's lease number as shown on page 1 of this document, and shall not require receipt of an invoice prior to issuance of payment.**

(c) The collection of rent pursuant to Paragraph 5(b) is in addition to any other rights and remedies STATE may have pursuant to this Lease.

ADMINISTRATIVE  
FEE

7. A one-time charge of Two Thousand and 00/100 Dollars (\$2,000.00) to cover State's costs associated with the preparation of this Lease has been waived by the Military Department. The Lessee is not required to pay Two Thousand and 00/100 Dollars (\$2,000.00) at the time of execution of this Lease.

REGULATION BY  
STATE

8. LESSEE shall not commit, suffer or permit any waste on said Premises or any acts to be done thereon in violation of any laws or ordinances, and will permit the STATE or its agents to enter said Premises at any reasonable time to inspect the same.

TERMINATION

9. STATE may terminate this Lease at any time by giving LESSEE notice in writing at least sixty (60) days prior to the date when such termination shall become effective. However, STATE may terminate this Lease at any time during the term hereof for breach of any of the terms and conditions hereof, by giving LESSEE notice in writing at least sixty (60) days prior to the date when such termination shall become effective. If State terminates the lease before the end of the term of the lease; LESSEE shall be compensated for the amount of repairs on exhibit "B" that has not been used for rental credits. The amount of compensation will be predicated on the monthly deduction for capitol expenditures made in the prior year plus any carry over credits from prior years.

HOLDING OVER

10. Should Lessee hold over after the expiration of the term of this lease with the consent of State, expressed or implied, said tenancy shall be deemed to be a tenancy only from month-to-month subject to a rent increase of five percent (5%) from the ending rental rate specified in Paragraph 5, and payable on a monthly basis in advance, subject otherwise to all the terms and conditions of this lease insofar as applicable.

STATE offers and LESSEE accepts no assurance that the Premises or any other comparable space or facilities at the site described herein will be made available to LESSEE beyond the term stated in Paragraph 2 or as said term is reduced as provided therein.

NO SUBLET  
CLAUSE

11. (a) LESSEE shall not transfer nor assign this Lease, and shall not sublet, license, permit or suffer any use of the leased Premises or any part thereof, or lease space in any

SUBLET CLAUSE  
(CON'T)

building constructed on said land or cause or permit any change of any equipment installed in such Premises.

NOTICES

12. All notices or other communications required hereunder shall be in writing, and shall be personally delivered (including by means of professional messenger service) or sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below, or sent by electronic facsimile to the telefacsimile numbers set forth below. All such notices or other communications shall be deemed received upon the earlier of (i) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notice, (ii) if mailed as provided above, on the date of receipt or rejection, or (iii) if given by electronic facsimile, when received by the other party if received Monday through Friday between 6:00 a.m. and 5:00 p.m. Pacific Standard Time, so long as such day is not a state or federal holiday and otherwise on the next day provided that if the next day is Saturday, Sunday, or a state or federal holiday, such notice shall be effective on the following business day:

To the LESSEE: Opengate Christian Fellowship  
P.O. Box 1022  
Willows, CA 95988

To the STATE: Department of General Services  
Real Estate Services Division  
State Owned Leasing and Development  
Post Office Box 989052  
West Sacramento, CA 95798-9052

To the STATE: Military Department  
Facilities Engineering  
P. O. Box 269101  
Sacramento, CA 95826-9101

Notice of change of address or telefacsimile number shall be given by written notice in the manner described in this section. LESSEE is obligated to notice all state offices listed above and the failure to provide notice to all state offices will be deemed to constitute a lack of notice.

The address to which notices may be mailed as aforesaid to either party, may be changed by written notice given by subject party to the other, as hereinbefore provided; but nothing herein contained shall preclude the giving of any such notice by personal service

REPAIR AND  
MAINTENANCE

13. LESSEE shall not call on STATE to make any improvement or repairs on said Premises, but LESSEE agrees to keep the same in good order and condition at its own expense. LESSEE does hereby waive all rights to make repairs at the expense of STATE as provided in Section 1942 of the Civil Code, and all rights provided for by Section 1941 of said Civil Code. LESSEE must obtain prior written approval from the STATE prior to commencing any improvement or repair to the leased Premises.

All work done by LESSEE on the Premises shall be done in a lawful manner and conformity with all applicable laws, ordinances, and regulations. Premises shall be kept free from any and all liens and charges on account of labor or materials used in or contribution to any work thereon.

**Nothing in this paragraph or Lease shall be construed to permit LESSEE to undertake any alterations, additions or improvements, including any additional communication or utility services, to the Premises or any part thereof without first**

**obtaining STATE's prior written consent, including submitting plans and specifications if requested.**

**REPAIR AND  
MAINTENANCE  
(CON'T)**

Beginning on January 1, 2002, and each January 1<sup>st</sup> thereafter during the term of this Lease, the LESSEE shall provide STATE with a written accounting of all maintenance, repairs and capitol improvements performed during the preceding year and costs associated with the continued upkeep of the Premises.

**HOLD HARMLESS**

14. This Lease is made upon the express condition that the State of California is to be free from all liability and claims for damages by reason of any injury to any person or persons, including LESSEE, or property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause or causes whatsoever while in, upon or in any way connected with the Premises during the term of this Lease or any occupancy hereunder, except those arising out of the sole negligence of the STATE. LESSEE agrees to defend, indemnify, and hold harmless the State of California from all liability, loss, cost or obligation on account of or arising out of any such injury or loss, however occurring. LESSEE further agrees to provide necessary Worker's Compensation Insurance for all employees of LESSEE upon said Premises at the LESSEE's cost and expense.

**INSURANCE**

15. LESSEE shall maintain Commercial General Liability insurance with limits of not less than \$5,000,000 per occurrence for bodily injury and property damage liability combined and annual aggregate. Said insurance policy will include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, liability assumed under an insured contract and shall include a sub-limit of \$500,000 for Fire Legal Liability. LESSEE shall furnish a certificate of said insurance with the STATE's Lease Number indicated on the face of the certificate naming the State of California, its officers, agents and employees as additionally insured. Said certificate shall be issued by an insurance company with a Best Insurance Guide rating that is acceptable to the Department of General Services, Office of Risk and Insurance Management. STATE shall have the right to reconsider these insurance requirements during the term of the Lease.

- a) It is agreed that STATE shall not be liable for the payment of any premiums or assessments on the insurance coverage required by this paragraph. The certificate of insurance shall provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to STATE. LESSEE agrees that the insurance herein provided for shall be in effect at all times during the term of the Lease. In the event said insurance coverage expires at any time or times during the term of this Lease, LESSEE agrees to provide STATE, at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than one (1) year. In the event LESSEE fails to keep in effect at all times insurance coverage as herein provided, STATE may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event.
- b) If Lessee is self-insured, Lessee shall provide State with written acknowledgment of this fact at the time of the execution of this Lease. Lessee shall annually thereafter, on the anniversary of the date of execution of this Lease, provide State with a written acknowledgment of the continuation of its self-insured status. If, at any time after the execution of this Lease, Lessee abandons its self-insured status, Lessee shall immediately notify State of this fact and comply with all the requirements in Section 14, above.

**FORCE MAJEURE**

16. If either LESSEE or STATE shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, governmental restrictions, regulations or controls (except those reasonably foreseeable in connection with the uses

completed by this Lease), or other cause without fault and beyond the control of the party obligated (except financial inability), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Nothing in this clause shall excuse LESSEE from prompt payment of any taxes, insurance or any other charge required of LESSEE, except as may be expressly provided in this Lease.

**FORCE MAJEURE  
(CON'T)**

**COMPLIANCE  
WITH LAWS**

17. LESSEE, shall, at its sole cost and expense, comply with all the laws and requirements of all Municipal, State, and Federal Authorities now in force, or which may be in force pertaining to the Premises and use of the Premises as provided by this Lease.

**TAXES AND  
ASSESSMENTS**

18. LESSEE agrees to pay all lawful taxes, assessments, or charges that at any time may be levied by any public entity upon any interest in this Lease or any possessory right which LESSEE may have in or to the Premises or the improvements thereon by reason of LESSEE's use or occupancy thereof, or otherwise, as well as all taxes, assessments, and charges on goods, merchandise, fixtures, appliances, equipment and property owned by LESSEE in or about said Premises. It is understood that this Lease may create a possessory interest subject to property taxation and LESSEE may be subject to the payment of property taxes levied on such interest.

**NON-  
DISCRIMINATION**

19. In the performance of this Lease, the LESSEE shall not discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition, age (over40), marital status, sex, sexual orientation, or use of family care leave. LESSEE shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment.

Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation/ and selection for training, including apprenticeship.

**LESSEE shall comply with the provisions of the Fair Employment and housing act (Government Code Section 12990 (a-f) et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. LESSEE shall give written notice of its obligations under this clause to any labor organizations with which they have a collective bargaining or other Agreement. Further, LESSEE shall post in conspicuous places available to employees and applicants for employment, notices to be provided by the STATE setting forth the provisions of this Fair Employment Practices Section. (Government Code, Section 12920-12994).**

**REMEDIES FOR WILLFUL VIOLATIONS:**

**A.** The STATE may determine a willful violation of the Fair Employment Practices provision to have occurred upon the receipt of a final judgment having that effect from a court in an action to which LESSEE was a party, or upon receipt of a written notice from the fair Employment Practices Commission that it has investigated and determined that the LESSEE has violated the Fair Employment Practices Act and has issued an order pursuant to the appropriate provisions of the Government Code.

**B.** The STATE shall have the right to terminate this lease agreement and any loss or damage sustained by the STATE by reason thereof shall be borne and paid for by the LESSEE.

**LOSSES**                    20. STATE will not be responsible for losses or damage to personal property, equipment or materials of LESSEE.

**BREACH**                    21. In the event of a breach of this Lease by LESSEE, the STATE, in addition to any other rights or remedies it may have, shall have the immediate right of re-entry and may take possession of the Premises and every part thereof and to remove and store at LESSEE's expense all property therefrom and to repossess and occupy the Premises. In the event STATE terminates this Lease pursuant to this paragraph STATE shall not be required to pay LESSEE any sum or sums whatsoever.

**VACATING THE PREMISES**                    22. LESSEE shall, on the last day of said term or sooner termination of this Lease, peaceably and quietly leave, surrender, and yield to STATE the Premises in good order, well-maintained condition, and repair, reasonable use and wear thereof excepted. Upon termination, a qualified STATE representative shall inspect the Premises to determine that the Premises were left in accordance to the terms specified. In the event damage has occurred, LESSEE shall assume liability for the cost to restore the Premises to the condition achieved upon completion of improvements pursuant to Paragraph 12.

**RECOVERY OF LEGAL FEES**                    23. If action is brought by the STATE for any breach hereof, or to restrain the breach of any agreement contained herein, or for the recovery of possession of the Premises, or to protect any rights given to the STATE against the LESSEE, and if the STATE shall prevail in such action, the LESSEE shall pay to STATE such amount of all costs and expenses, including attorney's fees in said action, as the court determines to be reasonable, which shall be fixed by the court as part of the costs of said action.

**DEBT LIABILITY DISCLAIMER**                    24. The STATE will not be liable for any debts or claims that arise from operation of this Lease.

**PARTNERSHIP DISCLAIMER**                    25. LESSEE and any and all agents of LESSEE shall act in an independent capacity and not as officers or employees of the STATE. Nothing herein contained shall be construed as constituting the parties herein as partners.

**DISPOSITION OF IMPROVEMENTS**                    26. Upon termination of this Lease for any cause, LESSEE shall remove any and all personal equipment and LESSEE shall restore any damage caused by said removal. Except, however, the STATE may approve, in writing, any deviation from this requirement.

**ENCUMBRANCES**                    27. LESSEE and STATE hereby acknowledge and agree that LESSEE does not intend to encumber by deed of trust LESSEE's interest in Premises, for the purpose of constructing improvements thereon. Any such encumbrance is void without prior written approval from STATE.

**FIRE & CASUALTY DAMAGES**                    28. STATE will not keep improvements that are constructed or installed by LESSEE under the provisions of this Lease insured against fire or casualty, and LESSEE will make no claim of any nature against STATE by reason of any damage to the business or property of LESSEE in the event of damage or destruction by fire or other cause, arising other than from, or out of, the sole negligence or willful misconduct of agents or employees of the State of California in the course of their employment.

**HAZARDOUS SUBSTANCES**                    29. LESSEE agrees that it will comply with all laws, either Federal, State, or local, existing during the term of this Lease pertaining to the use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law. In the event STATE or any of its affiliates, successors, principals, employees, or agents should incur any liability, cost, or expense, including attorney's fees and costs, as a result of the LESSEE's illegal or alleged illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, the LESSEE shall indemnify,

**HAZARDOUS  
SUBSTANCES  
(CON'T)**

defend, and hold harmless any of these individuals against such liability. Where the LESSEE is found to be in breach of this provision due to the issuance of a government order directing the LESSEE to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by the LESSEE or any person acting under LESSEE's direct control and authority, LESSEE shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by STATE in connection with or in response to, such government order. In the event a government order is issued naming the LESSEE or the LESSEE incurs any liability, during or after the term of the Lease, in connection with contamination which pre-existed the LESSEE's obligations and occupancy under this Lease or which were not caused by the LESSEE, STATE shall hold harmless, indemnify, and defend the LESSEE in connection therewith and shall be solely responsible as between LESSEE and STATE for all efforts and expenses therefore.

**RIGHT OF ENTRY**

**30.** During continuance in force of this Lease, there shall be and is hereby expressly reserved to STATE and to any of its agencies, contractors, agents, employees, representatives, or licensees, the right at any and all times, and any and all places, to temporarily enter upon Premises for survey, inspection or other lawful STATE purposes.

**RELOCATION**

**31.** This tenancy is of a temporary nature, and the parties to this Lease agree that no Relocation Payment or Relocation Advisory Assistance will be sought or provided in any form as a consequence of past, present or future tenancy.

**RIGHT TO  
RECLAIM**

**32.** STATE reserves the right to reclaim and reoccupy leased Premises upon ten (10) days written notice when necessitated by an actual National or State emergency and/or military mobilization. STATE agrees to consult and cooperate with LESSEE to mitigate any adverse effects suffered by LESSEE and to arrange for re-delivery of the leased Premises to LESSEE upon conclusion of the emergency and/or mobilization. LESSEE will not be assessed rent during STATES occupancy and rent shall be prorated accordingly.

**EASEMENTS AND  
RIGHTS OF WAY**

**33.** This Lease is subject to all existing easements and rights of way. STATE further reserves the right to grant additional public utility easements as may be necessary, whether recorded or unrecorded, and LESSEE hereby consents to the granting of any such easement. Any public utility requesting an easement will be required to reimburse LESSEE for any damages caused by the construction work on the public utility easements.

**SMOKING  
RESTRICTIONS**

**34.** Smoking is not allowed in or upon the Premises. LESSEE will enforce the smoking prohibition inside the building and within 15 feet of any entrance regarding LESSEE's employees and invitees. The signs shall be in bold print and legible from a distance of 25 feet.

**PROPERTY  
INSPECTION**

**35.** LESSEE has visited and inspected the Premises and it is agreed that the area described herein is only approximate and the STATE does not hereby warrant or guarantee the actual area included hereunder.

**WAIVER**

**36.** If the STATE waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed to be a waiver of that or any subsequent term, covenant or condition. Failure by STATE to enforce any of the terms, covenants or conditions of this Lease for any length of time shall not be deemed to waive or decrease STATE's right to insist thereafter upon strict performance by LESSEE. Waiver by STATE of any term, covenant, or condition contained in this Lease may only be made by a written document properly signed by an authorized STATE representative.

**BINDING CLAUSE**

37. The terms of this Lease and covenants and agreements herein contained shall apply to and shall bind and inure to the benefit of the heirs, representatives, assigns, and successors in interest of the parties hereto.

**SEVERABILITY**

38. If any provision of this Lease is determined to be illegal or unenforceable, this determination shall not affect any other provision of this Lease, and all other provisions shall remain in full force and effect.

**LEASE  
MODIFICATION**

40. This Lease, together with its exhibits, contains all agreements of the parties hereto and supersedes any prior negotiations. There have been no representations by STATE or understandings made between the STATE and LESSEE other than those set forth in this Lease and its exhibits. This Lease may not be modified except by a written instrument duly executed by the parties hereto.

**CORPORATE  
AUTHORITY**

41. If Lessee is a public, private or non-profit corporation, each individual executing this Lease on behalf of said Corporation represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of said Corporation in accordance with a duly adopted Resolution of the Board of Directors of said Corporation or in accordance with the Bylaws of said Corporation and that this Lease is binding upon said Corporation in accordance with its terms.

b) Lessee shall, within thirty (30) days after execution of this Lease deliver to STATE a certified copy of the Resolution of the Board of Directors of said Corporation ratifying the execution of this Lease.

**SECTION  
HEADINGS**

42. All section headings contained herein are for convenience of reference only, and are not intended to define or limit the scope of any provisions of this Lease.

**ESSENCE OF TIME**

43. Time is of the essence for each and all of the provisions, covenants and conditions of this agreement.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto as of the date listed below.

STATE OF CALIFORNIA

LESSEE:

Approval Recommended

Approval

DEPARTMENT OF GENERAL SERVICES  
REAL ESTATE SERVICES DIVISION

LESSEE: OPENGATE CHRISTIAN FELLOWSHIP

By: *Charles B. Yarde*  
**Charles B. Yarde**  
Associate Real Estate Officer  
1102 "Q" Street, Suite 6000  
Sacramento, CA 95814  
(916) 323-3502

By: *Lee C. Talley*  
Name: **Lee C. Talley**  
Title: Pastor  
Phone No: (530) 934-2463

DEPARTMENT OF MILITARY  
OFFICE OF ADJECENT GENERAL

By: *Patrick Sproul*  
Patrick Sproul

By: *Marc Sawyer*  
Marc Sawyer, Elder

By: *Michael Stevenson*  
Michael Stevenson, Elder

Approved:

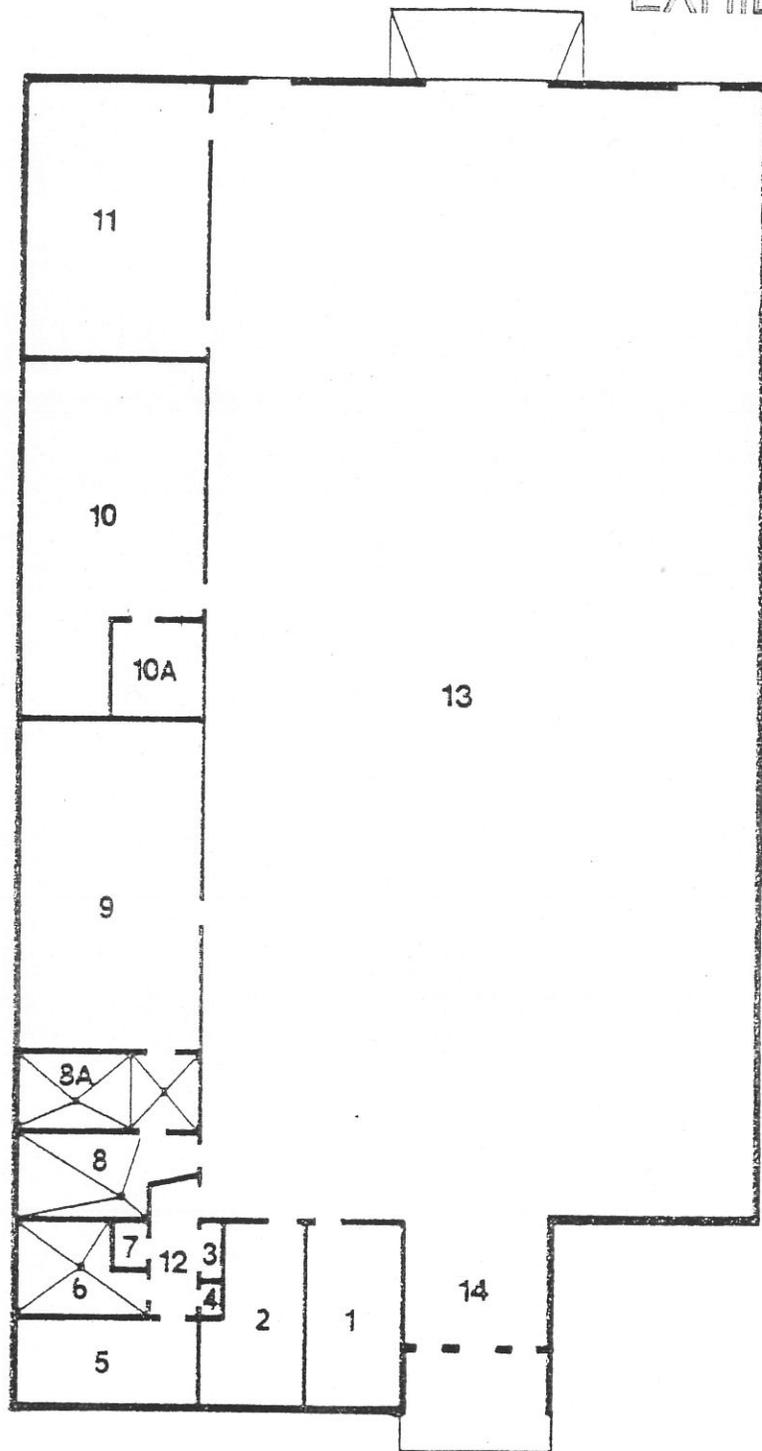
DIRECTOR OF DEPARTMENT OF  
GENERAL SERVICES

By: *Douglas Thur*  
Douglas Thur, Elder

By: *Cheryl L. Allen*  
**CHERYL L. ALLEN**, Manager,  
State Owned Leasing and Development  
~~1102 "Q" Street, Suite 6000~~ P.O. Box 989052  
Sacramento, CA 95814 WEST SACRAMENTO, CA. 95798-9052

EXECUTED DATE: 1-19-2002

EXHIBIT " A "

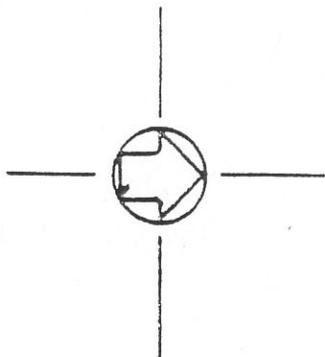
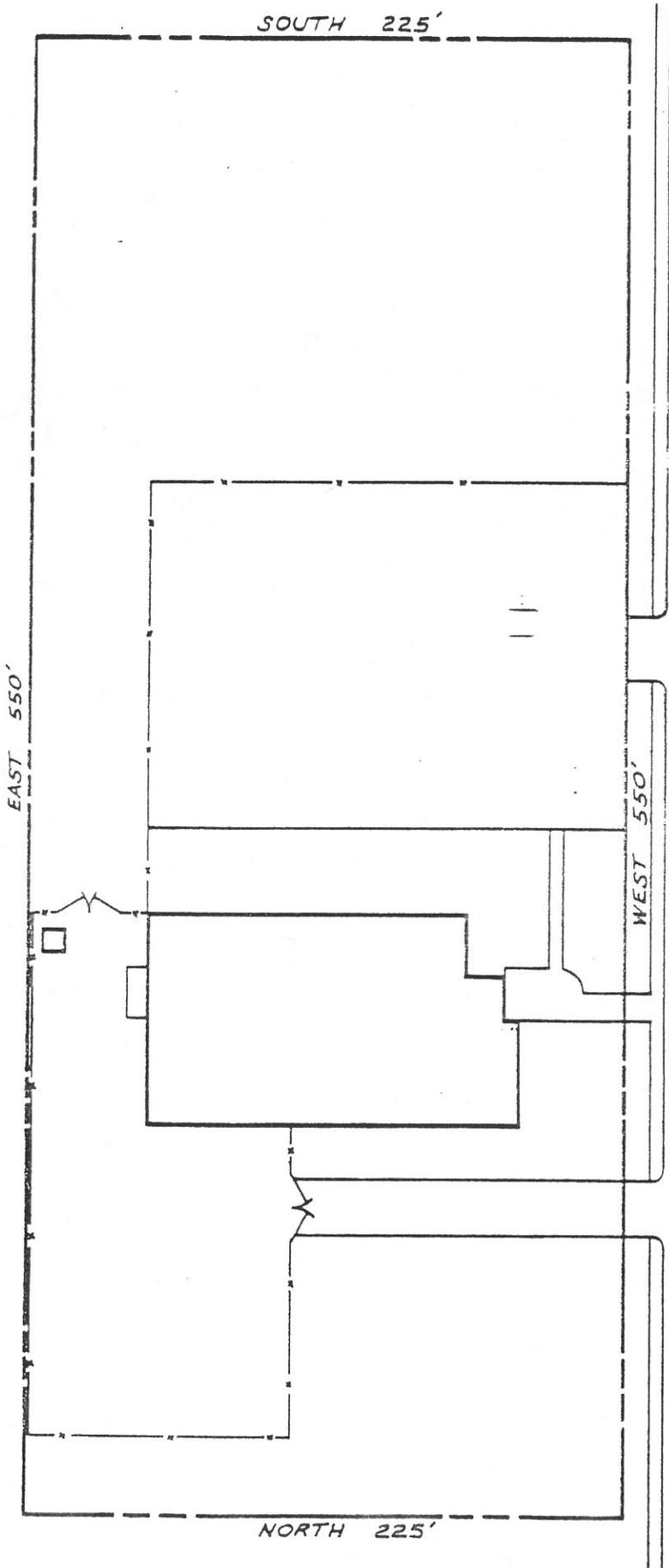


WILLOWS

FLOOR PLAN

SCALE 1" = 20'

EXHIBIT "A"



WILLOWS

PLOT PLAN  
SCALE - 1" = 60'

LAUREL STREET

# EXHIBIT" B "

OpenGate Christian Fellowship  
950 West Laurel Street  
Willows, California

Proposed building and grounds maintenance and repair projects for the National Guard Armory at 950 West Laurel Street in Willows, California:

Project Description	Estimated Cost	Project Schedule
Repair Raingutters	\$2,200	Fall 2001
Repair Soffits	\$1,200	Fall 2001
Repair and Paint Exterior	\$6,900	Fall 2002
Repair and Paint Interior	\$4,500	Winter 2003
Slurry Seal Parking Lot	\$2,500	Fall 2002
Upgrade Electrical	\$3,000	Winter 2002
Upgrade Lighting	\$2,500	Spring 2004
Replace Unhealthy Trees	\$2,000	Fall 2003
Replace Heating System	\$4,000	Fall 2004

Schedule subject to change as funds are available and military approvals to perform are granted.

EXHIBIT C

Year	Capital Expenditures	Monthly Rent	Deduction for Last Year Expenditures	Deduction for Misc. Maintenance & Displacement	Net Rent	Minus – Carry Over from Prior Year	Monthly Rent
2001	\$ 5,100	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2002	\$12,400	\$825.00	\$425.00	\$125.00	\$275.00	N.A.	\$275.00
2003	\$ 6,500	\$825.00	\$1,033.33	\$125.00	0	0	0
2004	\$ 6,500	\$825.00	\$541.67	\$125.00	\$158.33	\$333.33	0
2005	0	\$825.00	\$541.67	\$125.00	\$158.33	\$175.00	0
2006	0	\$825.00	0	\$125.00	\$700.00	\$16.67	\$683.33

The above table presents a summary of capital expenditures, rents and deductions from rents to account for improvements made to the subject property by the Lessee.

The deductions for expenditures for capitol improvements made during the prior year are subject to verification of completion of the items delineated in Exhibit B. For year 2001, the deductions include those in Exhibit B and \$1,200 for a sprinkler system and \$500 for drop ceilings and energy efficient lighting.

The deduction for miscellaneous maintenance and displacement are estimated at \$100 per month for mowing lawns, etc. and the displacement deduction is estimated at \$25 per month as an allowance for the right of the State to reclaim occupancy of the facility with minimal notice.