

OFFICE LEASE

This OFFICE LEASE AGREEMENT ("Lease Agreement") is made and entered into as of the 1st day of September, 2012, by and between the CITY OF FAIRFIELD, a municipal corporation ("Landlord") and PERSONAL NETWORK COMPUTING, INC., a California corporation dba VALLEY INTERNET (hereinafter "Tenant").

RECITALS

A. Landlord owns that certain improved real property located at 1035 Texas Street, Fairfield, CA and commonly known as the Fairfield Center for Creative Arts, hereinafter referred to as the "Building." The site on which the Building, its related improvements, and its accompanying parking lot are located is hereinafter referred to as the "Land."

B. Landlord has entered into a Management Agreement (the "Management Agreement") with the Downtown Theatre Foundation for the Arts (the "Foundation") for the operation and maintenance of the Building.

C. Tenant desires to lease a portion of the Building as described more particularly in Section 1.01 below from Landlord for use as its offices.

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; Guaranty

Section 1.01 Landlord, for and in consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part and behalf of Tenant to be paid, kept, and performed, does hereby lease, demise and let unto Tenant, and Tenant hereby leases from Landlord that certain real property within the Building consisting of approximately 1150 square feet (the "Leased Premises"), the location of which is shown on the diagram attached hereto as Exhibit "A" and by this reference made a part hereof, together with the nonexclusive right, in common with others, to the use of common entrance ways, lobbies, corridors, lavatories, 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 parking spaces in the parking lot adjacent to the Building, and to install wireless antennae on the roof of the Building as may be approved in advance in writing by Landlord.

Section 1.02 The Leased Premises shall be used and occupied solely for Tenant's office and related purposes. Prior to Tenant's placement of wireless antennae on the roof, Tenant shall comply with all applicable permit requirements and the RF Intermodulation study for the site.

Section 1.03 If Landlord installs additional wireless equipment on the roof, Landlord shall work cooperatively with Tenant to coordinate with Tenant band availability and prepare a joint RF Intermodulation study.

Section 1.04 If Tenant is unable to secure permits for the initial installation of its wireless antennae on the roof despite reasonable efforts to obtain them, Tenant may terminate this Agreement by written notice to Landlord.

Section 1.05 As condition precedents to the effectiveness of this Lease, Tenant shall (a) obtain a City of Fairfield business license and maintain it through the term of the Lease; and (b) cause Ofer Tenenbaum to execute the personal guaranty attached hereto as Exhibit "B."

ARTICLE 2.

Preparation of Leased Premises for Occupancy

Section 2.01 Tenant agrees to accept the Leased Premises in their "AS IS" condition. No work is required of Landlord prior to the Commencement Date.

Section 2.02 Tenant shall not make any alterations or modifications to, or any improvements in, the Leased Premises except in compliance with Article 8 herein.

ARTICLE 3.

Term and Commencement Date

Section 3.01 The initial term of this Lease Agreement is five (5) 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.

Section 3.02 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; (b) the date on which both Landlord and Tenant shall have executed this Lease Agreement; or (c) the effective date of that certain Management Agreement between Landlord and the Foundation for the Operation and Maintenance of The Fairfield Center for the Creative Arts (the "Management Agreement").

Section 3.03 At the expiration of the Initial Term described in Section 3.01, Tenant shall have two (2) options to extend the term for five (5) years (each, an "Extension Term").

ARTICLE 4. Rent

Section 4.01 Rent. Base rent shall be \$12,000 per year for the Initial Term, \$14,000 per year for the second term, if any, and \$18,000 per year for the third term, if any, payable monthly in advance beginning on the Commencement Date.

Section 4.02 Donations to Foundation. In addition to the base rent, Tenant intends to make annual donations to the Foundation in the following amounts: first year of the Initial Term, \$8,000; second year, \$12,000; third year, \$16,000; fourth year, \$20,000; fifth year, \$24,000; years 6-10, if Term is extended, \$22,000 per year; and years 11 through 15, if Term is extended, \$18,000 per year. The amount of the Donation may vary depending on Tenant's financial condition.

Section 4.03 Deposit. As partial security for Tenant's performance of its obligations hereunder, Tenant shall deposit \$2,500 (the "Deposit") with Landlord on or before the Effective Date. Landlord may resort to the Deposit if Tenant is in default hereunder; if Landlord uses the Deposit or any portion thereof as a result of any default, Tenant shall be required to restore the Deposit in order to complete its cure and restore its good standing under this Lease.

Section 4.04 In Kind Services. As additional consideration for its rights hereunder, Tenant will provide, during the term of this Lease, the following services for the entire Building for the use of the Foundation at no charge: (a) Phone (IP PBX, 5 lines and Cisco IP desk phones); (b) Internet (100mbit symmetric fiber handoff); (c) IT Support (5 Macintosh desktop and/or laptops, email, web apps, updates, upgrades and maintenance); and Web Hosting (i.e., for Center web site, ticketing system, on-going design and production). In the event of the early termination of this Lease, Tenant shall work cooperatively with Landlord to arrange sale or other transfer of the aforementioned equipment to the Foundation.

Section 4.05 Rent Adjustment if Management Agreement Terminates. Notwithstanding any other provision of this Article 4, if the Management Agreement terminates, the rent shall increase to the then-fair market rent of the Premises.

ARTICLE 5. Services, Utilities and Furnishings

Section 5.01 Landlord shall provide water and garbage service for the Leased Premises. Tenant shall be responsible for all other utilities serving the Leased Premises, including but not limited to electricity, gas, telephone, and internet service, to

the Leased Premises. Tenant acknowledges that the electric meter for the Building is a shared meter. Landlord shall invoice Tenant monthly for its reasonable share of electricity costs.

ARTICLE 6. Taxes

Section 6.01 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 Leased Premises.

ARTICLE 7. Maintenance and Repairs

Section 7.01 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 Leased Premises and the common areas in the Building; (b) the plumbing, sprinkler and electrical lines and systems serving the Leased Premises and the common areas in the Building; (c) the interior of the Leased 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

Section 8.01 Tenant may not make any removals, additions, improvements or other alterations in or to the Leased Premises without the prior written consent of Landlord.

Section 8.02 Any mechanic's lien filed against the Leased 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.

Section 8.03 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 Leased 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

Section 9.01 Subject to the provisions of Article 12 of this Lease Agreement, unless the same shall be caused by the negligence or intentional misconduct of Landlord, its officers, agents or employees, neither Landlord nor its officers, agents or employees shall be liable to Tenant for any loss of or damage to personal property of Tenant located in the Leased 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.

Section 9.02 Tenant shall immediately notify Landlord verbally, and promptly thereafter in writing, in the event of any damage to the Building, Leased Premises or Tenant's property resulting from any fire, accident, occurrence or condition in, on or about the Leased Premises or the Building.

ARTICLE 10.
Personal Property Taxes

Section 10.01 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 Leased Premises.

ARTICLE 11.
Insurance; Mutual Waiver of Subrogation

Section 11.01 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 Leased 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 commercial general liability in an amount no less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damages.

Section 11.02 Tenant, at Tenant's expense, 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 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.

Section 11.03 Notwithstanding any other provision of this Lease Agreement, neither Landlord nor Tenant shall be liable to the other or to any insurance company (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

Section 12.01 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 Leased 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.

Section 12.02 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 Leased 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.

Section 12.03 This Article 12 shall survive the expiration or termination of this Lease Agreement.

ARTICLE 13.
Landlord's Access to Leased Premises

Section 13.01 Landlord and its employees, contractors, agents and authorized representatives shall have the right to enter the Leased Premises at any time during emergencies or at other times upon twenty-four (24) hours' notice to Tenant.

ARTICLE 14.
Assignment, Subletting, etc.

Section 14.01 Tenant may not assign, transfer, mortgage or encumber this Lease Agreement, or sublet the Leased Premises or any part thereof, or suffer or permit the Leased Premises or any part thereof to be used or occupied by any other person or entity.

Section 14.02 The parties acknowledge that Landlord contemplates delegating its obligations under this Agreement to the Foundation pursuant to the Management Agreement.

ARTICLE 15.
Default and Remedies

Section 15.01 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.

Section 15.02 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.

Section 15.03 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

Section 16.01 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.

Section 16.02 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

Section 17.01 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 Leased 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

Section 19.01 If the Leased 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 Leased Premises, other than the additions, improvements and alterations constructed by Tenant at its expense pursuant to Article 2 hereof in preparation of the Leased 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.

Section 19.02 During such period as all or any portion of the Leased 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 Leased 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.

Section 19.03 If the Leased Premises, the Building or any portion thereof shall be damaged by fire or other casualty so as to render the Leased Premises wholly untenable, and if such damage shall be so great that the Leased 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 Leased 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 Leased Premises, after which Tenant

shall surrender the Leased Premises to Landlord and Landlord may reenter and take possession of the Leased 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.

Section 19.04 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 Leased Premises were rendered wholly untenantable 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 Leased Premises to Landlord on or before the effective date of such a termination, after which date Landlord may reenter and take possession of the Leased Premises and remove Tenant and its personal property therefrom.

Section 19.05 In the event of any damage to the Leased 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

Section 20.01 If the whole of the Leased 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 Leased Premises shall vest in such authority.

ARTICLE 21. Notices

Section 21.01 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:

Valley Internet
1035 Texas Street
Fairfield, CA 94533

Attn: Ofer Tenenbaum

Telephone No.: (707) 422-1200

Facsimile: (____) _____

If to Landlord:

City of Fairfield

1000 Webster Street

Fairfield, CA 94533

Attn: Sandra Reece-Martens

Telephone No.: (707) 428-7420

Facsimile: (707) _____

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

Section 22.01 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 Leased 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 Leased 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 Leased 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 Leased Premises except as expressly provided in this Lease Agreement.

ARTICLE 23.

Recording

Section 23.01 This Lease Agreement shall not be recorded.

ARTICLE 24.
Miscellaneous

Section 24.01 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 Leased Premises at the relevant time.

Section 24.02 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 Leased Premises, the Building or the Land.

Section 24.03 Time is of the essence of the notice requirements and the obligations of the parties under this Lease Agreement.

Section 24.04 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.

Section 24.05 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.

Section 24.06 This Lease Agreement shall be governed and interpreted in accordance with the laws of California.

Section 24.07 The unenforceability, invalidity or illegality of any provision of this Lease Agreement shall not render the other provisions unenforceable, invalid or illegal.

Section 24.08 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.

Section 24.09 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.

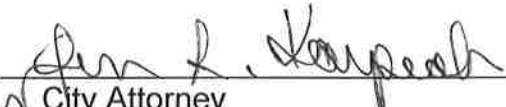
Section 24.10 The Article headings are inserted only as a matter of convenience and reference and in no way define, limit or describe the scope of any Article of this Lease Agreement nor the intent of any of its provisions.

Section 24.11 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.

AS APPROVED TO FORM:

By: 
City Attorney

Landlord:

CITY OF FAIRFIELD, a municipal corporation

By: 
Name: 602 Sean P. Quinn EAB
City Manager
Title: _____

Tenant:

PERSONAL NETWORK COMPUTING, INC., a California corporation, dba VALLEY INTERNET

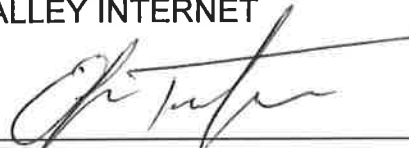
By: 
Name: Ofer Tenenbaum
Title: CEO

EXHIBIT "A"

Premises

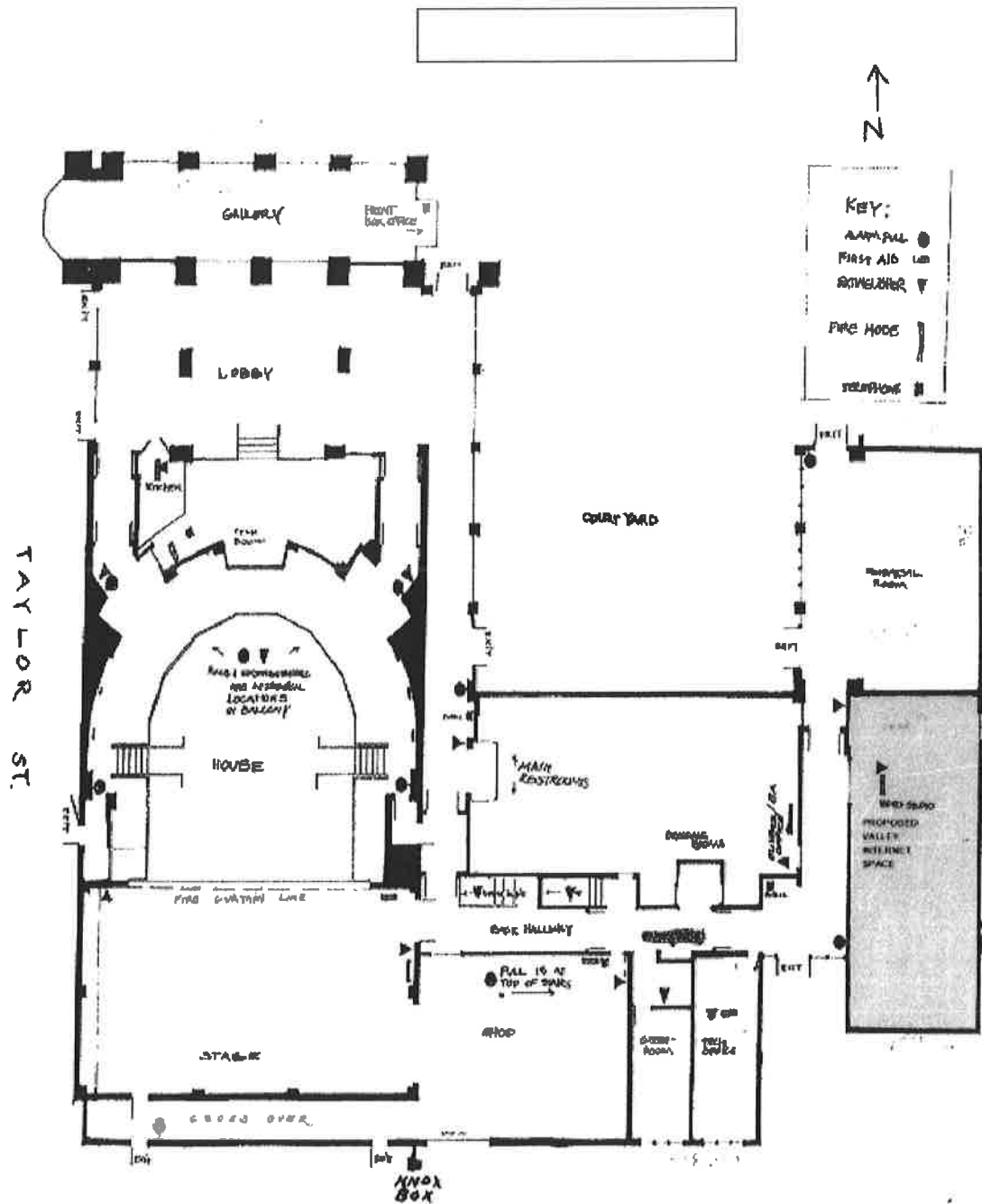


EXHIBIT "B"

LEASE GUARANTY

THIS GUARANTY OF LEASE ("Guaranty") is given by OFER TENENBAUM ("Guarantor") to the City of Fairfield ("Landlord") to induce Landlord to enter into that certain Lease of even date herewith between Landlord and PERSONAL NETWORK COMPUTING, INC., a California corporation, dba VALLEY INTERNET ("Debtor").

1. Guarantor guarantees to Landlord the prompt payment of no more than \$7,200.00, in the event that Debtor fails to meet its payment obligations to Landlord under the terms of the Lease described above. This is a continuing guaranty and will remain in force until revoked by Guarantor by giving notice in writing to Landlord. Revocation will be effective only as to transactions entered into after receipt of notice of revocation by Landlord. This guaranty covers the renewal of the Lease obligations guaranteed by this instrument or extensions of time for payment thereof. Guarantor agrees to pay on demand all sums due or to become due by Debtor to Landlord as well as attorney's fees and expenses incurred by Landlord by reason of Debtor's default, up to a maximum aggregate of \$7,200.00.

2. Guarantor may be joined in any action against Tenant in connection with the obligations of Tenant under the Lease and recovery may be had against Guarantor in any such action. Landlord may enforce the obligations of Guarantor hereunder without first taking any action whatever against Tenant or its successors and assigns, or pursuing any other remedy or applying any security it may hold. Guarantor hereby waives all rights to assert or plead at any time any statute of limitations as relating to the Lease, the obligations of Guarantor hereunder and any surety or other defense in the nature thereof including, without limitation, the provisions of California Civil Code Section 2845 or any similar, related or successor provision of law. Guarantor also hereby waives the provisions of Sections 2809, 2810, 2819 and 2850 of the California Civil Code and their successors, and all other waivable defenses.

3. Until all of the covenants and conditions in the Lease on Tenant's part to be performed and observed are fully performed and observed, Guarantor: (a) shall have no right of subrogation against Tenant by reason of any payment or performance by Guarantor hereunder; and (b) subordinates any liability or indebtedness of Tenant now or hereafter held by Guarantor to the obligations of Tenant to Landlord under the Lease.

4. This Guaranty shall apply to the Lease, any extension, renewal, modification or amendment thereof, to any assignment, subletting or other tenancy thereunder and to any holdover term following the Lease Term granted under the Lease, or any extension or renewal thereof.

5. This instrument constitutes the entire agreement between Landlord and Guarantor with respect to the subject matter hereof, superseding all prior oral and

written agreements and understandings with respect thereto. It may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Landlord.

6. This Guaranty shall be governed by and construed in accordance with the laws of the State of California.

7. Every notice, demand or request (collectively "Notice") required hereunder or by law to be given by either party to the other shall be in writing. Notices shall be given by personal service or by United States certified or registered mail, postage prepaid, return receipt requested, or by telegram, mailgram or same-day or overnight private courier, addressed to the party to be served at the address indicated below or such other address as the party to be served may from time to time designate in a Notice to the other party.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

"GUARANTOR":



Ofer Tenenbaum

Landlord's Address for Notices:

City of Fairfield
1000 Webster Street
Attn: Sandra Reece-Martens
Fairfield, CA 94533

Guarantor's Address for Notices:

Ofer Tenenbaum

