

SUBLEASE

This Sublease is made as of the ____ day of July, 2022, by and between INTEGRATED COMMUNITY DEVELOPMENT, LLC, a California limited liability company (hereinafter referred to as Sublandlord) and the CITY OF FRESNO, a California municipal corporation (hereinafter referred to as Subtenant) with regard to the following facts.

RECITALS:

A. Sublandlord is the tenant under that certain Office Lease (the Master Lease), dated as of November 1, 2019, with 1501 N Blackstone Ave., L.P., a California limited partnership (the Landlord) (a copy of which Master Lease is attached hereto as Exhibit B and by this reference made a part hereof), concerning approximately 1,800 rentable square feet of office space (the Premises), as more particularly set forth on Exhibit A attached hereto and located on the ground floor of that certain building located at 1505 North Blackstone Avenue, Fresno, CA 93703 (the Building).

B. Subtenant desires to sublease from Sublandlord the entire Premises (which shall also be hereafter referred to as the Subleased Premises), and Sublandlord has agreed to sublease the Subleased Premises to Subtenant upon the terms, covenants and conditions herein set forth.

AGREEMENT:

In consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows.

1. Sublease. Sublandlord hereby subleases to Subtenant and Subtenant hereby accepts the Subleased Premises from the Sublandlord.

2. Term. The term of this Sublease (the Sublease Term) shall commence on the date that Subtenant commences operations at the Premises (the Sublease Commencement Date), which date is expected to be July 1, 2022, (the Expected Sublease Commencement Date), and shall end, unless sooner terminated as provided in the Master Lease, on the date that is 15 years after the Sublease Commencement Date.

3. Rent.

3.1. Additional Rent. Except as otherwise provided in this Sublease, during the Sublease Term, Subtenant shall be pay all Additional Rent owing and payable to Landlord pursuant to the Master Lease directly to Landlord. Notwithstanding anything to the contrary in the Master Lease, the share of Operating Expenses and Tax Expenses (as those terms are defined in the Master Lease) payable by Subtenant shall be 19.35% of the Operating Expenses and Tax Expenses attributable only to the portions of the Building and Real Property common areas that are designed for use by commercial tenants and not attributable to apartment housing (1,800 rentable square feet/9,300 rentable square feet within the commercial-designated portion of the Building).

3.2. Delivery Upon Execution. Concurrently with Subtenant's execution and delivery of this Sublease, Subtenant shall deliver to Sublandlord the first year's Base Rent in the amount of \$1.00.

3.3. Base Rent. Subtenant shall pay base rent (Base Rent) during the term of this Sublease in the amount set forth in the schedule hereinbelow. If the term of this Sublease shall begin or end on a date which is not the first day of a month, Base Rent shall be prorated as of such date.

Year of Sublease Term	Annual Base Rent
1	\$1.00
2	\$1.00
3	\$1.00
4	\$1.00
5	\$1.00
6	\$1.00
7	\$1.00
8	\$1.00
9	\$1.00
10	\$1.00
11	\$1.00
12	\$1.00
13	\$1.00
14	\$1.00
15	\$1.00

3.4 Abatement of Base Rent. Notwithstanding anything to the contrary in Section 3.3 above, and provided that Subtenant is not in default under this Sublease, Sublandlord shall abate Subtenant's obligation to pay the monthly installments of Base Rent otherwise payable by Subtenant during the time which is equal to the earlier of the first 180 days of the Sublease Term or 30 days after the Subtenant has received its Certificate of Occupancy from the City of Fresno (collectively, the Abated Rent). During such abatement period, Subtenant shall remain responsible for the payment of all of its other monetary obligations under this Sublease. In the event of a default by Subtenant under the terms of this Sublease beyond any applicable notice or cure period, that results in the early termination of this Sublease pursuant to the provisions of Section 19.2 of the Master Lease (as incorporated herein by Section 5 below), then as a part of the recovery set forth in Section 19.2 of the Master Lease (as incorporated herein by Section 5 below), Sublandlord shall be entitled to the recovery of the Abated Rent.

4. Use. Subtenant covenants and agrees to only use the Subleased Premises in accordance with the provisions of the Master Lease and for no other purpose, and

otherwise only in accordance with the terms and conditions of the Master Lease and this Sublease. Tenant shall use the Subleased Premises for a City of Fresno operated senior center.

5. Exclusive Use. Subtenant shall have the exclusive right to provide senior center services at the Subleased Premises.

6. Master Lease. As applied to this Sublease, the words "Landlord" and "Tenant" as used in the Master Lease shall be deemed to refer to Sublandlord and Subtenant hereunder, respectively. Subtenant and this Sublease shall be subject in all respects to the terms of, and the rights of the Landlord under, the Master Lease. Except as otherwise expressly provided in Section 8 hereof, the covenants, agreements, terms, provisions and conditions of the Master Lease insofar as they relate to the Subleased Premises and insofar as they are not inconsistent with the terms of this Sublease are made a part of and incorporated into this Sublease as if recited herein in full, and the rights and obligations of the Landlord and the Tenant under the Master Lease shall be deemed the rights and obligations of Sublandlord and Subtenant respectively hereunder and shall be binding upon and inure to the benefit of Sublandlord and Subtenant respectively.

7. Landlord's Performance Under Master Lease.

7.1. Subtenant recognizes that Sublandlord is not in a position to render any of the services or to perform any of the obligations required of Sublandlord by the terms of this Sublease. Therefore, notwithstanding anything to the contrary contained in this Sublease, Subtenant agrees that performance by Sublandlord of its obligations hereunder are conditional upon due performance by the Landlord of its corresponding obligations under the Master Lease and Sublandlord shall not be liable to Subtenant for any default of the Landlord under the Master Lease. Subtenant shall not have any claim against Sublandlord by reason of the Landlord's failure or refusal to comply with any of the provisions of the Master Lease unless such failure or refusal is a result of Sublandlord's act or failure to act. This Sublease shall remain in full force and effect notwithstanding the Landlord's failure or refusal to comply with any such provisions of the Master Lease and Subtenant shall pay the base rent and additional rent and all other charges provided for herein without any abatement, deduction, or setoff whatsoever. Subtenant covenants and warrants that it fully understands and agrees to be subject to and bound by all of the covenants, agreements, terms, provisions, and conditions of the Master Lease, except as modified herein. Furthermore, Subtenant and Sublandlord further covenant not to take any action or do or perform any act or fail to perform any act which would result in the failure or breach of any of the covenants, agreements, terms, provisions, or conditions of the Master Lease on the part of the Tenant thereunder.

7.2. Whenever the consent of Landlord shall be required by, or Landlord shall fail to perform its obligations under, the Master Lease, Sublandlord agrees to use commercially reasonable efforts to obtain such consent and/or performance on behalf of Subtenant.

7.3. Sublandlord represents and warrants to Subtenant that the Master Lease is in full force and effect, all obligations of both Landlord and Sublandlord thereunder have been satisfied, Sublandlord has neither given nor received a notice of default pursuant to the Master Lease, and Sublandlord has obtained from Landlord written approval of this Sublease as a "Permitted Sublease" as provided in Section 14.8 of the Master Lease.

7.4. Sublandlord covenants as follows: (i) not to voluntarily terminate the Master Lease, (ii) not to modify the Master Lease so as to adversely affect Subtenant's rights hereunder, (iii) not to voluntarily take any action or omit to take any action that would result in a default of the Master Lease, and (iv) to otherwise take all actions reasonably necessary to preserve the Master Lease.

8. Variations from Master Lease. The following covenants, agreements, terms, provisions, and conditions of the Master Lease are hereby modified or not incorporated herein:

8.1. Notwithstanding anything to the contrary set forth in Sections 2, 3 or 4 of the Master Lease, the term of this Sublease, the Base Rent payable under this Sublease required of Subtenant, and the Additional Rent required to be paid by Subtenant shall be as set forth in Sections 2 and 3 above.

8.2. The parties hereto represent and warrant to each other that neither party dealt with any broker or finder in connection with the consummation of this Sublease and each party agrees to indemnify, hold, and save the other party harmless from and against any and all claims for brokerage commissions or finder's fees arising out of either of their acts in connection with this Sublease. The provisions of this Section 8.2 shall survive the expiration or earlier termination of this Sublease.

8.3. Notwithstanding anything contained in the Master Lease to the contrary, as between Sublandlord and Subtenant only, all insurance proceeds or condemnation awards received by Sublandlord under the Master Lease shall be deemed to be the property of Sublandlord.

8.4. Any notice which may or shall be given by either party hereunder shall be either delivered personally or sent by certified mail, return receipt requested, addressed to the party for whom it is intended at the City of Fresno, 2600 Fresno St., Fresno, CA 93721 (if to the Subtenant), or to 20750 Ventura Blvd., #155, Woodland Hills, CA 91364 (if to the Sublandlord), or to such other address as may have been designated in a notice given in accordance with the provisions of this Section 8.4.

8.5. All amounts payable hereunder by Subtenant shall be payable directly to Sublandlord.

8.6. The provisions of Sections 1-5, 7, 8, 9, 10 and 11 of the Summary of Basic Lease Information and Sections 1.2, 5.2, 5.3, 14.7 and 14.8 of the Master Lease shall not apply to this Sublease.

8.7. The provisions of Section 7.2 entitled "Landlord's Repairs" shall apply to this Sublease except for the following portion which shall be stricken,

“Tenant hereby waives and releases its right to make repairs at Landlord’s expense under Sections 1941 and 1942 of the California Civil Code, or under any similar law, statute, or ordinance now or hereafter in effect.”

8.8. The provisions of Section 8.2 shall apply to this Sublease except that Subtenant shall ensure that any alterations or repairs will be in compliance with applicable laws and building permits, when necessary, issued by the City of Fresno rather than the City of Los Angeles.

8.9. Notwithstanding anything to the contrary set forth in Section 23 of the Master Lease for purposes of this Agreement, Subtenant is granted exclusive use of two reserved parking permits for parking by Subtenant’s designated employees in a designated area of the Building Parking Areas, as determined by the Sublandlord. Parking will be available to the Subtenant’s designated employees during the hours of 7:00 a.m. and 8:00 p.m., every day of the week.

Parking passes shall be for use by Subtenant’s designated employees only and may not be transferred. Subtenant shall handle parking passes and cause its designated employees to use the Parking Permits for parking of vehicles in accordance with all applicable laws, ordinances, rules, and regulations applicable to the Real Property enacted or promulgated by any public or governmental authority or agency having jurisdiction over the Real Property, as may be amended from time to time.

8.10. The provision of Section 24.27 shall be deleted in its entirety and revised to remove the waiver of a jury trial as follows: “24.27. Attorneys’ Fees. If either party commences litigation against each other for specific performance of this Lease, for damages for the breach, or otherwise for any enforcement of any remedy hereunder, the parties agree that the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys’ fees as may have been incurred, including any and all costs incurred in enforcing, perfecting, and executing such judgement.”

8.11. The insurance requirements set forth in Section 10.2 of the Master Lease shall apply to this Sublease, except that the liability limits of Subtenant’s insurance policies shall be not less than: (i) Bodily Injury and Property Damage Liability - \$5,000,000 each occurrence and \$5,000,000 annual aggregate, and (ii) Personal Injury Liability - \$5,000,000 each occurrence and \$5,000,000 annual aggregate.

8.12. Sublandlord shall deliver the Subleased Premises to Subtenant with the improvements outlined in Exhibit C at no cost to the Subtenant. This is a one-time improvement delivery. Any costs associated with replacing the furniture or equipment in the future shall be the responsibility of the Subtenant.

8.13. Subtenant shall not be required to remove any improvements located in the Subleased Premises upon the expiration of the term hereof.

9. Indemnity. Subtenant hereby agrees to indemnify and hold Sublandlord harmless from and against any and all claims, losses and damages, including, without limitation, reasonable attorneys’ fees and disbursements, which may at any time be

asserted against Sublandlord by (a) the Landlord for failure of Subtenant to perform any of the covenants, agreements, terms, provisions or conditions contained in the Master Lease which, by reason of the provisions of this Sublease, Subtenant is obligated to perform, and/or (b) any person by reason of Subtenant's use and/or occupancy of the Subleased Premises, except to the extent any of the foregoing is caused or by the gross negligence or willful misconduct of Sublandlord. Sublandlord hereby agrees to indemnify and hold Subtenant harmless from and against any and all claims, losses and damages, including, without limitation, reasonable attorneys' fees and disbursements, which may at any time be asserted against Subtenant by the Landlord for failure of Sublandlord to perform any of the covenants, agreements, terms, provisions or conditions contained in the Master Lease which Sublandlord is obligated to perform under the Master Lease and which Subtenant is not otherwise obligated to perform itself under this Sublease. The provisions of this Section 9 shall survive the expiration or earlier termination of the Master Lease and/or this Sublease.

10. Cancellation of Master Lease. In the event of the cancellation or termination of the Master Lease for any reason whatsoever or of the involuntary surrender of the Master Lease by operation of law prior to the expiration date of this Sublease, Subtenant agrees to make full and complete attornment to the Landlord under the Master Lease for the balance of the term of this Sublease and upon the then executory terms hereof, at the option of the Landlord, at any time during Subtenant's occupancy of the Subleased Premises, which attornment shall be evidenced by an agreement in form and substance reasonably satisfactory to the Parties. Subtenant agrees to execute and deliver such an agreement at any time within 10 business days after request of the Landlord.

11. Certificates. Subtenant shall at any time and from time to time as requested by Sublandlord upon not less than 10 days prior written notice, execute, acknowledge and deliver to Sublandlord, a statement in writing certifying (a) that this Sublease 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, if any), (b) the dates to which rent and any other charges have been paid, and (c) whether or not, to the knowledge of the person signing the certificate, that Sublandlord is not in default beyond any applicable grace period provided herein in performance of any of its obligations under this Sublease, and if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by others with whom Sublandlord may be dealing.

12. Assignment or Subletting. Subject further to all of the rights of the Landlord under the Master Lease and all of the restrictions contained in the Master Lease, Subtenant shall not be entitled to assign this Sublease or to sublet all or any portion of the Subleased Premises without the prior written consent of Sublandlord in its sole and absolute discretion, which consent may not be unreasonably withheld or delayed.

13. Severability. If any term or provision of this Sublease or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this Sublease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term or provision of this Sublease shall be valid and be enforced to the fullest extent permitted by law.

14. Entire Agreement; Waiver. This Sublease contains the entire agreement between the parties hereto and shall be binding upon and inure to the benefit of their respective heirs, representatives, successors and permitted assigns. Any agreement hereinafter made shall be ineffective to change, modify, waive, release, discharge, terminate or effect an abandonment hereof, in whole or in part, unless such agreement is in writing and signed by the parties hereto.

15. Captions and Definitions. Captions to the Sections in this Sublease are included for convenience only and are not intended and shall not be deemed to modify or explain any of the terms of this Sublease.

16. Further Assurances. The parties hereto agree that each of them, upon the request of the other party, shall execute and deliver, in recordable form, if necessary, such further documents, instruments or agreements and shall take such further action that may be necessary or appropriate to effectuate the purposes of this Sublease.

17. Governing Law and Venue. This Sublease shall be governed by and in all respects construed in accordance with the laws of the State of California and venue shall be in Fresno County.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be executed as of the day and year first above written.

CITY OF FRESNO,
A California municipal corporation

By: _____
Georgeanne A. White,
City Manager

APPROVED AS TO FORM:
RINA M. GONZALES
Interim City Attorney

By: Angela M. Karst Date 08/09/22
Deputy City Attorney

ATTEST:
TODD STERMER, CMC
City Clerk

By: _____
Deputy

INTEGRATED COMMUNITY
DEVELOPMENT, LLC,
A California limited liability company

By: Benjamin Lingo
DocuSigned by: Benjamin Lingo

Name: Benjamin Lingo

Title: Managing Member
(If corporation or LLC., Board Chair,
Pres. or Vice Pres.)

By: Charles Brumbaugh
DocuSigned by: Charles Brumbaugh

Name: Charles Brumbaugh

Title: Charles Brumbaugh Managing Member ^{DS} CB
(If corporation or LLC., CFO,
Treasurer, Secretary or Assistant
Secretary)

Attachments:

1. Exhibit A – Subleased Premises
2. Exhibit B – Master Lease

EXHIBIT A

SUBLEASED PREMISES

The Link @ Blackstone Community Center Renderings





EXHIBIT B
MASTER LEASE

LEASE

**1501 N BLACKSTONE AVE., L.P.,
a California limited partnership,**

as Landlord,

and

**INTEGRATED COMMUNITY DEVELOPMENT, LLC,
a California limited liability company**

as Tenant

SUMMARY OF BASIC LEASE INFORMATION

This Summary of Basic Lease Information (the "Summary") is hereby incorporated by reference into and made a part of the attached Office Lease. Each reference in the Lease to any term of this Summary shall have the meaning as set forth in this Summary for such term. In the event of a conflict between the terms of this Summary and the Office Lease, the terms of the Office Lease shall prevail. Any initially capitalized terms used herein and not otherwise defined herein shall have the meaning as set forth in the Office Lease.

TERMS OF LEASE

(References are to
the Office Lease)

DESCRIPTION

- | | | |
|-----|---|--|
| 1. | Dated as of: | November 1, 2019 |
| 2. | Landlord: | 1501 N BLACKSTONE AVE., L.P.,
a California limited partnership |
| 3. | Address of Landlord (<u>Section 24.14</u>): | 20750 Ventura Boulevard, #155
Woodland Hills, CA 91364 |
| 4. | Tenant: | INTEGRATED COMMUNITY DEVELOPMENT, LLC,
a California limited liability company |
| 5. | Address of Tenant (<u>Section 24.14</u>): | 20750 Ventura Blvd., #155
Woodland Hills, CA 91364 |
| 6. | Premises (<u>Article 1</u>): | |
| | 6.1 Premises: | Approximately 7,500 rentable square feet of space located on the ground floor of the Building (as defined below), as depicted on <u>Exhibit A</u> attached hereto, known as Suite 100. |
| | 6.2 Building: | The Premises are located in the "Building" whose address is 1501 North Blackstone Avenue, Fresno, CA 93703. |
| 7. | Term (<u>Article 2</u>): | |
| | 7.1 Lease Term: | Thirty-four (34) years. |
| | 7.2 Lease Commencement Date: | The earlier of (i) the date Tenant commences business operations in the Premises, and (ii) the date that Landlord's Work is Substantially Completed (as such terms are defined in <u>Section 1.2</u> of the Office Lease), which Lease Commencement Date is anticipated to be March 1, 2021. |
| | 7.3 Lease Expiration Date: | The date which is thirty-four (34) years after the Lease Commencement Date. |
| 8. | Base Rent (<u>Article 3</u>): | \$3,750.00 per month; \$45,000.00 per annum. |
| 9. | Tenant's Share of Operating Expenses and Tax Expenses (<u>Section 4.2.7</u>): | 80.65% (7,500 rentable square feet within the Premises/9,300 rentable square feet within the Building). |
| 10. | Security Deposit: | None. |

11. Brokers (Section 24.19): None.
12. Number of Parking Passes (Article 23): Sixteen (16) unreserved, undesignated surface parking passes in the Retail Parking Area (as defined in Section 1.1 of the Office Lease)

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B	RULES AND REGULATIONS
C	AMENDMENT TO LEASE
D	ESTOPPEL CERTIFICATE

LEASE

This Office Lease, which includes the preceding Summary attached hereto and incorporated herein by this reference (the Office Lease and Summary to be known sometimes collectively hereafter as the "Lease"), dated as of the date set forth in Section 1 of the Summary, is made by and between 1501 N BLACKSTONE AVE., L.P., a California limited partnership ("Landlord"), and INTEGRATED COMMUNITY DEVELOPMENT LLC, a California limited liability company ("Tenant").

ARTICLE 1

REAL PROPERTY, BUILDING AND PREMISES

1.1 Real Property, Building and Premises. Upon and subject to the terms set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises described in Section 6.1 of the Summary (the "Premises"), which Premises are located in the Building (as defined in Section 6.2 of the Summary). The floor plan of the Premises is attached hereto as Exhibit A. The Building, the parking areas serving the Building (collectively, the "Building Parking Areas"), including that certain surface parking lot located adjacent to the Premises (the "Retail Parking Area"), any outside plaza areas, land and other improvements surrounding the Building, and the land upon which all of the foregoing are situated, are herein sometimes collectively referred to herein as the "Real Property." Tenant acknowledges that Landlord has made no representation or warranty regarding the condition of the Real Property except as specifically set forth in this Lease. Tenant shall have the right to the nonexclusive use of the common corridors and hallways, stairwells, elevators, restrooms and other public or common areas located in the Building and/or on the Real Property; provided, however, that the use thereof shall be subject to the rules and regulations attached hereto as Exhibit B (the "Rules and Regulations"), as the same may be reasonably modified by Landlord from time to time. Landlord reserves the right to make alterations or additions to or to change the location of elements of the Real Property and the common areas thereof.

1.2 Condition of Premises; Landlord's Work. Except as expressly set forth in this Lease, Landlord shall not be obligated to provide or pay for any improvements, work or services related to the improvement, remodeling or refurbishment of the Premises, and Tenant shall accept the Premises in its "AS IS" condition on the Lease Commencement Date. Notwithstanding the foregoing to the contrary, Landlord shall, at Landlord's expense, using Building standard materials and in accordance with Building standards, construct the Premises to a grey shell condition (*i.e.*, the electrical and plumbing systems and floors of the Premises shall be unfinished) ("Landlord's Work"). For purposes of this Lease, Landlord's Work shall be deemed "Substantially Completed" upon the completion of performance of the foregoing item substantially in accordance with this Section 1.2, minor punch-list items excepted. If Landlord shall encounter any delays in causing Landlord's Work to be Substantially Completed as a result of any acts or omissions of Tenant, or its agents, contractors, employees, licensees or invitees (collectively, "Tenant Delays"), then, notwithstanding anything to the contrary set forth in this Lease and regardless of the actual date Landlord's Work is Substantially Completed, the Lease Commencement Date shall be deemed to be the date the Lease Commencement Date would have occurred if no such Tenant Delays, as set forth above, had occurred.

1.3 Rentable Square Feet. The parties hereby confirm and stipulate that the Premises contain the rentable square feet set forth in Section 6.1 of the Summary, and such square footage amount is not subject to adjustment or remeasurement by Landlord or Tenant. Accordingly, there shall be no adjustment in the Base Rent or other amounts set forth in this Lease which are determined based upon rentable square feet of the Premises.

ARTICLE 2

LEASE TERM

The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "Lease Term") shall be as set forth in Section 7.1 of the Summary and shall commence on the date (the "Lease Commencement Date") set forth in Section 7.2 of the Summary, and shall terminate on the date (the "Lease Expiration Date") set forth in Section 7.3 of the Summary, unless this Lease is sooner terminated as hereinafter

provided. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term; provided, however, that the first (1st) Lease Year shall commence on the Lease Commencement Date and the last Lease Year shall end on the Lease Expiration Date. If Landlord does not deliver possession of the Premises to Tenant Ready for Occupancy on or before the anticipated Lease Commencement Date (as set forth in Section 7.2(ii) of the Summary), Landlord shall not be subject to any liability nor shall the validity of this Lease nor the obligations of Tenant hereunder be affected. Following the Lease Commencement Date, Landlord shall deliver to Tenant an amendment to lease in the form attached hereto as Exhibit C, setting forth the Lease Commencement Date and the Lease Expiration Date, and Tenant shall execute and return such amendment to Landlord within five (5) days after Tenant's receipt thereof.

ARTICLE 3

BASE RENT

Tenant shall pay, without notice or demand, to Landlord at the management office of the Building, or at such other place as Landlord may from time to time designate in writing, in currency or a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("Base Rent") as set forth in Section 8 of the Summary, payable in equal monthly installments as set forth in Section 8 of the Summary in advance on or before the first (1st) day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The Base Rent for the first (1st) full calendar month of the Lease Term shall be paid at the time of Tenant's execution of this Lease. If any rental payment date (including the Lease Commencement Date) falls on a day of a calendar month other than the first (1st) day of such calendar month or if any Rent payment is for a period which is shorter than one calendar month (such as during the last month of the Lease Term), the Rent for any fractional calendar month shall be the proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

ARTICLE 4

ADDITIONAL RENT

4.1 Additional Rent. In addition to paying the Base Rent specified in Article 3 above, Tenant shall pay as additional rent the sum of the following: (i) Tenant's Share of the annual Operating Expenses; plus (ii) Tenant's Share of the annual Tax Expenses (as defined below). Such additional rent, together with any and all other amounts payable by Tenant to Landlord, as additional rent or otherwise, pursuant to the terms of this Lease (other than the Base Rent), shall be hereinafter collectively referred to as the "Additional Rent." The Base Rent and Additional Rent are herein collectively referred to as the "Rent." All amounts due under this Article 4 as Additional Rent shall be payable in the same manner, time and place as the Base Rent, except as otherwise expressly set forth in this Article 4. Without limitation on other obligations of Tenant which shall survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 Definitions. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "Expense Year" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.

4.2.2 "Operating Expenses" shall mean all expenses, costs and amounts of every kind and nature which Landlord shall pay or incur during any Expense Year because of or in connection with the ownership, management, maintenance, repair, restoration or operation of the Real Property, including, without limitation, any amounts paid or incurred for the following: (i) the cost of supplying all utilities (including, without limitation, any telephone risers or intra building network cabling), the cost of janitorial service, alarm and security service, window cleaning, and trash removal, the cost of operating, maintaining, repairing, replacing, renovating and managing the utility systems, mechanical systems, sanitary and storm drainage systems, and escalator and elevator systems, and

the cost of supplies, tools, and equipment and maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting the validity or applicability of any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with the implementation and operation of a transportation system management program or similar program; (iii) the cost of insurance carried by Landlord in connection with the Real Property, in such amounts as Landlord may reasonably determine, or as may be required by any mortgagees of any mortgage or the lessor of any ground lease affecting the Real Property; (iv) the cost of landscaping, relamping, supplies, tools, equipment (including equipment rental agreements) and materials, and all fees, charges and other costs, including management fees (or amounts in lieu thereof), consulting fees, legal fees and accounting fees, incurred in connection with the management, operation, administration, maintenance and repair of the Real Property; (v) the cost of parking area operation, repair, restoration and maintenance, including, but not limited to, resurfacing, repainting, restriping, and cleaning; (vi) wages, salaries and other compensation and benefits of all persons (including, without limitation, parking attendants, if any) engaged in the operation, management, maintenance or security of the Real Property, and employer's Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied on such wages, salaries, compensation and benefits; (vii) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Real Property; (viii) amortization (including interest on the unamortized cost at a rate equal to the floating commercial loan rate announced from time to time by Bank of America, a national banking association, or its successor, as its prime rate, plus two percent (2%) per annum (the "Interest Rate")) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Real Property; (ix) the cost (including rent) of Landlord's property management office for the Real Property and all utilities, supplies and materials used in connection therewith; (x) the cost of any capital alterations, capital additions, or capital improvements made to the Real Property or any portion thereof (A) which are deemed reasonably necessary by Landlord to maintain the quality, integrity and/or character of the Real Property and all systems, equipment and/or facilities which serve the Real Property (including replacement of wall and floor coverings, ceiling tiles and fixtures in lobbies, corridors, restrooms and other common or public areas or facilities, maintenance and replacement of curbs, walkways and parking areas), (B) which are intended as a labor-saving device or to effect other economies in the operation or maintenance of the Real Property, or any portion thereof, or (C) that are required under any governmental law or regulation that is then being enforced by a federal, state or local governmental agency; provided, however, that each such permitted capital expenditure shall be amortized (including interest on the unamortized cost at the Interest Rate in effect at the time such expenditure is placed in service) over its useful life as Landlord shall reasonably determine; and (xi) the funding of any reserves maintained by Landlord to pay for any Operating Expenses.

If Landlord is not furnishing any particular work or service (the cost of which, if performed or provided by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant.

4.2.3 Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include: (1) except as otherwise set forth above in this Article 4, interest on debt and amortization on mortgages; (2) ground lease payments; (3) costs of leasing commissions, attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Real Property; (4) the cost of providing any service directly to and paid directly by any tenant; (5) any costs expressly excluded from Operating Expenses elsewhere in this Lease; (6) costs of any items to the extent Landlord receives reimbursement from insurance proceeds (such proceeds to be excluded from Operating Expenses in the year in which received, except that any deductible amount under any insurance policy shall be included within Operating Expenses) or from a third party; (7) costs, including permit, license and inspection costs, incurred in renovating or otherwise improving, decorating, or redecorating rentable space (including vacant rentable space) for tenants or other occupants in the Building; (8) tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments or file returns when due; (9) costs arising from Landlord's charitable or political contributions; or (10) costs incurred due to the violation by Landlord of the terms and conditions of any lease of space in the Building.

4.2.4 If the Building is less than 95% occupied during all or a portion of any Expense Year, Landlord shall make an appropriate adjustment to the variable components of Operating Expenses for such Expense

Year as reasonably determined by Landlord employing sound accounting and management principles, to determine the amount of Operating Expenses that would have been paid had the Building been 95% occupied, and the amount so determined shall be deemed to have been the amount of Operating Expenses for such Expense Year. Landlord shall have the right, from time to time, to equitably allocate and prorate some or all of the Operating Expenses among different tenants of the Building (the "Cost Pools"). Such Cost Pools may include, without limitation, the office space tenants, the medical space tenants and/or the retail space tenants, if any, of the Building.

4.2.5 "Tax Expenses" shall mean all federal, state, county, or local governmental or municipal taxes, fees, assessments, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit assessment fees and taxes, business or license taxes or fees, annual or periodic license or use fees, open space charges, housing fund assessments, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Real Property), which Landlord shall pay or incur during any Expense Year because of or in connection with the ownership, leasing and operation of the Real Property or Landlord's interest therein. For purposes of this Lease, Tax Expenses shall be calculated as if the tenant improvements in the Building were fully constructed and the Building and all tenant improvements in the Building were fully assessed for real estate tax purposes.

4.2.5.1 Tax Expenses shall include, without limitation:

(i) any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("Proposition 13") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, conservation, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Real Property's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies. It is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies, and charges and all similar assessments, taxes, fees, levies and charges be included within the definition of Tax Expenses for purposes of this Lease;

(ii) any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any gross receipts with respect to the receipt of such Rent, and/or any tax upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof;

(iii) any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and

(iv) any expenses incurred by Landlord in attempting to protest, reduce or minimize Tax Expenses.

4.2.5.2 Notwithstanding anything to the contrary contained in this Section 4.2.6, there shall be excluded from Tax Expenses: (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Real Property); and (ii) any items paid by Tenant under Section 4.4 below.

4.2.6 "Tenant's Share" shall mean the percentage set forth in Section 9.2 of the Summary. Tenant's Share was calculated by dividing the number of rentable square feet of the Premises by the total rentable square feet in the Building. Landlord shall have the right from time to time to redetermine the rentable square feet of the Building, but not the Premises, and Tenant's Share shall be appropriately adjusted to reflect any such determination. If Tenant's Share is adjusted pursuant to the foregoing, then, as to the Expense Year in which such adjustment occurs, Tenant's Share for such year shall be determined on the basis of the number of days during such Expense Year that each such Tenant's Share was in effect.

4.3 Calculation and Payment of Additional Rent.

4.3.1 Payment of Operating Expenses and Tax Expenses. For each Expense Year ending or commencing within the Lease Term, Tenant shall pay to Landlord, as Additional Rent, the following, which payment shall be made in the manner set forth in Section 4.3.2 below: (i) Tenant's Share of Operating Expenses; plus (ii) Tenant's Share of Tax Expenses.

4.3.2 Statement of Actual Operating Expenses and Tax Expenses and Payment by Tenant. Landlord shall endeavor to give to Tenant on or before the first (1st) day of June following the end of each Expense Year, a statement (the "Statement") which shall state the Operating Expenses and Tax Expenses incurred or accrued for such preceding Expense Year, and which shall indicate therein Tenant's Share thereof. Within thirty (30) days after Tenant's receipt of the Statement for each Expense Year ending during the Lease Term, Tenant shall pay to Landlord the full amount of the Tenant's Share of Operating Expenses and Tax Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as the Estimated Expenses as defined in and pursuant to Section 4.3.3 below. If any Statement reflects that Tenant has overpaid Tenant's Share of Operating Expenses and/or Tenant's Share of Tax Expenses for such Expense Year, then Landlord shall, at Landlord's option, either (i) remit such overpayment to Tenant within thirty (30) days after such applicable Statement is delivered to Tenant, or (ii) credit such overpayment toward the additional Rent next due and payable to Tenant under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, if the Statement for the Expense Year in which this Lease terminates reflects that Tenant has overpaid and/or underpaid Tenant's Share of the Operating Expenses and/or Tenant's Share of Tax Expenses for such Expense Year, then within thirty (30) days after Landlord's delivery of such Statement to Tenant, Landlord shall refund to Tenant any such overpayment, or Tenant shall pay to Landlord any such underpayment, as the case may be. The provisions of this Section 4.3.2 shall survive the expiration or earlier termination of the Lease Term.

4.3.3 Statement of Estimated Operating Expenses and Tax Expenses. Landlord shall endeavor to give Tenant a yearly expense estimate statement (the "Estimate Statement") which shall set forth Landlord's reasonable estimate (the "Estimate") of the total amount of Tenant's Share of the Operating Expenses and Tax Expenses for the then-current Expense Year shall be, and which shall indicate therein Tenant's Share thereof (the "Estimated Expenses"). The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Expenses under this Article 4. Following Landlord's delivery of the Estimate Statement for the then-current Expense Year, Tenant shall pay, with its next installment of Base Rent due, a fraction of the Estimated Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 4.3.3). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year to the month of such payment, both months inclusive, and shall have twelve (12) as its denominator. Until a new Estimate Statement is furnished, Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant.

4.4 Taxes and Other Charges for Which Tenant Is Directly Responsible. Tenant shall reimburse Landlord, as Additional Rent, within ten (10) days after demand, for all taxes and assessments required to be paid by Landlord (except to the extent included in Tax Expenses by Landlord), excluding state, local and federal personal or corporate income taxes measured by the net income of Landlord from all sources and estate and inheritance taxes, whether or not now customary or within the contemplation of the parties hereto, when:

4.4.1 said taxes are measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or by the cost or value of any

leasehold improvements made in or to the Premises by or for Tenant, to the extent the cost or value of such leasehold improvements exceeds the cost or value of a building standard build-out as determined by Landlord regardless of whether title to such improvements shall be vested in Tenant or Landlord;

4.4.2 said taxes are assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Real Property; or

4.4.3 said taxes are assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.5 Late Charges. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after the due date therefor, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the amount due plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder, at law and/or in equity and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid by the date that they are due shall thereafter bear interest until paid at a rate equal to the lesser of (i) the Interest Rate, or (ii) the highest rate permitted by applicable law.

ARTICLE 5

USE OF PREMISES

5.1 Use. Tenant shall use the Premises solely for general business purposes including, but not limited to, the operation of a health clinic, all consistent with the character of the Building as a first-class mixed use and not for any use prohibited on Exhibit E attached hereto and incorporated herein by reference (herein, the "Permitted Use"). Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever. Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the Rules and Regulations, or in violation of any applicable laws or ordinances (including laws pertaining to Hazardous Materials, as defined below). Tenant shall comply with the Rules and Regulations and all recorded covenants, conditions, and restrictions now or hereafter affecting the Real Property. Landlord shall not be responsible to Tenant for the nonperformance of any of such Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building. Tenant shall also be responsible, at its sole cost and expense, for obtaining all operating permits, licenses and governmental approvals necessary for the operation of Tenant's Permitted Use and for determining that the Premises and Building are suitable for Tenant's Permitted Use (including, without limitation, zoning and capacity of the Building's systems and equipment) and neither Landlord nor its agents has made or is making any representations or warranties as to the suitability of the Premises or the Building for Tenant's Permitted Use or that Tenant's use is permitted under current zoning or other applicable laws. Tenant further acknowledges and agrees that the Building currently contains residential tenants and tenants who conduct medical and other related uses in their premises and Tenant hereby accepts all conditions associated with such uses. In addition, Tenant agrees to conduct the practice of Tenant's profession in the Premises in compliance with the code of ethics of Tenant's professional association.

5.2 Specific Restricted Uses. Without limiting the provisions in Section 5.1 above, Tenant agrees not to engage in or permit the Premises to be used for the practice of radiology or pathology, or to use or maintain any x-ray equipment, machines or devices, radiological or diagnostic imaging equipment, machines or devices (including without limitation any magnetic resonance imaging or computerized tomography equipment) or any other electrical or electromagnetic medical equipment, machines or devices, radiation therapy, nuclear medicine, diagnostic ultrasound, clinical laboratory, pathology laboratory, or physical therapy office or practice in the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. Tenant specifically agrees that it shall not be permitted to perform any abortion services from the Premises. If any of the services provided from the Premises result in protests or demonstrations at the Real Property, Tenant shall discontinue such services upon notice from Landlord. Tenant also agrees not to dispense drugs, eyeglasses, surgical devices or medicine except to Tenant's own patients as an incidental part of, and in the ordinary course of business

of, Tenant's practice. Tenant shall not sell or distribute for remuneration any items normally sold in the operation of a drug, pharmaceutical or prescription drug business, including, without limitation, prescription drugs, surgical, prosthetic and orthopedic devices and appliances of all kinds. Tenant shall not allow any patient to reside in or remain in the Premises on an overnight or in-patient basis. Tenant shall not use any apparatus, machinery or device in or about the Premises which would make any noise or set up any vibration outside of the Premises. Tenant further agrees not to connect with electric wires, water or air pipes any apparatus, machinery or device not shown on suite improvement plans without the prior written consent of Landlord. All walls, ceilings, floors and doors of any rooms used for examination, diagnosis, testing or therapy shall be properly shielded and shall comply with all applicable laws and other requirements from time to time in effect.

5.3 OSHPAD Requirements. Tenant hereby represents and warrants to Landlord that the operation of Tenant's business from the Premises for the Permitted Use hereunder and the condition of the Premises in connection therewith shall not require any compliance with the requirements of, or certification of compliance from, the California Office of Statewide Health Planning and Development ("OSHPAD") or any similar governmental certifications due to the nature of Tenant's practice. Landlord shall not be liable for, and Tenant shall indemnify, defend and hold harmless Landlord from and against any liabilities, damages, claims, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees) arising in connection with any failure of the operation of Tenant's business to comply with, or any failure of the Premises to comply with, any requirements of OSHPAD or other similar governmental entities. If any compliance with the requirements of OSHPAD or any similar governmental entity is necessary in connection with the operation of business from the Premises by any assignee or subtenant of Tenant in accordance with the provisions of this Lease, Tenant shall be solely responsible for the cost of making any alterations or taking other necessary actions to cause such compliance and Landlord shall have no liability in connection therewith. Tenant's obligations under this Section 5.3 are cumulative and in addition to all other obligations of Tenant under this Lease.

5.4 Hazardous Materials.

5.4.1 Restrictions on Use. Neither Tenant nor its agents, employees, contractors, licensees, sublessees, assignees or invitees shall use, generate, handle, store, treat, practice or dispose of any Hazardous Materials (as defined below) in, on, under or about the Premises, the Building or the Real Property, except that Tenant may use in the Premises: (i) general office supplies typically used in an office area in the ordinary course of business, such as copier toner, liquid paper, glue, ink, and cleaning solvents, but only to the extent the same are used by Tenant in the manner for which they were designed and in compliance with all applicable laws and the provisions of this Lease; and (ii) customary medical materials, wastes and substances (A) a list of which and the materials safety data sheets for which shall be submitted to and must be pre-approved by Landlord before use by Tenant, (B) which are used only in connection with and as part of, and in such amounts as may be normal for, Tenant's Permitted Use conducted by Tenant in the Premises, and (C) which are handled and disposed of in a safe and healthful manner, in accordance with all applicable governmental laws, rules and regulations, in accordance with any requirements, conditions, rules and regulations that Landlord may impose in connection therewith, and in accordance with the provision of this Section 5.4 and the other applicable provisions of this Lease. If Landlord consents to the generation, production, use, handling, storage, treatment or disposal of Hazardous Materials in the Premises by Tenant, its agents, employees, contractors, sublessees or invitees pursuant to clause (ii) hereinabove, then in addition to any other requirements or conditions that Landlord may impose in connection with such consent: (1) Tenant shall promptly deliver to Landlord copies of all permits, approvals, filings, reports and hazardous wastes manifests, if any are required, reflecting the legal and proper generation, production, use, storage, treatment or disposal of all such Hazardous Materials; and (2) upon expiration or earlier termination of this Lease, Tenant shall cause all Hazardous Materials, including those consented to by Landlord, arising out of or related to the use or occupancy of the Premises by Tenant, or its agents, employees, contractors, sublessees, invitees or assigns, to be removed from the Premises and the Real Property, and transported for use, storage or disposal in accordance with all applicable laws, regulations and ordinances.

5.4.2 Tenant's Indemnity and Covenants. Tenant shall be solely responsible for and shall indemnify, defend and hold harmless Landlord and the Landlord Parties (as defined below) from and against any and all Claims (as defined below) incurred in connection with or arising from: (i) the generation, production, use, handling, storage, treatment or disposal of any Hazardous Materials in or about the Premises, the Building or Real Property by Tenant, or any person claiming by, through or under Tenant, or of the contractors, agents, employees,

licensees or invitees of Tenant; and (ii) the breach of this Section 5.4 by Tenant, or any person claiming by, through or under Tenant, or of the contractors, agents, employees, licensees or invitees of Tenant. This indemnification of Landlord and the Landlord Parties by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration work. Tenant shall promptly take all actions, at its sole cost and expense, as are necessary to remediate any such Hazardous Materials introduced by Tenant, or any person claiming by, through or under Tenant, or of the contractors, agents, employees, licensees or invitees of Tenant, and return the Premises, Building and/or Real Property to the condition existing prior to the introduction of any such Hazardous Materials, provided Landlord's approval of such actions shall first be obtained and Tenant shall fully cooperate in connection with any such clean-up, restoration or other work, at Tenant's sole cost and expense. Furthermore, Tenant shall immediately notify Landlord in writing of: (A) any accidental, unexpected or illegal spill, release, discharge or disposal of any Hazardous Materials in, on or under the Premises, the Building or Real Property, or any portion thereof; (B) any enforcement, clean up, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials laws or ordinances; (C) any claim made or threatened by any person against Tenant, the Premises, the Building or the Real Property relating to damage, contribution, cost, recovery, compensation, loss or injury resulting from, or claim to result from, any Hazardous Materials; and (D) any reports of Tenant made to any environmental agency arising out of or in connection with any Hazardous Materials in, on or removed from the Premises, the Building or the Real Property, including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant shall also supply to Landlord as promptly as possible, and in any event within ten (10) business days after Tenant first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises, the Building or Real Property, or Tenant's use thereof. Tenant acknowledges that Landlord, at Landlord's election, shall have the sole right, at Tenant's expense, to negotiate, defend, approve and appeal any action taken or order issued by any governmental authority with regard to any Hazardous Material contamination which Tenant is obligated hereunder to remediate.

5.4.3 Survival. The provisions of this Section 5.4 shall survive the expiration or sooner termination of this Lease.

5.4.4 Definition of Hazardous Materials. As used herein, the term "Hazardous Materials" means any hazardous or toxic substances, materials or wastes which are or become regulated by any local governmental authority, the State of California or the United States Government, including, without limitation, any materials or substances which are (i) defined or listed as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material," "infectious waste," "toxic substance," "medical waste" or "biohazardous waste" under any applicable federal, state or local law or administrative code promulgated thereunder, (ii) petroleum, (iii) asbestos, PCBs and similar compounds, (iv) explosives, or (v) radioactive materials.

ARTICLE 6

SERVICES AND UTILITIES

6.1 Tenant's Responsibility. Tenant shall be solely responsible, at its sole cost and expense, for the furnishing of all utilities to the Premises, including, but not limited to, heating, ventilation and air conditioning ("HVAC"), electricity, gas, water, telephone and telecommunications. In connection with the foregoing, Tenant hereby agrees that: (i) Landlord shall have absolutely no obligation to provide any such utilities to the Premises, although Landlord shall maintain and keep in service the existing utility connections located outside the Building and connected to the exterior of the Building as necessary for distribution of such utilities to the Premises by Tenant; (ii) Tenant shall contract directly with the applicable utility providers to provide all such utilities to the Premises, which utilities shall be separately metered, at Tenant's cost; and (iii) Tenant shall pay for the costs of all such utilities consumed at the Premises directly to the applicable provider thereof. Notwithstanding the foregoing to the contrary, Landlord and Tenant acknowledge that certain electricity being distributed within the Premises is being supplied to the Premises via a solar array (the "Solar Array") located at the Real Property, which Solar Array is owned and maintained by Landlord pursuant to Article 7 below. Landlord and Tenant agree that the costs that Tenant must pay to third party utility companies in connection with supplying electricity to the Premises may be reduced as a result of the provision of electricity by the Solar Array. In connection therewith, Tenant shall pay to

Landlord, as Additional Rent, on a monthly basis, within ten (10) days after receipt of an invoice therefor, the retail value of all electricity provided to the Premises via the Solar Array, as reasonably determined by Landlord.

6.2 Overstandard Tenant Use. If Tenant shall use, or desire to use, electricity, water, HVAC or any other utilities for the Premises in quantities that exceed the capacity of the equipment supplying the same to the Building or that are in excess of the quantities normally required for ordinary office use for premises in comparable medical buildings in the vicinity of the Building, then, (i) subject to applicable laws, and subject to Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed, Tenant shall, at Tenant's expense, install such supplemental equipment as may be reasonably required to provide such excess capacity, and (ii) Tenant shall pay for the costs of any increased wear and tear on the Building's existing systems and equipment caused by such excess use.

6.3 Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including, without limitation, telephone and telecommunication services or electricity), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Real Property after reasonable effort to do so, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.4 Additional Services. Landlord shall also have the exclusive right, but not the obligation, to provide any additional services which may be required by Tenant, including, without limitation, locksmithing, compressed air, additional janitorial service, and additional repairs and maintenance, provided that Tenant shall pay to Landlord, within ten (10) days after billing, and as Additional Rent hereunder, the sum of all costs to Landlord of such additional services plus a five percent (5%) administration fee.

6.5 Access to Premises and Building. Subject to the other provisions of this Lease (including, without limitation, the Rules and Regulations and any modifications thereof adopted by Landlord from time to time), Tenant shall be granted access to the Building and the Premises twenty-four (24) hours per day, seven (7) days per week, every day of the year.

ARTICLE 7

REPAIRS

7.1 Tenant's Repairs. Subject to Landlord's repair obligations in Sections 7.2 and 11.1 below, Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term, which repair obligations shall include, without limitation, the obligation to promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances; provided however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building) sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same.

7.2 Landlord's Repairs. Anything contained in Section 7.1 above to the contrary notwithstanding, and subject to Articles 11 and 12 below, Landlord shall repair and maintain the structural portions of the Building and the basic plumbing, HVAC and electrical systems serving the Building and not located in the Premises (including the Solar Array); provided, however, to the extent such maintenance and repairs are caused by the act, neglect, fault of or omission of any duty by Tenant, its agents, contractors, employees, licensees or invitees, Tenant shall pay to Landlord, as Additional Rent, the reasonable cost of such maintenance and repairs. Landlord shall not be liable to

Tenant for any failure to make any such repairs, or to perform any maintenance hereunder. There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of or failure to make any repairs, alterations or improvements in or to any portion of the Premises or Real Property or in or to fixtures, appurtenances and equipment therein. Tenant hereby waives and releases its right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code, or under any similar law, statute, or ordinance now or hereafter in effect.

ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 **Landlord's Consent to Alterations.** Tenant may not make any improvements, alterations, additions or changes to the Premises (collectively, the "Alterations") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord; provided, however, Landlord may withhold its consent in its sole and absolute discretion with respect to any Alterations which (i) may affect the structural components of the Building, or the Building's mechanical, electrical, HVAC, or life safety systems, or (ii) are visible from or affect any area located outside the Premises. Tenant shall pay for all overhead, general conditions, fees and other costs of the Alterations, and shall pay to Landlord a Landlord supervision fee of ten percent (10%) of the cost of the Alterations.

8.2 **Manner of Construction.** Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord; provided, however, Landlord may impose such requirements as Landlord may determine, in its sole and absolute discretion, with respect to any work affecting the structural components of the Building and/or the Building's systems and equipment (including designating specific contractors to perform such work). Tenant shall construct such Alterations and perform such repairs in compliance with all applicable laws and pursuant to a valid building permit, issued by the City of Los Angeles, and in conformance with Landlord's construction rules and regulations. All work with respect to any Alterations must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. Tenant shall cause all Alterations to be performed in such manner as not to obstruct access by any person to the Building or Real Property or the common areas, and as not to obstruct the business of Landlord or other tenants in the Building, or interfere with the labor force working at the Building or Real Property. If Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 below immediately upon completion thereof. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee. Upon completion of any Alterations, Tenant shall (i) cause a timely Notice of Completion to be recorded in the office of the Recorder of the County in which the Building is located in accordance with the terms of Section 8182 of the Civil Code of the State of California or any successor statute, (ii) deliver to the Building management office a reproducible copy of the "as built" drawings of the Alterations, and (iii) deliver to Landlord evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials.

8.3 **Landlord's Property.** All Alterations, improvements and fixtures which may be installed or placed in or about the Premises shall be at the sole cost of Tenant and shall be and become the property of Landlord. Notwithstanding the foregoing, Landlord may, by written notice to Tenant prior to the end of the Lease Term, require Tenant at Tenant's expense to remove any improvements or Alterations from the Premises (including, without limitation, any HVAC Units installed by Tenant pursuant to Section 6.1.1 above) and repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair by the end of the Lease Term, Landlord may do so and may charge the cost thereof to Tenant.

ARTICLE 9**COVENANT AGAINST LIENS**

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon the Real Property or any portion thereof, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Landlord shall have the right at all times to post and keep posted on the Premises any notice which it deems necessary for protection from such liens. Tenant shall not cause or permit any lien of mechanics or materialmen or others to be placed against the Real Property or any portion thereof, with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant shall cause it to be immediately released and removed of record. If such lien is not released and removed within five (5) business days after notice of such lien is delivered by Landlord to Tenant, then Landlord may, at its option, take all action necessary to release and remove such lien, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant.

ARTICLE 10**INSURANCE**

10.1 **Casualty Insurance.** Tenant shall, at all times during the term of this Lease, at Tenant's sole expense, provide or cause to be provided such insurance as reasonably required by Landlord in order for Landlord to comply with its insurance requirements pertaining to the Premises, and shall keep all Improvements, which are now or hereafter a part of the Premises, insured against loss or damage by fire, wind, storm, plate glass, malicious mischief and extended coverage hazards in an amount equal to at least one hundred percent (100%) of the full insurable value thereof, with loss payable to Landlord and Landlord's Mortgagee as their interests may appear. The policy shall carry no coinsurance and shall have a deductible no greater than \$10,000 per occurrence. Tenant shall pay the premiums thereon when due.

10.2 **Public Liability Insurance.** Tenant shall, at all times during the term of this Lease (and during the period of Tenant's access to the Premises), and at Tenant's sole expense, keep in full force and effect a policy of public liability and property damage insurance with respect to the Premises in amounts not less than \$5,000,000 combined single limits (per occurrence/per location and in the aggregate) with a deductible no greater than \$10,000.

10.3 **Certificates of Insurance.** Tenant shall, with respect to any insurance coverage required in this Lease, furnish Landlord with certificates of insurance reflecting Landlord as an additional insured and stating that Landlord will be notified in writing ten (10) days prior to cancellation, material change or nonrenewal of insurance.

10.4 If Tenant shall fail to maintain any such insurance required hereunder, Landlord may, at Landlord's election, after fifteen (15) days' written notice to Tenant and Tenant's failure to obtain such insurance within such timeframe, procure the same, and the premium cost shall be Additional Rent, immediately due and payable, it being hereby expressly covenanted and agreed that payment by Landlord of such premium shall not be deemed to waive or release the obligation of Tenant to payment thereof or any of Landlord's other rights hereunder.

10.5 Subject to the requirements of any Mortgage (which shall prevail over any contrary provision of this Lease), insurance proceeds recovered by reason of destruction of the Improvements on the Premises shall be paid to Landlord, and such proceeds shall be used by Landlord to repair and restore the Improvements so damaged with the same type of material and quality of construction as when the initial Improvements were performed, subject to evolution of building techniques. Any excess shall be applied first in accordance with any Mortgage, and thereafter to Landlord and Tenant in accordance with their respective interests in the Premises. If the insurance proceeds are insufficient to pay for the full cost of repair and restoration of the Improvements, Tenant shall have the right, but not the obligation, to deposit the deficiency with Landlord within thirty (30) days of the payment of

insurance proceeds by the insurance carrier, and such sum shall be used by Landlord, together with the insurance proceeds, to pay for the completion of the repair and restoration. If the insurance proceeds are insufficient to pay for the full cost of repair and restoration of the Improvements and Tenant does not deposit the deficiency with Landlord, any insurance proceeds shall be retained by Landlord and, unless Landlord in its discretion elects to repair and restore the Improvements so damaged, this Lease shall terminate. Following any damage or destruction to the Improvements, Base Monthly Rent and all other amounts payable hereunder shall abate in proportion to the degree to which the Improvements are rendered unusable by Tenant for Tenant's intended use.

10.6 Notwithstanding anything herein to the contrary, Tenant shall not enter into any Sublease of any portion of the Premises with any Subtenant whose occupancy thereof would, singularly, or in the aggregate with other tenants or subtenants of the Premises, cause the Premises to be deemed "tax exempt use property" under Section 47(c)(2)(B)(v) of the Code or violate Section 42 of the Code.

10.7 Hold Harmless. Landlord shall not be liable for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by Tenant or by any person whosoever may at any time be using or occupying or visiting the Premises or be in, on, or about the same, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of Tenant or of any occupant, Subtenant, visitor, or user of any portion of the Premises, or shall result from or be caused by any other matter or thing, whether of the same kind as or of a different kind than the matters or things above set forth, and Tenant shall indemnify Landlord against all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death, or damage. Tenant hereby waives all claims against Landlord for damages to the building and Improvements that are now on or hereafter placed or built on the Premises, and for injuries to persons or property in or about the Premises, from any cause arising at any time. The two preceding sentences shall not apply to loss, injury, death or damage arising by reason of the recklessness or intentional misconduct of Landlord or by reason of environmental contamination of the Premises that predates Tenant's occupancy of the Premises.

10.8 Waiver of Subrogation. Notwithstanding the foregoing, Landlord and Tenant hereby waive the right of subrogation against each other; provided, however, that such waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage.

10.9 Loan Priority.

10.9.1 Notwithstanding anything to the contrary contained in this Lease, the foregoing provisions of this Article 10 shall be subject to the provisions of any loan documents evidencing any Mortgage ("Loan Documents"), in each case governing the disposition of insurance proceeds, the termination of this Lease as to Premises and the restoration of the Premises after a casualty.

10.9.2 In the event of any inconsistency between such provisions of any Loan Documents and the terms and conditions of this Article 10, such provisions of any Loan Documents shall control.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 Repair of Damage to Premises by Landlord. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty or any condition existing in the Premises as a result of a fire or other casualty that would give rise to the terms of this Article 11. If the Premises or any common areas of the Building serving or providing access to the Premises shall be damaged by fire or other casualty or be subject to a condition existing as a result of a fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the base, shell, and core of the Premises and such common areas to substantially the same condition as existed immediately prior to the casualty, except for modifications required by applicable laws and/or by the holder of a mortgage on the Real Property (or any portion thereof), or any other

modifications to the common areas deemed desirable by Landlord provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3.2(ii) above, and Landlord shall repair any damage to the tenant improvements and Alterations installed in the Premises and shall return such tenant improvements and Alterations to their original condition; provided that if the costs of such repair of such tenant improvements and Alterations by Landlord exceeds the amount of insurance proceeds received by Landlord therefor from Tenant's insurance carrier, as assigned by Tenant, the excess costs of such repairs shall be paid by Tenant to Landlord prior to Landlord's repair of the damage. In connection with such repairs and replacements of any such tenant improvements and Alterations, Tenant shall, prior to Landlord's commencement of such improvement work, submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or common areas necessary to Tenant's occupancy, and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, Landlord shall allow Tenant a proportionate abatement of Base Rent, and Tenant's Share of increases in Operating Expenses and Tax Expenses during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof.

11.2 Landlord's Option to Repair. Notwithstanding Section 11.1 above to the contrary, Landlord may elect not to rebuild and/or restore the Premises, the Building and/or any other portion of the Real Property and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date Landlord becomes aware of such damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause or be subject to a condition existing as a result of such a fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be substantially completed within one hundred eighty (180) days after the date of such damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Real Property or ground lessor with respect to the Real Property shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; or (iii) the damage or condition arising as a result of such damage is not fully covered, except for deductible amounts, by Landlord's insurance policies. In addition, if the Premises, the Building or any portion of the Real Property is destroyed or damaged to any substantial extent during the last year of the Lease Term, then notwithstanding anything contained in this Article 11, Landlord shall have the option to terminate this Lease by giving written notice to Tenant of the exercise of such option within thirty (30) days after such damage, in which event this Lease shall cease and terminate as of the date of such notice. Upon such termination of this Lease pursuant to this Section 11.2, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of damage (subject to any abatement as provided in Section 11.1 above), and both parties hereto shall thereafter be discharged of all further obligations under this Lease, except for those obligations which expressly survive the expiration or earlier termination of this Lease.

11.3 Waiver of Statutory Provisions. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Real Property, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Real Property.

ARTICLE 12

CONDEMNATION

If ten percent (10%) or more of the Premises, Building or Real Property shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if Landlord shall

grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease upon ninety (90) days' notice to Tenant, provided such notice is given no later than one hundred eighty (180) days after the date of such taking, condemnation, deed or other instrument. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired as a result of any taking of all or any portion of the Real Property, Tenant shall have the option to terminate this Lease upon ninety (90) days' notice to Landlord, provided such notice is given no later than one hundred eighty (180) days after the date of such taking. Landlord shall be entitled to receive the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claim does not diminish the award available to Landlord, or its ground lessor or mortgagee with respect to the Real Property, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination, or the date of such taking, whichever shall first occur. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Base Rent and Tenant's Share of increases in Operating Expenses and Tax Expenses shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure.

ARTICLE 13

COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 Transfers. Tenant shall not, without the prior written consent of Landlord (except as provided in Sections 14.7 and 14.8 below), assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant and its employees (all of the foregoing are hereinafter sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee"). If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "Transfer Notice") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "Subject Space"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including a calculation of the Transfer Premium (as defined below), in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing and/or proposed documentation pertaining to the proposed Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, and (v) such other information as Landlord may reasonably require. Except as provided in Sections 14.7 and 14.8 below, any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under Section 19.1.2 below. Except as provided in Sections 14.7 and 14.8 below, whether or not Landlord consents to any proposed Transfer, within thirty (30) days after written request by Landlord, as Additional Rent hereunder, Tenant shall pay to Landlord (A) Eight Hundred Dollars (\$800.00) for Landlord's review and processing fees, and (B) reasonable legal fees incurred by Landlord, in connection with Tenant's proposed Transfer.

14.2 Landlord's Consent. Subject to Landlord's rights in Section 14.4 below, Landlord shall not unreasonably withhold its consent to any proposed Transfer on the terms specified in the Transfer Notice. The

parties hereby agree that it shall be deemed to be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent:

- (i) the Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building;
- (ii) the Transferee's intended use of the Subject Space is not permitted under this Lease;
- (iii) the Transferee is a governmental entity or agency;
- (iv) the Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the Lease on the date consent is requested;
- (v) the proposed Transfer would cause Landlord to be in violation of another lease or agreement to which Landlord is a party, or would give an occupant of the Building a right to cancel its lease; or
- (vi) either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (A) occupies space in the Building at the time of the request for consent, (B) is negotiating with Landlord to lease space in the Building at such time, or (C) has negotiated with Landlord during the six (6)-month period immediately preceding the Transfer Notice.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 below), Tenant may within six (6) months after Landlord's consent, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 above, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (1) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (2) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14.

14.3 Transfer Premium. Subject to Sections 14.7 and 14.8 below, if Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord the Transfer Premium received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer which is in excess of the Rent payable by Tenant under this Lease during the term of the Transfer, on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any reasonable changes, alterations and improvements to the Premises in connection with the Transfer (but only to the extent approved by Landlord), and (ii) any brokerage commissions in connection with the Transfer. Transfer Premium shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer.

14.4 Landlord's Option as to Subject Space. Notwithstanding anything to the contrary contained in this Article 14, but subject to Sections 14.7 and 14.8 below, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, to recapture the Subject Space. Such recapture notice shall terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer until the last day of the term of the Transfer as set forth in the Transfer Notice. If this Lease is terminated with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the rentable square feet retained by Tenant in proportion to the rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Subject Space under this Section 14.4, then, provided Landlord has

consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of the last paragraph of Section 14.2 above.

14.5 Effect of Transfer. If Landlord consents to a Transfer: (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified; (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee; (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord; and (iv) no Transfer relating to this Lease or agreement entered into with respect thereto, nor any transaction described in Sections 14.7 and 14.8 below, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium with respect to any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency and Landlord's costs of such audit.

14.6 Additional Transfers. For purposes of this Lease, but subject to Sections 14.7 and 14.8 below, the term "Transfer" shall also include: (i) if Tenant is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of more than fifty percent (50%) of the partners or members, or transfer of more than fifty percent (50%) of the partnership or membership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof; and (ii) if Tenant is a closely held corporation (i.e., whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant, or (B) the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of more than an aggregate of fifty percent (50%) of the value of the unencumbered assets of Tenant within a twelve (12) month period.

14.7 Non-Transfers. Notwithstanding the foregoing provisions of this Article 14 to the contrary, Tenant may, without Landlord's approval or consent (i) assign this Lease in its entirety (or sublease all or any portion of the Premises) to any Affiliate of Tenant (as defined below), and/or (ii) enter into any of the transactions deemed a Transfer pursuant to the provisions of Section 14.6 above with any such Affiliate, subject to the following conditions: (A) such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease or this Article 14; and (B) any such assignment or sublease shall be subject and subordinate to all of the terms and provisions of this Lease, and any assignee under an assignment of this Lease (which for purposes hereof excludes any entity in a transaction involving only the transfer of Tenant's ownership interests so long as Tenant remains in existence after such transfer) shall assume, in a written document reasonably satisfactory to Landlord and delivered to Landlord within ten (10) business days after the effective date of such assignment, all the obligations of Tenant under this Lease. As used herein, an "Affiliate" shall mean: (1) any entity resulting from a merger or consolidation of Tenant; (2) any entity succeeding to the business and assets of Tenant; or (3) any majority-owned or majority-controlled subsidiary or affiliate of Tenant. Under no circumstances shall any assignment or sublease to an Affiliate pursuant to the provisions of this Section 14.7 be subject to Landlord's right to receive any Transfer Premium or recapture the Premises pursuant to Section 14.3 and 14.4 above.

14.8 Permitted Subleases. Notwithstanding the foregoing provisions of this Article 14 to the contrary, Tenant may, without having to obtain Landlord's approval or consent and without being subject to Landlord's rights to excess compensation pursuant to Section 14.3 above or Landlord's right to cancellation pursuant to Section 14.4 above, subject to the prohibitions set forth on Exhibit E, sublease, license or otherwise permit occupancy of all or any portion of the Premises, including, without limitation, pursuant to a certain Sublease to be entered into between Tenant as sublandlord and Clinica Sierra Vista, a California nonprofit public benefit corporation, as subtenant in a form to be approved by Landlord (each a "Permitted Sublease") and shall be on and subject to all of the following terms and conditions: (i) all such subtenants under such Permitted Subleases shall use the Premises for the permitted use set forth in this Lease and otherwise in conformity with all of the applicable provisions of this Lease; and (ii) each such Permitted Sublease shall be subject and subordinate to all of the terms and provisions of this Lease. No such Permitted Sublease shall relieve Tenant from any liability under this Lease.

ARTICLE 15

SURRENDER OF PREMISES; REMOVAL OF PERSONAL PROPERTY

15.1 Surrender of Premises. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

15.2 Removal of Tenant Property by Tenant. All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises, which items are not a part of the tenant improvements or Alterations installed in the Premises, shall remain the property of Tenant, and may be removed by Tenant at any time during the Lease Term as long as (i) Tenant is not in default under this Lease with any applicable cure period having expired, and (ii) Tenant repairs, at its expense, all damage resulting from such removal. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all telephone, data and other cabling and wiring installed or caused to be installed by Tenant (including any cabling and wiring, installed above the ceiling of the Premises or below the floor of the Premises), all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate equal to two hundred percent (200%) of the greater of (i) the Base Rent applicable during the last rental period of the Lease Term under this Lease and (ii) the fair market rental rate for the Premises as of the commencement of such holdover period. Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant holds over without Landlord's consent, such holding over may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises. Therefore, if Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from and against all Claims resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any losses suffered by Landlord, including lost profits, resulting from such failure to surrender.

ARTICLE 17**ESTOPPEL CERTIFICATES**

Within ten (10) business days following a request in writing by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate which, as submitted by Landlord, shall be substantially in the form of Exhibit D, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Real Property or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's Mortgagee or Landlord's prospective mortgagees or purchasers. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Failure of Tenant to timely execute and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

ARTICLE 18**SUBORDINATION**

This Lease is and shall be subject and subordinate to each ground leases of the Real Property and to the lien of each mortgages or deed of trust now or hereafter in force against the Real Property (herein, a "Mortgage"), and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of each such Mortgage, unless the holders of any such Mortgage (each, a "Mortgagee"), or the lessors under any such ground lease, requires in writing that this Lease be superior thereto. Tenant covenants and agrees if any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof, or if any ground or underlying lease is terminated, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale or deed in lieu thereof, or to the lesser of such ground or underlying lease, as the case may be, if so requested to do so by such purchaser or lessor, and to recognize such purchaser as the lessor under this Lease. Tenant shall, within five (5) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

ARTICLE 19**DEFAULTS; REMEDIES**

19.1 Defaults. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due; or

19.1.2 Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for twenty (20) days after written notice thereof from Landlord to Tenant; provided however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 or any similar or successor law; and provided further that if the nature of such default is such that the same cannot reasonably be cured within a twenty (20) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure said default, as soon as possible.

19.2 Remedies Upon Default. Upon the occurrence of such default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(i) the worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; plus

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate set forth in Section 4.2.3 above, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord may, but shall not be obligated to, make any such payment or perform or otherwise cure any such obligation, provision, covenant or condition on Tenant's part to be observed or performed (and may enter the Premises for such purposes). In the event of Tenant's failure to perform any of its obligations or covenants under this Lease, and such failure to perform poses a material risk of injury or harm to persons or damage to or loss of property, then Landlord shall have the right to cure or otherwise perform such covenant or obligation at any time after such failure to perform by Tenant, whether or not any such notice or cure period set forth in Section 19.1 above has expired. Any such actions undertaken by Landlord pursuant to the foregoing provisions of this Section 19.2.3 shall not be deemed a waiver of Landlord's rights and remedies as a result of Tenant's failure to perform and shall not release Tenant from any of its obligations under this Lease.

19.3 Payment by Tenant. Tenant shall pay to Landlord, within ten (10) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with Landlord's performance or cure of any of Tenant's obligations pursuant to the provisions of Section 19.2.3 above; and (ii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Section 19.3 shall survive the expiration or sooner termination of the Lease Term.

19.4 Subleases of Tenant. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, following any such default by Tenant, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. If Landlord elects to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.5 Waiver of Default. No waiver by Landlord of any violation or breach by Tenant of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach by Tenant of the same or any other of the terms, provisions, and covenants herein contained. Forbearance by Landlord in enforcement of one or more of the remedies herein provided upon a default by Tenant shall not be deemed or construed to constitute a waiver of such default. The acceptance of any Rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.

19.6 Efforts to Relet. For the purposes of this Article 19, Tenant's right to possession shall not be deemed to have been terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating Tenant's right to possession.

ARTICLE 20

INTENTIONALLY DELETED

ARTICLE 21

COMPLIANCE WITH LAW

21.1 Compliance with Law. Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated. At its sole cost and expense, Tenant shall promptly comply with all such governmental measures (including those pertaining to Hazardous Materials), other than the making of structural changes to the Building (collectively, the "Excluded Changes"); provided, however, to the extent such Excluded Changes are required due to or triggered by Tenant's improvements or alterations to and/or manner of use of the Premises, Landlord shall perform such work, at Tenant's cost (which shall be paid by Tenant to Landlord within ten (10) days after Tenant's receipt of invoice therefor from Landlord). In addition, Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Real Property, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

21.2 CASp. For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). In addition, the following notice is hereby provided pursuant to Section 1938(e) of the California Civil Code:

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

ARTICLE 22

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant to enter the Premises to: (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or ground lessors, or during the last twelve (12) months of the Lease Term, prospective tenants; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building, or as Landlord may otherwise reasonably desire or deem necessary. Notwithstanding anything to the contrary contained in this Article 22, Landlord may enter the Premises at any time, without notice to Tenant, in emergency situations and/or to perform janitorial and other services required of Landlord. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes; provided, however, that any such entry shall be accomplished as expeditiously as reasonably possible and in a manner so as to cause as little interference to Tenant as reasonably possible. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by Landlord's entry into the Premises. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

ARTICLE 23

TENANT PARKING

Tenant shall rent throughout the Lease Term for use by Tenant's employees the number of unreserved, undesignated parking passes set forth in Section 12 of the Summary, located in the Retail Parking Area. All of such parking passes shall be provided by Landlord, or at the option of Landlord, through a parking operator designated by Landlord (the parking operator so designated by Landlord shall be referred to herein as the "Parking Operator"), and Landlord may delegate its responsibilities under this Article 23 to the Parking Operator in which case the Parking Operator shall have all rights of control attributed by this Article 23 to Landlord. Tenant shall pay to Landlord (or the Parking Operator, if so designated by Landlord) for the use of such parking passes, on a monthly basis, the prevailing rate (if any) charged from time to time by Landlord (or the Parking Operator, if so designated by Landlord) for unreserved parking passes in the Building Parking Areas where such parking passes are located, plus all applicable parking taxes. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time by Landlord or the Parking Operator for the orderly operation and use of the Building Parking Areas and upon Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations. In addition, Landlord (or the Parking Operator, if so designated by Landlord) may assign any parking spaces and/or make all or a portion of such spaces reserved or institute an attendant-assisted tandem parking program and/or valet parking program if Landlord (or the Parking

Operator, if so designated by Landlord) determines in its sole discretion that such is necessary or desirable for orderly and efficient parking. Landlord (or the Parking Operator, if so designated by Landlord) specifically reserves the right, from time to time, to change the size, configuration, design, layout, location and all other aspects of the Building Parking Areas, and Tenant acknowledges and agrees that Landlord (or the Parking Operator, if so designated by Landlord), from time to time, may, without incurring any liability to Tenant and without any abatement of Rent under this Lease temporarily close-off or restrict access to any of the Building Parking Areas, or temporarily relocate Tenant's parking passes to other parking structures and/or surface parking areas within a reasonable distance from the Building Parking Areas, for purposes of permitting or facilitating any such construction, alteration or improvements or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Real Property. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to Landlord. The parking passes provided to Tenant pursuant to this Article 23 are provided solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval.

ARTICLE 24

MISCELLANEOUS PROVISIONS

24.1 Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 above.

24.2 Tenant's Signs. Tenant shall be entitled, at its sole cost and expense, to one (1) identification sign on or near the entry doors of the Premises. Such sign shall be installed by a signage contractor designated by Landlord. The location, quality, design, style and size of such sign shall be consistent with the Landlord's Building standard signage program and shall be subject to Landlord's prior written approval. Upon the expiration or earlier termination of this Lease, Tenant shall be responsible, at its sole cost and expense, for the removal of such identification sign and the repair of all damage to the Building caused by such removal. Except for such identification sign, Tenant may not install any signs on the exterior or roof of the Building or the common areas of the Building or the Real Property. Any signs, window coverings, or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or other items visible from the exterior of the Premises or Building are subject to the prior approval of Landlord, in its sole and absolute discretion.

24.3 Modification of Lease. If any current or prospective mortgagee or ground lessor for the Real Property requires modifications to this Lease, which modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are required therefor and deliver the same to Landlord within ten (10) days following the request therefor. If Landlord or any such current or prospective mortgagee or ground lessor require execution of a short form of Lease for recording, containing, among other customary provisions, the names of the parties, a description of the Premises and the Lease Term, Tenant shall execute such short form of Lease and to deliver the same to Landlord within ten (10) days following the request therefor.

24.4 Transfer of Landlord's Interest. Landlord has the right to transfer all or any portion of its interest in the Real Property and/or this Lease, and upon any such transfer and a transfer of the Security Deposit, Landlord shall automatically be released from all liability under this Lease and Tenant shall look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer. Landlord may also assign its interest in this Lease to the holder of any mortgage or deed of trust as additional security, but such assignment shall not release Landlord from its obligations hereunder and Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

24.5 Prohibition Against Recording. Except as provided in Section 24.3 above, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting

through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.

24.6 Captions. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

24.7 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

24.8 Time of Essence. Time is of the essence of this Lease and each of its provisions.

24.9 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

24.10 Landlord Exculpation. Notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Landlord and the Landlord Parties under this Lease (including any successor landlord) and any recourse by Tenant against Landlord or the Landlord Parties (including any successor landlord) shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Real Property, and neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

24.11 Entire Agreement. There are no oral agreements between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease, the exhibits and schedules attached hereto, and any side letter or separate agreement executed by Landlord and Tenant in connection with this Lease and dated of even date herewith contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

24.12 Right to Lease. Landlord reserves the absolute right to effect such other tenancies in the Building as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building.

24.13 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (collectively, the "Force Majeure"), except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease, notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

24.14 Notices. All notices, demands, statements, approvals or communications (collectively, "Notices") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States

certified or registered mail, postage prepaid, return receipt requested, or delivered personally (i) to Tenant at the appropriate address set forth in Section 5 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 3 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. A copy of any Notice delivered to Landlord hereunder shall be delivered to Landlord's administrative limited partner, Alliant Credit Facility, Ltd., c/o Alliant Capital, Ltd., 21600 Oxnard Street, Suite 1200, Woodland Hills, California 91367, Attention: Brian Goldberg Any Notice will be deemed given on the date which is two (2) business days after it is mailed as provided in this Section 24.14 or upon the date personal delivery is made or rejected. If Tenant is notified of the identity and address of Landlord's mortgagee or ground lessor, Tenant shall give to such mortgagee or ground lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant.

24.15 Joint and Several. If there is more than one person or entity executing this Lease as Tenant, the obligations imposed upon such persons and entities under this Lease are and shall be joint and several.

24.16 Authority. Each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so.

24.17 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of California.

24.18 Submission of Lease. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

24.19 Brokers. Landlord and Tenant each hereby represents and warrants to the other party that it (i) has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 11 of the Summary (collectively, the "Brokers"), and (ii) knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the brokerage commissions owing to the Brokers in connection with this Lease pursuant to the terms of a separate written agreement between and/or among Landlord and the Brokers. Each party agrees to indemnify, defend, protect and hold the other party harmless from and against any and all Claims with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent in connection with this Lease other than the Brokers. The terms of this Section 24.19 shall survive the expiration or earlier termination of the Lease Term.

24.20 Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord; provided, however, that the foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for any violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, Real Property or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

24.21 Building Name and Signage. Landlord shall have the right at any time to designate and/or change the name of the Real Property and/or the Building, and to install, affix and maintain any and all signs on the exterior and on the interior of the Real Property and/or the Building, as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Real Property and/or the Building, or use pictures or illustrations of the Real Property and/or the Building, in advertising or other publicity, without the prior written consent of Landlord.

24.22 Successors. Except as otherwise expressly provided herein, the obligations of this Lease shall bind and benefit the successors and assigns of the parties hereto; provided, however, that no assignment, sublease or other Transfer in violation of the provisions of Article 14 shall operate to vest any rights in any putative assignee, subtenant or transferee of Tenant.

24.23 Landlord Renovations. Except as specifically set forth in this Lease: (i) Landlord has no obligation to alter, remodel, improve, renovate, repair or decorate the Premises, Building, Real Property or any part thereof; and (ii) no representations or warranties respecting the condition of the Premises, the Building or the Real Property have been made by Landlord to Tenant. At Landlord's option, Landlord may, at any time and from time to time, renovate, improve, alter, or modify (collectively, the "Renovations") the Building, the Premises, and/or the Real Property, including without limitation the Building Parking Areas, common areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (A) modifying the common areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions, and building safety and security, (B) installing new floor covering, lighting, and wall coverings in the common areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building or Real Property, limit or eliminate access to portions of the Real Property, including portions of the common areas, or perform work in the Building or Real Property, which work may create noise, dust or leave debris in the Real Property, (C) renovation of the main entry to the Building and the main Building lobby area, (D) renovation of the elevator, lobbies, elevator doors and frames, and (E) installations, repairs or maintenance of telephone risers. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection with such Renovations.

24.24 Confidentiality. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, accounting, real estate and space planning consultants, respectively, or as otherwise required by law.

24.25 Landlord's Title; Air Rights. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

24.26 No Waiver. No waiver of any provision of this Lease shall be implied by any failure of a party to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently, any waiver by a party of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

24.27 Jury Trial; Attorneys' Fees. IF EITHER PARTY COMMENCES LITIGATION AGAINST THE OTHER FOR THE SPECIFIC PERFORMANCE OF THIS LEASE, FOR DAMAGES FOR THE BREACH HEREOF OR OTHERWISE FOR ENFORCEMENT OF ANY REMEDY HEREUNDER, THE PARTIES HERETO AGREE TO AND HEREBY DO WAIVE ANY RIGHT TO A TRIAL BY JURY. In the event of any such commencement of litigation, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred, including any and all costs incurred in enforcing, perfecting and executing such judgment.

24.28 Building Directory. At Tenant's cost, Landlord shall include Tenant's name and suite number on one (1) line on the Building lobby directory.

24.29 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

24.30 Substitution of Other Premises. Landlord shall have the right to move Tenant to other space in the Building comparable in size to the Premises, and all terms hereof shall apply to the new space with equal force. In such event, Landlord shall give Tenant at least thirty (30) days' prior notice of Landlord's election to so relocate Tenant, and shall move Tenant's effects to the new space at Landlord's sole cost and expense at such time and in such manner as to inconvenience Tenant as little as reasonably practicable. The new space shall be delivered to Tenant with improvements substantially similar to those improvements existing in the Premises at the time of Landlord's notification to Tenant of the relocation, which improvements shall be paid for by Landlord at Landlord's cost. Simultaneously with such relocation of the Premises, the parties shall immediately execute an amendment to this Lease stating the relocation of the Premises.

IN WITNESS WHEREOF, Landlord and Tenant have caused their duly authorized representatives to execute this Lease as of the day and date first above written.

"Landlord"

1501 N BLACKSTONE AVE., L.P.,
a California limited partnership

By: Corporation for Better Housing,
a California nonprofit public benefit corporation,
its general partner

By: 
Name: Lori Koester
Its: Executive Director

"Tenant"

INTEGRATED COMMUNITY DEVELOPMENT, LLC,
a California limited liability company

By: 
Name: Ben Lipso
Its: Principal

EXHIBIT A

FLOOR PLAN OF PREMISES

EXHIBIT B

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two (2) keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building and to exclude from the Building between the hours of 6:00 p.m. and 8:00 a.m. and at all hours on Saturday, Sunday and Holidays (as defined in the Lease) all persons who do not present a pass or card key to the Building approved by Landlord. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building may be required to sign the Building register when so doing. After-hours access by Tenant's authorized employees may be provided by card-key access or other procedures adopted by Landlord from time to time; Tenant shall pay for the costs of all access cards provided to Tenant's employees and all replacements thereof for lost, stolen or damaged cards. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building or Real Property of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building and/or Real Property during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

4. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Building and/or Real Property, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

5. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. Tenant shall provide Landlord with not less than twenty-four (24) hours' prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building.

6. Landlord shall have the right to control and operate the public portions of the Building and Real Property, the public facilities, the HVAC, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the vicinity of the Building.

7. The requirements of Tenant will be attended to only upon application at the management office of the Building or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

8. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate with Landlord or Landlord's agents to prevent same.

9. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or agents, shall have caused it.

10. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's consent first had and obtained; provided, however, Landlord's prior consent shall not be required with respect to Tenant's placement of pictures and other normal office wall hangings on the interior walls of the Premises (but at the end of the Lease Term, Tenant shall repair any holes and other damage to the Premises resulting therefrom).

11. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines of any description other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

12. Tenant shall not use any method of HVAC other than that which may be supplied by Landlord, without the prior written consent of Landlord.

13. Tenant shall not use or keep in or on the Premises or the Real Property any kerosene, gasoline or other inflammable or combustible fluid or material. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, or interfere in any way with other tenants or those having business therein.

14. Tenant shall not bring into or keep within the Real Property or the Premises any animals, birds, bicycles or other vehicles.

15. No cooking shall be done or permitted by any tenant on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are objectionable to Landlord and other tenants.

16. Landlord will approve where and how telephone and telegraph wires are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the consent of Landlord. The location of telephone, call boxes and other equipment affixed to the Premises shall be subject to the approval of Landlord.

17. Landlord reserves the right to exclude or expel from the Building and/or Real Property any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's HVAC system, and shall refrain from attempting to adjust any controls.

20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the

ordinary and customary manner of removing and disposing of trash and garbage in the city in which the Building is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.

24. The washing and/or detailing of or, the installation of windshields, radios, telephones in or general work on, automobiles shall not be allowed on the Real Property.

25. The term "personal goods or services vendors" as used herein means persons who periodically enter the Building of which the Premises are a part for the purpose of selling goods or services to a tenant, other than goods or services which are used by the Tenant only for the purpose of conducting its business in the Premises. "Personal goods or services" include, but are not limited to, drinking water and other beverages, food, barbering services and shoeshining services. Landlord reserves the right to prohibit personal goods and services vendors from access to the Building except upon Landlord's prior written consent and upon such reasonable terms and conditions, including, but not limited to, the payment of a reasonable fee and provision for insurance coverage, as are related to the safety, care and cleanliness of the Building, the preservation of good order thereon, and the relief of any financial or other burden on Landlord or other tenants occasioned by the presence of such vendors or the sale by them of personal goods or services to Tenant or its employees. Under no circumstance shall the personal goods or services vendors display their products in a public or common area, including corridors and elevator lobbies. If necessary for the accomplishment of these purposes, Landlord may exclude a particular vendor entirely or limit the number of vendors who may be present at any one time in the Building.

26. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

27. Tenant shall comply with any non-smoking ordinance adopted by any applicable governmental authority.

28. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Building. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises and Building, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord shall not be responsible to Tenant or to any other person for the nonobservance of the Rules and Regulations by another tenant or other person. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

EXHIBIT C

AMENDMENT TO LEASE

This AMENDMENT TO LEASE ("Amendment") is made and entered into effective as of _____, _____, by and between [NAME AND TYPE OF ENTITY TO BE CONFIRMED] ("Landlord"), and [NAME AND TYPE OF ENTITY TO BE CONFIRMED] ("Tenant").

R E C I T A L S :

A. Landlord and Tenant entered into that certain Office Lease dated as of _____ (the "Lease") pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain "Premises", as described in the Lease, known as Suite _____ of the Building located at [ADDRESS TO BE PROVIDED].

B. Except as otherwise set forth herein, all capitalized terms used in this Amendment shall have the same meaning given such terms in the Lease.

C. Landlord and Tenant desire to amend the Lease to confirm the commencement and expiration dates of the Lease Term, as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Confirmation of Dates. The parties hereby confirm that (a) Landlord's Work is Substantially Completed, (b) the Lease Term for the Lease commenced as of _____ (the "Lease Commencement Date") for a term of _____ years ending on _____ (the "Lease Expiration Date") (unless sooner terminated or extended as provided in the Lease) and (c) in accordance with the Lease, Rent commenced to accrue on _____.

2. No Further Modification. Except as set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.
"Landlord"

[SIGNATURE BLOCK TO BE PROVIDED]

"Tenant"

[SIGNATURE BLOCK TO BE PROVIDED]

EXHIBIT D

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned, as Tenant under that certain Office Lease (the "Lease") made and entered into as of _____, 20__ and between [NAME AND TYPE OF ENTITY TO BE CONFIRMED], as Landlord, and the undersigned as Tenant, for Premises on the ground floor of the Building located at [ADDRESS TO BE PROVIDED], hereby certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned has commenced occupancy of the Premises described in the Lease, currently occupies the Premises, and the Lease Term commenced on _____.

3. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

4. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

5. Tenant shall not modify the documents contained in Exhibit A or prepay any amounts owing under the Lease to Landlord in excess of thirty (30) days without the prior written consent of Landlord's mortgagee.

6. Base Rent became payable on _____.

7. The Lease Term expires on _____.

8. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder.

9. No rental has been paid in advance and no security has been deposited with Landlord except as provided in the Lease.

10. As of the date hereof, there are no existing defenses or offsets that the undersigned has, which preclude enforcement of the Lease by Landlord.

11. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is \$_____.

12. The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord's prospective mortgagee, or a prospective purchaser, and acknowledges that it recognizes that if same is done, said mortgagee, prospective mortgagee, or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part, and in accepting an assignment of the Lease as collateral security, and that receipt by it of this certificate is a condition of making of the loan or acquisition of such property.

13. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

Executed at _____ on the _____ day of _____, 20__.

"Tenant"

_____,
a _____

By: _____
Name: _____
Its: _____

EXHIBIT E

PROHIBITED USES

- Massage parlor or hot tub facility
- Disco, night club, cocktail lounge, package goods store, liquor store or bar (excluding sit - down restaurants having an alcoholic beverage permit but including any store the principal business of which is the sale of alcoholic beverages for consumption off-site)
- Game arcade (excluding stores that sell children's games or children's toys and also excluding virtual reality arcades and/or establishments)
- Funeral parlor
- Dry cleaning establishments in which cleaning services occur on the premises (excluding drop-off dry cleaners)
- Cinema
- Liquidator/flea market type of operation
- Tattoo parlor
- Soup kitchen or other free food distribution center
- Bus station or other transportation depot
- Pool hall
- Drug paraphernalia shop
- Any overnight use
- Check-cashing operation
- Gun shop
- Bowling Alley
- Off-track betting/gambling facility
- Auto repair shop/body and fender shop Pawn shop
- Adult bookstore/adult industry paraphernalia shop
- Voodoo/palm-reading business
- Marijuana dispensary or similar establishment related to the medical or recreational use, sale or disbursement of marijuana/cannabis
- Any use that would reasonably result in excessive noise around the Premises
- Any use that would reasonably result in a noxious odor around the Premises
- Any use that would reasonably lead to an increase in crime around the Premises