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County of Los Angeles

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Sherri B. Carter, Executive Officer/Clerk
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13 **SUPERIOR COURT FOR THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF LOS ANGELES – WEST DISTRICT**

15 JAMSHID NAZARIAN, an individual,
16
17 Plaintiff,
18
19 vs.
20 DOUGLAS EMMETT 1998, LLC, a Delaware
21 Limited Liability Company, and DOES 1 to 20,
22 inclusive,
23
24 Defendants.

) Case Number: SC125673
)
) [Assigned for all purposes to the Hon. Nancy
) Newman, Department P.]
)
) **JAMSHID NAZARIAN'S FIRST**
) **AMENDED COMPLAINT FOR:**
) **1) BREACH OF THE IMPLIED**
) **COVENANT OF GOOD FAITH AND**
) **FAIR DEALING;**
) **2) FRAUD;**
) **3) BREACH OF CONTRACT; AND**
) **4) SPECIFIC PERFORMANCE**
)
) **DEMAND FOR JURY TRIAL**

1
2 Plaintiff JAMSHID NAZARIAN, an individual (“Nazarian”), alleges against Defendant
3 DOUGLAS EMMETT 1998, LLC, a Delaware Limited Liability Company (“Douglas Emmett”), and
4 DOES 1 to 20, inclusive, and each of them (collectively the “Defendants”) the following:

5 **PARTIES**

6 1. Nazarian is, and at all times relevant was, an individual residing in Los Angeles,
7 California.

8 2. Nazarian is informed and believes and on that basis alleges that Douglas Emmett, is,
9 now and at all times mentioned in this complaint (the “Complaint”) was, a limited liability company
10 organized and existing under the laws of Delaware and doing business in Los Angeles County,
11 California.

12 3. The true names and capacities of defendants sued in this Complaint as Does 1 to 20 are
13 currently unknown to Nazarian, who therefore sues such defendants by such fictitious names. Each of
14 the defendants designated herein as a Doe defendant is legally responsible in some manner for the
15 unlawful acts referred to herein. Nazarian will seek leave of Court to amend this Complaint to reflect
16 the true names and capacities of the defendants designated herein as Does when such identities become
17 known. Douglas Emmett and the Doe Defendants are collectively referred to as the “Defendants.”

18 4. Nazarian is informed and believes and on that basis alleges that at all times mentioned in
19 this Complaint, Defendants were the agents and employees of their co-defendants and in doing the
20 things alleged in this Complaint, were acting within the course and scope of that agency and
21 employment.

22 5. This Complaint concerns the lease of the commercial real property located at 8920
23 Wilshire Boulevard, Suite 501, Beverly Hills, California 90211 (the “Property”).

24 **GENERAL ALLEGATIONS**

25 6. On or about February 1, 1990, Nazarian entered into a written lease agreement (“Lease”)
26 with Douglas Emmett’s predecessor in interest, Advent Realty Limited Partnership II, to lease the
27 Property for the purpose of operating his medical practice for a period of five years. A true copy of the
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1 Lease is attached hereto as **Exhibit A** and incorporated herein by reference as though fully set forth.
2 Thereafter, in or about September 15, 1999, Douglas Emmett and Dr. Nazarian entered into the first
3 amendment to the Lease. Since then, there have been three more extensions of the Lease.

4 7. Accordingly, Nazarian has continuously occupied the Property for the past 26 years.
5 Throughout this time, Nazarian has built a reputable name for his practice, much of which is due to the
6 prime location of the Property.

7 8. Specifically, the Property is located directly across from the elevators for the building
8 within which it is located, making it directly visible to all general foot traffic. In addition, the Property
9 is in close proximity to both a women's clinic and dermatologist office. The two practices are located in
10 close proximity to Nazarian's practice and Nazarian's practice services primarily female clients.
11 Nazarian has substantially grown his practice due to the amount of referrals he has received from these
12 two medical offices.

13 9. The Lease contains a provision whereby Douglas Emmett can elect to move Nazarian to
14 another unit in the building that is the approximate size as the Property (the "Relocation Provision").
15 To that end, if Douglas Emmett gave proper written notice to Nazarian of its election to move Nazarian
16 to another unit in the building, Nazarian would have thirty days thereafter to agree to be relocated or
17 terminate the Lease. Accordingly, Douglas Emmett would be responsible for, among other things,
18 paying the cost of moving Nazarian's furniture and equipment to the other unit, should it decide to
19 move Nazarian's practice.

20 10. On or about September 2014, Douglas Emmett, via David K.N. Huh (Senior Leasing
21 Agent of Douglas Emmett) and Doreen Galchutt (Project Manager of Douglas Emmett), on the one
22 hand and Nazarian, via his broker, Eric Krauter, on the other hand, began negotiating regarding the
23 Lease Renewal for Suite 501.

24 11. Accordingly, on July 27, 2015, David K.N. Huh sent Nazarian an email enclosing a
25 proposal for the Lease Renewal. Specifically, in this proposal of the Lease Renewal the premises
26 regarding the Lease Renewal was listed as:

27 **PREMISES:** 8920 Wilshire Boulevard, Suite 501, Beverly Hills, California 90211
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1 12. Indeed, David K.N. Huh represented in writing to Nazarian that the Lease Renewal
2 would be for that particular space (Suite 501).

3 13. Accordingly, on or about August 28, 2015, Nazarian and Douglas Emmett, via David
4 K.N. Huh, agreed in writing to extend the terms of the Lease for the Property via a Fourth Amendment
5 to the Lease ("Lease Renewal") for a period of five years commencing on January 1, 2016. A true copy
6 of the Lease Renewal is attached hereto as **Exhibit B** and incorporated herein by reference as though
7 fully set forth. Douglas Emmett, via David K.N. Huh, also defined the "premises" in the Lease
8 Renewal as: "8920 Wilshire Boulevard, Beverly Hills, California 90211, commonly known as Suite
9 501."

10 14. In consideration of the Lease Renewal, Nazarian agreed to pay an increased amount to
11 lease the Property.

12 15. However, at the time Nazarian signed the Lease Renewal, Douglas Emmett intentionally
13 concealed the fact that it had already planned to relocate him to another unit in the building (Suite 611)
14 without disclosing the same to Nazarian.

15 16. In fact, Nazarian is informed and believes and on that basis alleges that Douglas Emmett
16 had already signed a lease with another tenant to lease the Property, before it executed the Lease
17 Renewal with Nazarian.

18 17. Thus, Nazarian was shocked and surprised when he learned that Douglas Emmett would
19 be forcing him to relocate his long established medical practice just months after signing the Lease
20 Renewal.

21 18. Certainly, Nazarian would not have signed the Lease Renewal with Douglas Emmett,
22 and certainly not at a higher rate, had he known that Douglas Emmett recently signed a lease with
23 another tenant for the Property and Douglas Emmett was planning to relocate Nazarian to a unit of
24 much lesser value. In addition, Nazarian would certainly not have begun the process of constructing a
25 new surgical suite for the Property had he known he would never be able to utilize it due to the
26 relocation.

27 19. Indeed, Douglas Emmett intentionally concealed any mention of relocating Nazarian to
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1 another unit in the building to induce him to enter into the Lease Renewal.

2 20. Despite the above, Nazarian agreed to be relocated to Suite 611 within thirty days of
3 receiving notice from Douglas Emmett of its election to move him to Suite 611.

4 21. Even though Nazarian unequivocally and timely agreed to be relocated per the terms of
5 the Relocation Provision, Douglas Emmett now refuses to relocate Nazarian to Suite 611, in direct
6 violation of the Relocation Provision in the Lease.

7 22. As a result of Douglas Emmett's actions, Nazarian incurred damages in an amount
8 according to proof at trial.

9 **FIRST CAUSE OF ACTION**

10 **Breach of the Implied Covenant of Good Faith and Fair Dealing**

11 ***(Against Douglas Emmett and Does 1 to 20)***

12 23. Nazarian repeats and re-alleges each and every allegation set forth in paragraphs 1
13 through 22 inclusive, as though fully set forth herein.

14 24. It is well settled that, in California, the law implies in every contract a covenant of good
15 faith and fair dealing. Broadly stated, that covenant requires that a party to a contract not do anything
16 that will deprive another of the benefits of the contract.

17 25. On or about February 1, 1990, Nazarian entered into the Lease with Douglas Emmett's
18 predecessor in interest, Advent Realty Limited Partnership II, to lease the Property for the purpose of
19 operating his medical practice for a period of five years. Thereafter, on or about September 15, 1999,
20 Douglas Emmett and Dr. Nazarian entered into the first amendment to the Lease. Since then, there have
21 been three more extensions of the Lease.

22 26. Nazarian has continuously occupied the Property from the past 26 years. Throughout
23 this time, Nazarian has greatly enhanced the good will of his practice, much of which is due to the
24 prime location of the Property.

25 27. Specifically, the Property is located directly across from the building's elevators,
26 making it directly visible to all general foot traffic. In addition, the Property is in close proximity to
27 both a women's clinic and dermatologist office. The two practices located in close proximity to
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1 Nazarian's practice and Nazarian's practice service primarily female clients. Nazarian has substantially
2 grown his practice due to the amount of referrals he has received from these two medical offices.

3 28. Most recently, on or about August 28, 2015, Nazarian and Douglas Emmett executed the
4 Lease Renewal to extend the terms of the Lease for the Property for a period of five years commencing
5 on January 1, 2016.

6 29. By executing both the Lease and Lease Renewal, Douglas Emmett made an implied
7 promise that it would deliver the particular Property to Nazarian—and not have already signed at lease
8 with another tenant for the same Property. Indeed, in both the Lease and the Lease Renewal, the
9 "premises" is defined as Suite 501 (the Property).

10 30. Nazarian has performed, or substantially performed, all material obligations required of
11 him under the terms of both the Lease and the Lease Renewal, except for other obligations that he has
12 been excused from performing.

13 31. All conditions precedent and concurrent conditions requiring Douglas Emmett's
14 performance under the terms of the Lease and Lease Renewal have occurred or been met.

15 32. As a proximate result of Defendants fraudulent misrepresentations, Nazarian sustained
16 compensatory damages in an amount according to proof at trial.

17 33. Further, paragraph 25 of the Lease specifically states that:

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19 "If the Landlord or Tenant brings an action to enforce the terms thereof or declare rights
20 hereunder, the prevailing party in any such action, or appeal thereof, shall be entitled to its
21 reasonable attorneys' fees and court costs to be paid by the losing party as fixed by the court in
22 the same or separate suit, and whether or not such action is pursued to decision or judgment."

23 34. Accordingly, Nazarian is entitled to attorneys' fees as authorized by paragraph 25 of the
24 Lease.

25 SECOND CAUSE OF ACTION

26 **Fraud**

27 *(Against Douglas Emmett and Does 1 to 20)*

28 35. Nazarian repeats and re-alleges each and every allegation set forth in paragraphs 1
through 22, inclusive, as though fully set forth herein.

1 36. On or about September 2014, Douglas Emmett, via David K.N. Huh and Doreen
2 Galchutt, on the one hand and Nazarian, via his broker, Eric Krauter, on the other hand, began
3 negotiating regarding the Lease Renewal for Suite 501.

4 37. Accordingly, on July 27, 2015, David K.N. Huh sent Nazarian an email enclosing a
5 proposal for the Lease Renewal. Specifically, in this proposal of the Lease Renewal the premises
6 regarding the Lease Renewal was listed as:

7 **PREMISES:** 8920 Wilshire Boulevard, Suite 501, Beverly Hills, California 90211

8 38. Indeed, David K.N. Huh represented in writing to Nazarian that the Lease Renewal
9 would be for that particular space (Suite 501).

10 39. Thereafter, on or about August 28, 2015, Douglas Emmett, via David K.N. Huh,
11 specifically negotiated with Nazarian regarding the Lease Renewal for that particular space (Suite 501).
12 Indeed, Douglas Emmett, via David K.N. Huh also defined the "premises" in the Lease Renewal as:
13 "8920 Wilshire Boulevard, Beverly Hills, California 90211, commonly known as Suite 501."

14 40. It follows that on at least two occasions Douglas Emmett, via David K.N. Huh,
15 represented in writing to Nazarian, that Douglas Emmett would renew its Lease with Nazarian for this
16 particular Property.

17 41. The representations Douglas Emmett made to Nazarian were false.

18 42. In fact, throughout the Lease Renewal negotiations, Douglas Emmett intentionally failed
19 to disclose the fact that it had already leased the Property to another tenant prior to Nazarian signing the
20 Lease Renewal. In other words, Douglas Emmett had planned to relocate him to another unit in the
21 building prior to Nazarian signing the Lease Renewal for the Property.

22 43. This fact was only known to Douglas Emmett and Nazarian could not have discovered
23 this fact.

24 44. Accordingly, Nazarian's reliance on the representations made by Douglass Emmett was
25 reasonable and justified, especially because there was no mention of relocation in the Lease Renewal
26 and Douglas Emmett also made no mention of this.

27 45. In addition, Douglass Emmett had an affirmative duty to Nazarian to disclose known
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1 facts materially affecting the value or desirability of renewing the Lease for the Property. Specifically, a
2 person who makes a true representation but knows of other facts that condition or modify the
3 representation has a duty to disclose all of the other facts that affect the truth and accuracy of the
4 representation. Indeed, Douglas Emmett's had a duty to disclose the fact that it had intended to
5 relocate Nazarian to Suite 611 as it had already signed a lease regarding Suite 501 with another tenant
6 prior to the execution of the Lease Renewal.

7 46. Douglas Emmett intended to deceive Nazarian by concealing the fact that he was not
8 actually signing a Lease Renewal for the Property.

9 47. Douglas Emmett omitted this information in order to induce Nazarian to execute the
10 Lease Renewal and for a higher rate. Clearly, this gave Douglas Emmett an extreme upper hand in the
11 negotiation process, as Nazarian would clearly not have agreed to all of the exact terms of the Lease
12 Renewal had it been for another suite in the building.

13 48. In fact, had Douglas Emmett disclosed this information to Nazarian, Nazarian would not
14 have entered into the Lease Renewal with Douglas Emmett at a higher rental rate or began the process
15 of remodeling the surgical suite in the Property, only to be relocated to another unit of much lesser
16 value.

17 49. As a proximate result of Douglas Emmett's concealment, Nazarian sustained
18 compensatory damages in an amount according to proof at trial. Specifically, Dr. Nazarian was forced
19 to stop all work in constructing his surgical suite and thus, can no longer utilize the surgical suite or
20 conduct any surgeries related to the surgical suite. This, among other things, has caused Nazarian an
21 extensive amount of damages.

22 50. Further, paragraph 25 of the Lease specifically states that:

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24 "If the Landlord or Tenant brings an action to enforce the terms thereof or declare rights
25 hereunder, the prevailing party in any such action, or appeal thereof, shall be entitled to its
26 reasonable attorneys' fees and court costs to be paid by the losing party as fixed by the court in
27 the same or separate suit, and whether or not such action is pursued to decision or judgment."

28 51. Accordingly, Nazarian is entitled to attorneys' fees as authorized by paragraph 25 of the
Lease.

1 52. Indeed, Douglas Emmett's concealment was a substantial factor in causing Nazarian's
2 harm.

3 53. Nazarian is informed and believes and on that basis alleges that Douglas Emmett, in
4 making these representations to Nazarian, acted maliciously and oppressively towards Nazarian, in that
5 Douglas Emmett knew the representations to be false, which caused Nazarian to suffer damages. As a
6 result, Nazarian is entitled to exemplary damages against Douglas Emmett.

7 **THIRD CAUSE OF ACTION**

8 **Breach of Contract**

9 ***(Against Douglas Emmett and Does 1 to 20)***

10 54. Nazarian repeats and re-alleges each and every allegation set forth in paragraphs 1
11 through 22, inclusive, as though fully set forth herein.

12 55. On or about February 1, 1990, Nazarian entered into the Lease with Douglas Emmett's
13 predecessor in interest, Advent Realty Limited Partnership II, to lease the Property for the purpose of
14 operating his medical practice for a period of five years. Thereafter, in or about September 15, 1999,
15 Douglas Emmett and Dr. Nazarian entered into the first amendment to the Lease. Since then, there have
16 been three more extensions of the Lease.

17 56. The Relocation Provision in the Lease states that, if Douglas Emmett gives written
18 notice to Nazarian of its election to move Nazarian to another unit in the building, Nazarian has thirty
19 days thereafter to agree to be relocated or terminate the Lease.

20 57. Douglas Emmett gave written notice to Schorr Law, Nazarian's attorney, of its election
21 to move Nazarian to Suite 611.

22 58. Within thirty days of receipt of the written notice from Douglas Emmett, Nazarian
23 agreed, in writing, to relocate to Suite 611.

24 59. Douglas Emmett breached the Lease by then failing to relocate Nazarian to Suite 611. In
25 fact, Douglas Emmett has now unequivocally refused to relocate Nazarian and has demanded he vacate
26 the Property or Douglas Emmett will commence an unlawful detainer action to recover possession.

27 60. Nazarian performed all the obligations required of him under the Lease, except those
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1 obligations he was prevented or excused from performing.

2 61. As a proximate result of Douglas Emmett's breaches, Nazarian sustained compensatory
3 damages in an amount according to proof at trial. In addition, to the extent that Douglas Emmett
4 successfully evicts Nazarian pursuant to an unlawful detainer action based on Douglas Emmett's
5 breach of the Lease, Nazarian will suffer additional compensatory damages as a result of the same.

6 62. As a direct result of Douglas Emmett's actions, Nazarian was forced to hire counsel and
7 has incurred attorney's fees and costs in connection with the same.

8 63. Further, paragraph 25 of the Lease specifically states that:

9 "If the Landlord or Tenant brings an action to enforce the terms thereof or declare rights
10 hereunder, the prevailing party in any such action, or appeal thereof, shall be entitled to its
11 reasonable attorneys' fees and court costs to be paid by the losing party as fixed by the court in
12 the same or separate suit, and whether or not such action is pursued to decision or judgment."

13 64. Accordingly, Nazarian is entitled to attorneys' fees as authorized by paragraph 25 of the
14 Lease.

15 **FOURTH CAUSE OF ACTION**

16 **Specific Performance**

17 ***(Against Douglas Emmett and Does 1 to 20)***

18 65. Nazarian repeats and re-alleges each and every allegation set forth in paragraphs 1
19 through 22, inclusive, as though fully set forth herein.

20 66. On or about February 1, 1990, Nazarian entered into the Lease with Douglas Emmett's
21 predecessor in interest, Advent Realty Limited Partnership II, to lease the Property for the purpose of
22 operating his medical practice for a period of five years. Thereafter, in or about September 15, 1999,
23 Douglas Emmett and Dr. Nazarian entered into the first amendment to the Lease. Since then, there have
24 been three more extensions of the Lease.

25 67. The Relocation Provision of the Lease states that, if Douglas Emmett gives written
26 notice to Nazarian of its election to move Nazarian to another unit in the building, Nazarian has thirty
27 days thereafter to agree to be relocated or terminate the Lease.

1 68. Douglas Emmett gave written notice to Schorr Law, Nazarian's attorney, of its election
2 to move Nazarian to Suite 611.

3 69. Within thirty days of receipt of the written notice from Douglas Emmett, Nazarian
4 agreed in writing to relocate to Suite 611.

5 70. Nazarian has performed all conditions, covenants, and compromises required of him
6 under the Lease, except those obligations he was prevented or excused from performing.

7 71. However, Douglas Emmett has now refused to proceed with Nazarian's relocation to
8 Suite 611 pursuant to the terms of the Lease. In fact, Douglas Emmett now unequivocally refuses to
9 relocate Nazarian and has demanded he vacate the Property on or before April 13, 2016 or Douglas
10 Emmett will commence an unlawful detainer action to recover possession.

11 72. For the reasons stated herein, Nazarian has no adequate legal remedy. Damages, if
12 awarded, cannot be properly ascertained because there is no fixed market value for Nazarian's loss of
13 possession, use and enjoyment of the subject property. Further, an award of damages will be inadequate
14 to compensate Nazarian for the detriment suffered by him, by reason of loss of occupancy, use and
15 enjoyment of a suite at the property.

16 **WHEREFORE**, Nazarian prays for judgment and relief against Defendants as follows:

17 **ON THE FIRST and THIRD CAUSES OF ACTION:**

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- 19 1. For compensatory damages, in an amount according to proof at trial;
 - 20 2. For interest on damages according to proof;
 - 21 3. For costs of suit incurred herein;
 - 22 4. For attorneys' fees incurred herein according to proof; and
 - 23 5. For such further relief as the Court deems just and proper.

24 **ON THE SECOND CAUSE OF ACTION:**

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- 26 1. For general and special damages, in an amount according to proof at trial;
 - 27 2. For interest on damages according to proof;
 - 28 3. For exemplary and punitive damages;

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- 4. For costs of suit incurred herein;
- 5. For attorneys fees incurred herein; and
- 6. For such other and further relief as the court may deem proper.

ON THE FOURTH CAUSE OF ACTION:

- 1. For relocation of Nazarian's medical practice to Suite 611;
- 2. For costs of suit incurred herein;
- 3. For attorneys fees incurred herein; and
- 4. For such other and further relief as the Court may deem proper.

DATED: June 21, 2016

SCHORR LAW
A Professional Corporation
ZACHARY D. SCHORR

By: 
ZACHARY D. SCHORR
STEPHANIE C. GOLDSTEIN
Attorneys for Plaintiff
JAMSHID NAZARIAN

STANDARD OFFICE LEASE

1. Basic Lease Provisions.

- 1.1 **Parties:** This Lease, dated for reference purposes only July 1, 1994, is made by and between Advent Realty Limited Partnership II, a Delaware limited partnership ("Landlord") and Jamshid Nazarian, M.D., ("Tenant").
- 1.2 **Premises:** Suite Number(s) 501, as shown on Exhibit "A" attached hereto (the "Premises").
- 1.3 **Rentable Area of Premises:** 1,298 square feet.
- 1.4 **Building Address:** 8920 Wilshire Boulevard, Beverly Hills, California 90211.
- 1.5 **Use:** Medical Office, Examination of Patients & General Office, subject to the requirements and limitations contained in section 6.
- 1.6 **Term:** Five (5) years and Zero (0) months.
- 1.7 **Commencement Date:** July 1, 1994, subject to adjustment in accordance with section 3 below.
- 1.8 **Base Rent:** \$ 2,596.00 plus gross receipts tax of \$61.01 per month.
- 1.9 **Base Rent Paid Execution** : \$ N/A for _____
- 1.10 **Security Deposit:** \$5,589.40 currently held by Landlord.
- 1.11 **Tenant's Share:** 1.37 %
- 1.12 **Base Year:** The calendar year 1994.
- 1.13 **Number of Parking Spaces:** Two (2) reserved and up to two (2) unreserved.
- 1.14 **Initial Monthly Parking Rates per Vehicle:** Reserved: \$ 110.00
Unreserved: \$ 75.00 each.
- 1.15 **Real Estate Broker:**
Landlord: Exel Real Estate Services, Inc.
Tenant: Exel Real Estate Services, Inc.
- 1.16 **Attachments to Lease in Addition to Exhibit A - "Premises" and Exhibit C - "Rules and Regulations," Exhibit E - "Addendum".**
- 1.17 **Address for Notices:**
Landlord: Advent Realty Limited Partnership II
45 Milk Street
Boston, Massachusetts 02109
Attention: Asset Manager
Tenant : Jamshid Nazarian, M.D.
8920 Wilshire Blvd.
Suite 501
Beverly Hills, California 90211

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2. Premises.

2.1 **Lease of Premises and Definition of Project.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon all of the conditions set forth herein the Premises, together with certain rights in the Common Areas as hereinafter specified. The Premises shall not include an easement for light, air or view. The building of which the Premises is a part (the "Building"), the Common Areas (as defined below), the land upon which the same are located, along with all other buildings and improvements thereon or thereunder, including all parking facilities, are herein collectively referred to as the "Project."

2.2 **Calculation of Size of Building and Premises.** The number of rentable square feet included within the Building has been calculated in accordance with the methods of measuring rentable square feet, as that method is described in the American National Institute Publication ANSI Z65.1-1980, as promulgated by the Building Owners and Managers Association (the "BOMA Standard"). The number of rentable square feet in the Premises has been calculated by measuring the number of usable square feet within the Premises calculated in accordance with the BOMA Standard and increasing the number of usable square feet by fifteen percent (15%). If the rentable square feet in the Premises changes after this Lease is executed by Landlord and Tenant, the Base Rent and any advance rent shall be adjusted by multiplying the new number of rentable square feet in the Premises by the per square foot rental obtained by dividing the Base Rent initially set forth in section 1.0 by the number of rentable square feet initially set forth in section 1.3. If the number of rentable square feet in the Premises is changed, Tenant's Share shall be adjusted as provided in section 4.2(a).

2.3 **Common Areas-Defined.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project that are designated by Landlord from time to time for the general non-exclusive use of Landlord, Tenant and the other tenants of the Project and their respective employees, suppliers, customers and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, roadways and sidewalks. Landlord may also designate other land and improvements outside the boundaries of the Project to be a part of the Common Areas, provided that such other land and improvements have a reasonable and functional relationship to the Project.

3. Term.

3.1 **Term and Commencement Date.** The term and Commencement Date of this Lease are as specified in sections 1.6 and 1.7. The Commencement Date set forth in section 1.7 is an estimated Commencement Date. Subject to the limitations contained in section 3.2 below, the actual Commencement Date shall be the date possession of the Premises is tendered to Tenant in accordance with section 3.4 below provided, however, that the term of this Lease shall be computed from the first day of the calendar month following the Commencement Date. When the actual Commencement Date is established by Landlord, Tenant shall, within five (5) days after Landlord's request, complete and execute the letter attached hereto as Exhibit "B" and deliver it to Landlord. Tenant's failure to execute the letter attached hereto as Exhibit "B" within said five (5) day period shall be a material default hereunder and shall constitute Tenant's acknowledgment of the truth of the facts contained in the letter delivered by Landlord to Tenant.

3.2 **Delay in Possession.** Notwithstanding the estimated Commencement Date specified in section 1.7, if for any reason Landlord cannot deliver possession of the Premises to Tenant on said date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder; provided, however, in such a case, Tenant shall not be obligated to pay rent or perform any other obligation of Tenant under this Lease, except as may be otherwise provided in this Lease, until possession of the Premises is tendered to Tenant, as defined in section 3.4. If Landlord shall not have tendered possession of the Premises to Tenant within one hundred twenty (120) days following the estimated Commencement Date specified in section 1.7, at the same time as adjusted in accordance with section 3.3 or in accordance with the terms of any work letter agreement entered into by Landlord and Tenant, Tenant may, at Tenant's option, by notice in writing to Landlord within ten (10) days after the expiration of the one hundred twenty (120) day period, terminate this lease. If Tenant terminates this lease as provided in the preceding sentence, the parties shall be discharged from all obligations hereunder, except that Landlord shall retain any money previously deposited with Landlord by Tenant, and provided further, that if such written notice by Tenant is not received by Landlord within said ten (10) day period, Tenant shall not have the right to terminate this Lease as provided above unless Landlord fails to tender possession of the Premises to Tenant within two hundred forty (240) days following the estimated Commencement Date specified in section 1.7, at the same time as adjusted in accordance with section 3.3 or in accordance with the terms of any work letter agreement entered into by Landlord and Tenant. If Landlord is unable to deliver possession of the Premises to Tenant on the Commencement Date due to a Force Majeure Event, the Commencement Date shall be extended by the period of the delay caused by the Force Majeure Event. A Force Majeure Event shall mean fire, earthquake, weather delays or other acts of God, strikes, boycotts, war, riot, insurrection, embargoes, shortages of equipment, labor or materials, delays in issuance of governmental permits or approvals, or any other cause beyond the reasonable control of Landlord.

3.3 **Delays Caused by Tenant.** There shall be no abatement of rent, and the one hundred twenty (120) day period and the two hundred forty (240) day period specified in section 3.2 shall be deemed extended to the extent of any delays caused by acts or omissions of Tenant, Tenant's agents, employees and contractors, or for Tenant delays as defined in any work letter agreement entered into by Landlord and Tenant. If any (hereinafter "Tenant Delays") Tenant shall pay to Landlord an amount equal to one third (1/3) of the Base Rent due for the first full calendar month of the Lease term for each day of Tenant Delay. For purposes of the foregoing calculation, the Base Rent payable for the first full calendar month of the term of this Lease shall not be reduced by any abated rent, conditionally waived rent, free rent or similar contractual concessions. If any Landlord and Tenant agree that the foregoing payment constitutes a fair and reasonable estimate of the damage Landlord will incur as the result of a Tenant Delay. Within thirty (30) days after Landlord tenders possession of the Premises to Tenant, Landlord shall notify Tenant of Landlord's reasonable estimate of the date Landlord could have delivered possession of the Premises to Tenant but for the Tenant Delays. After delivery of said notice, Tenant shall immediately pay to Landlord the amount described above for the period of Tenant Delay.

3.4 **Tender of Possession.** Possession of the Premises shall be deemed tendered to Tenant when Landlord's architect or agent has determined that (a) the improvements to be provided by Landlord pursuant to a work letter agreement, if any, are substantially completed, (b) the Project utilities are ready for use in the Premises, (c) Tenant has reasonable access to the Premises, and (d) three (3) days shall have elapsed following advance written notice to Tenant of the occurrence of the matters described in (a), (b) and (c) above of this section 3.4. If improvements to the Premises are constructed by Landlord, the improvements shall be deemed substantially completed when the improvements have been completed except for minor items or defects which can be completed or remedied after Tenant occupies the Premises without causing substantial interference with Tenant's use of the Premises.

3.5 **Early Possession.** If Tenant occupies the Premises prior to the Commencement Date, such occupancy shall be subject to all provisions of this Lease, such occupancy shall not change the termination date, and Tenant shall pay Base Rent and all other charges provided for in this Lease during the period of such occupancy. Provided that Tenant does not interfere with or delay the completion by Landlord or its agents or contractors of the construction of any tenant improvements, Tenant shall have the right to enter the Premises up to fourteen (14) days prior to the anticipated Commencement Date for the purpose of installing furniture, trade fixtures, equipment, and similar items. Tenant shall be liable for any damage or delay caused by Tenant's activities in the Premises. Provided that Tenant has not begun operating its business from the Premises, and subject to all of the terms and conditions of the Lease, the foregoing activity shall not constitute the delivery of possession of the Premises to Tenant and the Lease term shall not commence as a result of said activities. Prior to entering the Premises Tenant shall obtain all insurance it is required to obtain by the Lease and shall provide certificates of said insurance to Landlord. Tenant shall coordinate such entry with Landlord's building manager, and such entry shall be made in compliance with all terms and conditions of this Lease and the Rules and Regulations attached hereto.

4. Rent.

4.1 **Base Rent.** Subject to adjustment as hereinafter provided in section 4.3, Tenant shall pay to Landlord the Base Rent for the Premises set forth in section 1.8, without offset or deduction on the first day of each calendar month. At the time Tenant executes this Lease it shall pay to Landlord the advance Base Rent described in section 1.9. Base Rent for any period during the term hereof which is for less than one month shall be prorated based upon the actual number of days of the calendar month involved. Base Rent and all other amounts payable to Landlord hereunder shall be payable to Landlord in lawful money of the United States, and Tenant shall be responsible for delivering said amounts to Landlord at the address stated herein or to such other persons or to such other places as Landlord may designate in writing.

4.2 **Operating Expense Increases.** Tenant shall pay to Landlord during the term hereof, in addition to the Base Rent, Tenant's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year. If less than 95% of the rentable square feet in the Project is occupied by tenants or Landlord is not supplying services to 95% of the rentable square feet of the Project at any time during any calendar year (including the Base Year), Operating Expenses for such calendar year shall be an amount equal to the Operating Expenses which would normally be expected to be incurred had 95% of the Project's rentable square feet been occupied and had Landlord been supplying services to 95% of the Project's rentable square feet throughout such calendar year (hereinafter the "Grossed Up Operating Expenses"). Landlord's good faith estimate of Grossed Up Operating Expenses shall not be subject to challenge or recalculation by Tenant. Tenant's Share of Operating Expense Increases shall be determined in accordance with the following provisions:

(a) "Tenant's Share" is defined as the percentage set forth in section 1.11, which percentage has been determined by dividing the number of rentable square feet in the Premises by ninety-five percent (95%) of the total number of rentable square feet in the Project and multiplying the resulting quotient by one hundred (100). In the event that the number of rentable square feet in the Project or the Premises changes, Tenant's Share shall be adjusted in the year the change occurs, and Tenant's Share for such year shall be determined on the basis of the days during such year that each Tenant's Share was in effect.

(b) "Comparison Year" is defined as each calendar year during the term of this Lease after the Base Year. Tenant's Share of the Operating Expense Increases for the last Comparison Year of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Tenant is responsible for a share of such increase.

(c) "Operating Expenses" shall include all costs, expenses and fees incurred by Landlord in connection with or attributable to the Project, including but not limited to, the following items: (i) all costs, expenses and fees associated with or attributable to the ownership, management, operation, repair, maintenance, improvement, alteration and replacement of the Project, or any part thereof, including but not limited to, the following: (A) all surfaces, coverings, decorative items, carpets, drapes, window coverings, parking areas, loading and unloading areas, trash areas, roadways, sidewalks, stairways, landscaped areas, striping, bumpers, irrigation systems, lighting facilities, building exteriors and roofs, fences and gates; (B) all heating, ventilating and air conditioning equipment ("HVAC") (including, but not limited to, the cost of replacing or retrofitting HVAC equipment to comply with laws regulating or prohibiting the use or release of chlorofluorocarbons or hydrochlorofluorocarbons), plumbing, mechanical, electrical systems, life safety systems and equipment, telecommunication equipment, elevators, escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair; (ii) the cost of trash disposal, janitorial services and security services and systems; (iii) the cost of all insurance purchased by Landlord and enumerated in section 8 of this Lease, including any deductibles; (iv) the cost of water, sewer, gas, electricity, and other utilities available at the Project and paid by Landlord; (v) the cost of labor, salaries and applicable fringe benefits incurred by Landlord; (vi) the cost of materials, supplies and tools used in managing, maintaining and/or cleaning the Project; (vii) the cost of accounting fees, management fees, legal fees and consulting fees attributable to the ownership, operation, management, maintenance and repair of the Project plus the cost of any space occupied by the property manager and leasing agent (if Landlord is the property manager, Landlord shall be entitled to receive a fair market management fee); (viii) the cost of replacing, modifying and/or adding improvements or equipment mandated by any law, statute, regulation or directive of any governmental agency and any repairs or removals necessitated thereby (including, but not limited to, the cost of complying with the Americans With Disabilities Act); (ix) payments made by Landlord under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the payment or sharing of costs among property owners; (x) any business property taxes or personal property taxes imposed upon the fixtures, machinery, equipment, furniture and personal property used in connection with the operation of the Project; (xi) the cost of all business licenses; (xii) transportation taxes, fees or assessments, including but not limited to, mass transportation fees, metro rail fees, trip fees, regional and transportation district fees, (xiii) all costs and expenses associated with or related to the implementation by Landlord of any transportation demand management program or similar program; (xiv) fees assessed by any air quality management district or other governmental or quasi-governmental entity regulating pollution; (xv) the cost of installing intrabuilding network cabling ("INC") and maintaining, repairing, securing and replacing existing INC; and (xvi) the cost of any other service provided by Landlord or any cost that is elsewhere stated in this Lease to be an "Operating Expense." Real Property Taxes shall be paid in accordance with section 10 below and shall not be included in Operating Expenses. Landlord shall have the right but not the obligation, from time to time, to equitably allocate some or all of the Operating Expenses among different tenants of the Project or among the different buildings which comprise the Project (the "Cost Pools"). Such Cost Pools may include, but shall not be limited to, the office space tenants of the Project and the retail space tenants of the Project.

(d) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Landlord is otherwise reimbursed by any third party or by insurance proceeds.

(e) If the cost incurred in making an improvement or replacing any equipment is not fully deductible as an expense in the year incurred in accordance with generally accepted accounting principles, the cost shall be amortized over the useful life of the improvement or equipment, as reasonably determined by Landlord, together with an interest factor on the unamortized cost of such item equal to the lesser of (i) twelve percent (12%) per annum or (ii) the maximum rate of interest permitted by applicable law.

(f) Tenant's Share of Operating Expense Increases shall be payable by Tenant within ten (10) days after a reasonably detailed statement of actual expenses is presented to Tenant by Landlord. At Landlord's option, however, Landlord may, from time to time, estimate what Tenant's Share of Operating Expense Increases will be, and the same shall be payable by Tenant monthly during each Comparison Year of the Lease term, on the same day as the Base Rent is due hereunder. In the event that Tenant pays Landlord's estimate of Tenant's Share of Operating Expense Increases, Landlord shall use its best efforts to deliver to Tenant within one hundred eighty (180) days after the expiration of each Comparison Year a reasonably detailed statement showing Tenant's Share of the actual Operating Expense Increases incurred during such year. Landlord's failure to deliver the statement to Tenant within said period shall not constitute Landlord's waiver of its right to collect said amounts or otherwise prejudice Landlord's rights hereunder. If Tenant's payments under this section 4.2(f) during said Comparison Year exceed Tenant's Share as indicated on said statement, Tenant shall be entitled to credit the amount of such overpayment against Tenant's Share of Operating Expense Increases next falling due. If Tenant's payments under this section 4.2(f) during said Comparison Year were less than Tenant's Share as indicated on said statement, Tenant shall pay to Landlord the amount of the deficiency within thirty (30) days after delivery by Landlord to Tenant of said statement. Landlord and Tenant shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Tenant is responsible for Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year; and this provision shall survive the expiration or earlier termination of the Lease.

(g) The computation of Tenant's Share of Operating Expense Increases is intended to provide a formula for the sharing of costs by Landlord and Tenant and will not necessarily result in the reimbursement to Landlord of the exact costs it has incurred.

4.3 **Base Rent Increase.**

(a) The Base Rent shall be increased each year on the anniversary of the first day of the calendar month in which the Commencement Date occurs by the increase, if any, in the Consumer Price Index of the Bureau of Labor Statistics of the Department of

labor for All Urban Consumers, (1982-1984 - 100), "all items", for the metropolitan area nearest the location of the Project, herein referred to as CPI-U."

(b) — The monthly Base Rent payable pursuant to section 4.3(e) shall be calculated as follows: the Base Rent payable for the first month of the term of this Lease shall be multiplied by a fraction the numerator of which shall be the CPI-U of the calendar month which is three months prior to the month during which the adjustment is to take effect, and the denominator of which shall be the CPI-U for the calendar month which is three months prior to the calendar month in which the Commencement Date occurs. The sum so calculated shall constitute the new monthly Base Rent hereunder, but, in no event, shall such new monthly Base Rent be less than the Base Rent payable for the month immediately preceding the date for the Base Rent increase. For purposes of the foregoing calculation, the Base Rent payable for the first month of the term of this Lease shall not be reduced by any abated rent, conditionally waived rent, free rent or similar rental concessions, if any.

(c) — If the 1982-1984 base period for the CPI-U is changed, the conversion tables issued by the Bureau of Labor Statistics shall be used. In the event the compilation and/or publication of the CPI-U shall be transferred to any other governmental department or agency or shall be discontinued, then the index most nearly the same as the CPI-U shall be used to make such calculations. In the event that Landlord and Tenant cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in the County in which the Premises are located, in accordance with the then rules of said association and the decision of the arbitrator shall be binding upon the parties, notwithstanding one party failing to appear after due notice of the proceedings. The cost of said arbitrators shall be paid equally by Landlord and Tenant.

(d) — Tenant shall continue to pay the rent at the rate previously in effect until the increase, if any, is determined. Within ten (10) days following the date on which the increase is determined, Tenant shall make such payment to Landlord as will bring the increased Base Rent current, commencing with the effective date of such increase through the date of such determination. Thereafter the Base Rent shall be paid at the increased rate. No delay by Landlord in making a CPI-U adjustment shall constitute the waiver by Landlord of its right to make said adjustment.

4.4 **Gross Receipts Taxes and Similar Charges.** In addition to Base Rent, Operating Expense Increases and other charges payable by Tenant hereunder, Tenant shall pay to Landlord as additional rent, on demand, the entire amount of any gross receipts tax, commercial rental tax or similar tax or fee (hereinafter collectively referred to as "Gross Receipts Taxes") payable by Landlord and attributable to payments made by Tenant to Landlord hereunder. Tenant acknowledges that Gross Receipts Taxes may not be separately assessed by the taxing authority on Tenant's payments to Landlord. Landlord shall have the right to determine by any reasonable means the amount of Gross Receipts Taxes attributable to Tenant's payments, and any reasonable determination made by Landlord shall be final and binding on Tenant, even if other methods of determining the Gross Receipts Taxes attributable to Tenant's payments would result in a different amount of Gross Receipts Taxes being payable by Tenant. Gross Receipts Taxes shall be payable by Tenant at the same time, in the same manner and under the same terms and conditions as Tenant pays Tenant's Share of Operating Expense Increases as provided in section 4.2(f) of this Lease. Tenant shall pay the entire amount of Gross Receipts Taxes and not only increases in the Gross Receipts Taxes over the Base Year Gross Receipts Taxes.

5. **Security Deposit.** Tenant shall deliver to Landlord at the time it executes this Lease the security deposit set forth in section 1.10 as security for Tenant's faithful performance of Tenant's obligations hereunder. If Tenant fails to pay Base Rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Landlord may use all or any portion of said deposit for the payment of any Base Rent or other charge due hereunder, to pay any other sum to which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. If Landlord so uses or applies all or any portion of said deposit, Tenant shall within ten (10) days after written demand therefor deposit cash with Landlord in an amount sufficient to restore said deposit to its full amount. Landlord shall not be required to keep said security deposit separate from its general accounts. If Tenant performs all of Tenant's obligations hereunder, said deposit, or so much thereof as has not heretofore been applied by Landlord, shall be returned, without payment of interest or other amount for its use, to Tenant (or, at Landlord's option, to the last assignee, if any, of Tenant's interest hereunder) at the expiration of the term hereof, and after Tenant has vacated the Premises. No trust relationship is created herein between Landlord and Tenant with respect to said security deposit. Tenant acknowledges that the security deposit is not an advance payment of any kind or a measure of Landlord's damages in the event of Tenant's default. Tenant hereby waives the provisions of any law which is inconsistent with this section 5.

6. Use.

6.1 **Use.** The Premises shall be used and occupied only for the purpose set forth in section 1.5 and for no other purpose. If section 1.5 gives Tenant the right to use the Premises for general office use, by way of example and not limitation, general office use shall not include medical office use or any similar use, laboratory use, classroom use, any use not characterized by applicable zoning and land use restrictions as general office use, or any use which would require Landlord or Tenant to obtain a conditional use permit or variance from any federal, state or local authority. Notwithstanding any permitted use inserted in section 1.5, Tenant shall not use the Premises for any purpose which would violate the Project's certificate of occupancy, any conditional use permit or variance applicable to the Project or violate any covenants, conditions or other restrictions applicable to the Project. No exclusive use has been granted to Tenant hereunder.

6.2 Compliance with Law.

(a) Landlord warrants to Tenant that, to the best of Landlord's knowledge, the Premises, in the state existing on the date this Lease is executed by Landlord and Tenant, but without regard to alterations or improvements to be made by Tenant or the use for which Tenant will occupy the Premises, does not violate any covenants or restrictions of record, or any applicable building code, regulation or ordinance in effect on such date.

(b) Tenant shall, at Tenant's sole expense, promptly comply with all applicable laws, ordinances, rules, regulations, orders, certificates of occupancy, conditional use or other permits, variances, covenants and restrictions of record, the recommendations of Landlord's engineer or other consultants, and requirements of any fire insurance underwriters, rating bureaus or government agencies, now in effect or which may hereafter come into effect, whether or not they reflect a change in policy from that now existing, during the term or any part of the term hereof, relating in any manner to the Premises and the occupation and use by Tenant of the Premises. Tenant shall, at Tenant's sole expense, comply with all requirements of the Americans With Disabilities Act that relate to the Premises, and all federal, state and local laws and regulations governing occupational safety and health. Tenant shall conduct its business and use the Premises in a lawful manner and shall not use or permit the use of the Premises or the Common Area in any manner that will tend to create waste or a nuisance or shall tend to disturb other occupants of the Project. Tenant shall obtain, at its sole expense, any permit or other governmental authorization required to operate its business from the Premises. Landlord shall not be liable for the failure of any other tenant or person to abide by the requirements of this section or to otherwise comply with applicable laws and regulations, and Tenant shall not be excused from the performance of its obligations under this Lease due to such a failure.

6.3 **Condition of Premises.** Except as otherwise provided in this Lease, Tenant hereby accepts the Premises and the Project in their condition existing as of the date this Lease is executed by Landlord and Tenant, subject to all applicable federal, state and local laws, ordinances, regulations and permits governing the use of the Premises, the Project's certificate of occupancy, any applicable conditional use permits or variances, and any easements, covenants or restrictions affecting the use of the Premises or the Project. Tenant acknowledges that it has satisfied itself by its own independent investigation that the Premises and the Project are suitable for its intended use, and that neither Landlord nor Landlord's agents has made any representation or warranty as to the present or future suitability of the Premises, or the Project for the conduct of Tenant's business.

7. Maintenance, Repairs and Alterations.

7.1 **Landlord's Obligations.** Landlord shall keep the Project (excluding the interior of the Premises and space leased to other occupants of the Project) in good condition and repair. If plumbing pipes, electrical wiring, HVAC ducts or vents within the Premises are in need of repair, Tenant shall immediately notify Landlord, and Landlord shall cause the repairs to be completed within a reasonable time, and Tenant shall immediately pay the entire cost of the repairs to Landlord. Except as provided in section 9.3, there shall be no abatement of rent or liability to Tenant on account of any injury or interference with Tenant's business with respect to any improvements, alterations or repairs made by Landlord to the Project or any part thereof. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Project in good order, condition and repair.

7.2 Tenant's Obligations.

(a) Subject to the requirements of section 7.3, Tenant shall be responsible for keeping the Premises in good condition and repair, at Tenant's sole expense. By way of example, and not limitation, Tenant shall be responsible, at Tenant's sole expense, for repairing and/or replacing, carpet, marble, tile or other flooring, paint, wall coverings, corridor and interior doors and door hardware, telephone and computer equipment, interior glass, window treatments, ceiling tiles, shelving, cabinets, millwork and other tenant improvements. In addition, Tenant shall be responsible for the installation, maintenance and repair of all telephone, computer and related cabling from the telephone terminal room on the floor on which the Premises is located to and throughout the Premises, and Tenant shall be responsible for any loss, cost, damage, liability and expense (including attorneys' fees) arising out of or related to the installation, maintenance, repair and replacement of such cabling. If Tenant fails to keep the Premises in good condition and repair, Landlord may, but shall not be obligated to, make any necessary repairs. If Landlord makes such repairs, Landlord may bill Tenant for the cost of the repairs as additional rent, and said additional rent shall be payable by Tenant within ten (10) days.

(b) On the last day of the term hereof, or on any sooner termination, Tenant shall surrender the Premises to Landlord in the same condition as received, ordinary wear and tear excepted, clean and free of debris and Tenant's personal property. Tenant shall repair any damage to the Premises occasioned by the installation or removal of Tenant's trade fixtures, furnishings and equipment. Tenant shall leave the electrical distribution systems, plumbing systems, lighting fixtures, HVAC ducts and vents, window treatments, wall coverings, carpets and other floor coverings, doors and door hardware, millwork, ceilings and other tenant improvements at the Premises and in good condition, ordinary wear and tear excepted.

7.3 Alterations and Additions.

(a) Tenant shall not, without Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion, make any alterations, improvements, additions, utility installations or repairs (hereinafter collectively referred to as "Alterations") in, on or about the Premises or the Project. Alterations shall include, but shall not be limited to, the installation or alteration of security or fire protection systems, communication systems, millwork, shelving, file retrieval or storage systems, carpeting or other floor covering, window and wall coverings, electrical distribution systems, lighting fixtures, telephone or computer system wiring, HVAC and plumbing. At the expiration of the term, Landlord may require the removal of any Alterations installed by Tenant and the restoration of the Premises and the Project to their prior condition, at Tenant's expense. If a work letter agreement is entered into by Landlord and Tenant, Tenant shall not be obligated to remove the tenant improvements constructed in accordance with the work letter agreement. If, as a result of any Alteration made by Tenant, Landlord is obligated to comply with the Americans With Disabilities Act or any other law or regulation and such compliance requires Landlord to make any improvement or Alteration to any portion of the Project, as a condition to Landlord's consent, Landlord shall have the right to require Tenant to pay to Landlord prior to the construction of any Alteration by Tenant, the entire cost of any improvement or alteration Landlord is obligated to complete by such law or regulation. Should Landlord permit Tenant to make its own Alterations, Tenant shall use only such contractor as has been expressly approved by Landlord, and Landlord may require Tenant to provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such Alterations, to insure Landlord against any liability for mechanic's and materialmen's liens and to insure completion of the work. In addition, Tenant shall pay to Landlord a fee equal to six percent (6%) of the cost of the Alterations to compensate Landlord for the overhead and other costs it incurs in reviewing the plans for the Alterations and in monitoring the construction of the Alterations. Should Tenant make any Alterations without the prior approval of Landlord, or use a contractor not expressly approved by Landlord, Landlord may, at any time during the term of this Lease, require that Tenant remove all or part of the Alterations and return the Premises to the condition it was in prior to the making of the Alterations. In the event Tenant makes any Alterations, Tenant agrees to obtain or cause its contractor to obtain, prior to the commencement of any work, "builders all risk" insurance in an amount approved by Landlord and workers compensation insurance.

(b) Any Alterations in or about the Premises that Tenant shall desire to make shall be presented to Landlord in written form, with plans and specifications which are sufficiently detailed to obtain a building permit. If Landlord consents to an Alteration, the consent shall be deemed conditioned upon Tenant acquiring a building permit from the applicable governmental agencies, furnishing a copy thereof to Landlord prior to the commencement of the work, and compliance by Tenant with all conditions of said permit in a prompt and expeditious manner. Tenant shall provide Landlord with as-built plans and specifications for any Alterations made to the Premises.

(c) Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or the Project, or any interest therein. If Tenant shall, in good faith, contest the validity of any such lien, Tenant shall furnish to Landlord a surety bond satisfactory to Landlord in an amount equal to not less than one and one-half times the amount of such contested lien claims indemnifying Landlord against liability arising out of such lien or claim. Such bond shall be sufficient in form and amount to free the Project from the effect of such lien. In addition, Landlord may require Tenant to pay Landlord's reasonable attorneys' fees and costs in participating in such action.

(d) Tenant shall give Landlord not less than ten (10) days' advance written notice prior to the commencement of any work in the Premises by Tenant, and Landlord shall have the right to post notices of non-responsibility in or on the Premises or the Project.

(e) All Alterations (whether or not such Alterations constitute trade fixtures of Tenant) which may be made to the Premises by Tenant shall be paid for by Tenant, at Tenant's sole expense, and shall be made and done in a good and workmanlike manner and with new materials satisfactory to Landlord, and such Alteration shall be the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Lease term, unless Landlord requires their removal pursuant to section 7.3(a). Provided Tenant is not in default, Tenant's personal property and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises or the Project, shall remain the property of Tenant and may be removed by Tenant subject to the provisions of section 7.2(b).

7.4 **Failure of Tenant to Remove Property.** If this Lease is terminated due to the expiration of its term or otherwise, and Tenant fails to remove its property as required by section 7.2(b), in addition to any other remedies available to Landlord under this Lease, and subject to any other right or remedy Landlord may have under applicable law, Landlord may remove any property of Tenant from the Premises and store the same elsewhere at the expense and risk of Tenant.

8. Insurance.

8.1 Insurance-Tenant.

(a) Tenant shall obtain and keep in force during the term of this Lease a commercial general liability policy of insurance with coverages acceptable to Landlord, in Landlord's sole discretion, which, by way of example and not limitation, protects Tenant

and Landlord (as an additional insured) against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$2,000,000 per occurrence with an "Additional Insured-Managers and Landlords of Premises Endorsement" and contain the "Amendment of the Pollution Exclusion" for damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any Intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Tenant's indemnity obligations under this Lease.

(b) Tenant shall obtain and keep in force during the term of this Lease extended coverage property insurance with coverages acceptable to Landlord, in Landlord's sole discretion. Said insurance shall be written on a one hundred percent (100%) replacement cost basis on Tenant's personal property, all tenant improvements installed at the Premises by Landlord or Tenant, Tenant's trade fixtures and other property. Such policies shall provide protection against any peril included within the classification "fire and extended coverage," against vandalism and malicious mischief, theft, sprinkler leakage, earthquake damage and flood damage. If this Lease is terminated as the result of a casualty in accordance with section 9, the proceeds of said insurance attributable to the replacement of all tenant improvements at the Premises shall be paid to Landlord.

(c) Tenant shall, at all times during the term hereof, maintain in effect workers' compensation insurance as required by applicable law and business interruption and extra expense insurance satisfactory to Landlord.

8.2 Insurance-Landlord.

(a) Landlord shall obtain and keep in force a policy of general liability insurance with coverage against such risks and in such amounts as Landlord deems advisable insuring Landlord against liability arising out of the ownership, operation and management of the Project.

(b) Landlord shall also obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Project in the amount of not less than eighty percent (80%) of the full replacement cost thereof, as determined by Landlord from time to time. The terms and conditions of said policies and the perils and risks covered thereby shall be determined by Landlord, from time to time, in Landlord's sole discretion. In addition, at Landlord's option, Landlord shall obtain and keep in force, during the term of this Lease, a policy of rental interruption insurance, with loss payable to Landlord, which insurance shall, at Landlord's option, also cover all Operating Expenses. At Landlord's option, Landlord may obtain insurance coverages and/or bonds related to the operation of the parking areas. At Landlord's option, Landlord may obtain coverage for flood and earthquake damages. In addition, Landlord shall have the right to obtain such additional insurance as is customarily carried by owners or operators of other comparable office buildings in the geographical area of the Project. Tenant will not be named as an additional insured in any insurance policies carried by Landlord and shall have no right to any proceeds therefrom. The policies purchased by Landlord shall contain such deductibles as Landlord may determine. In addition to amounts payable by Tenant in accordance with section 4.2, Tenant shall pay any increase in the property insurance premiums for the Project over what was payable immediately prior to the increase to the extent the increase is specified by Landlord's insurance carrier as being caused by the nature of Tenant's occupancy or any act or omission of Tenant.

8.3 **Insurance Policies.** Tenant shall deliver to Landlord copies of the insurance policies required under section 8.1 within fifteen (15) days prior to the Commencement Date of this Lease, and Landlord shall have the right to approve the terms and conditions of said policies. Tenant's insurance policies shall not be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to Landlord. Tenant shall, at least thirty (30) days prior to the expiration of such policies, furnish Landlord with renewals thereof. Tenant's insurance policies shall be issued by insurance companies authorized to do business in the state in which the Project is located, and said companies shall maintain during the policy term a "General Policyholder's Rating" of at least A X (or such other rating as may be required by any lender having a lien on the Project) as set forth in the most recent edition of "Best Insurance Reports." All insurance obtained by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only. Landlord, and at Landlord's option, the holder of any mortgage or deed of trust encumbering the Project and any person or entity managing the Project on behalf of Landlord, shall be named as an additional insured on all insurance policies Tenant is obligated to obtain by section 8.1 above. Tenant's insurance policies shall not include deductibles in excess of Five Thousand Dollars (\$5,000).

8.4 **Waiver of Subrogation.** Landlord waives any and all rights of recovery against Tenant for or arising out of damage to, or destruction of, the Project to the extent that Landlord's insurance policies then in force insure against such damage or destruction and permit such waiver, and only to the extent of the insurance proceeds actually received by Landlord for such damage or destruction. Landlord's waiver shall not relieve Tenant from liability under section 21 below except to the extent Landlord's insurance company actually satisfies Tenant's obligations under section 21 in accordance with the requirements of section 21. Tenant waives any and all rights of recovery against Landlord, Landlord's employees, agents and contractors for liability or damages if such liability or damage is covered by Tenant's insurance policies then in force or the insurance policies Tenant is required to obtain by section 8.1 (whether or not the insurance Tenant is required to obtain by section 8.1 is then in force and effect), whichever is broader. Tenant's waiver shall not be limited by the amount of insurance then carried by Tenant or the deductibles applicable thereto. Tenant shall cause the insurance policies it obtains in accordance with this section 8 to provide that the insurance company waives all right of recovery by subrogation against Landlord in connection with any liability or damage covered by Tenant's insurance policies.

8.5 **Coverage.** Landlord makes no representation to Tenant that the limits or forms of coverage specified above or approved by Landlord are adequate to insure Tenant's property or Tenant's obligations under this Lease, and the limits of any insurance carried by Tenant shall not limit Tenant's obligations or liability under any indemnity provision included in this Lease or under any other provision of this Lease.

9. Damage or Destruction.

9.1 **Effect of Damage or Destruction.** If all or part of the Project is damaged by fire, earthquake, flood, explosion, the elements, riot, the release or existence of Hazardous Substances (as defined below) or by any other cause whatsoever (hereinafter collectively referred to as "damages"), but the damages are not material (as defined in section 9.2 below), Landlord shall repair the damages to the Project as soon as is reasonably possible, and this Lease shall remain in full force and effect. If all or part of the Project is destroyed or materially damaged (as defined in section 9.2 below), Landlord shall have the right, in its sole and complete discretion, to repair or to rebuild the Project or to terminate this Lease. Landlord shall within ninety (90) days after the occurrence of such material damage or destruction notify Tenant in writing of Landlord's intention to repair or to rebuild or to terminate this Lease. Tenant shall in no event be entitled to compensation or damages on account of annoyance or inconvenience in making any repairs, or on account of construction, or on account of Landlord's election to terminate this Lease. Notwithstanding the foregoing, if Landlord shall elect to rebuild or repair the Project, but in good faith determines that the Premises cannot be rebuilt or repaired within two hundred seventy (270) days after the date of the occurrence of the damage or destruction, without payment of overtime or other premiums, and the damage to the Project will render the entire Premises unusable during said two hundred seventy (270) day period, Landlord shall notify Tenant thereof in writing at the time of Landlord's election to rebuild or repair, and Tenant shall thereafter have a period of fifteen (15) days within which Tenant may elect to terminate this Lease, upon thirty (30) days' advance written notice to Landlord. Tenant's termination right described in the preceding sentence shall not apply if the damage was caused by the negligent or intentional act of Tenant or its employees, agents, contractors or licensees. Failure of Tenant to exercise said election within said period shall constitute Tenant's agreement to accept delivery of the Premises under this Lease whenever tendered by Landlord, provided Landlord thereafter pursues reconstruction or restoration diligently to completion, subject to delays beyond Landlord's reasonable control. Subject to section 9.3 below, if Landlord or Tenant terminates this Lease in accordance with this section 9.1, Tenant shall continue to pay all Base Rent, Operating Expense increases and other amounts due hereunder which arise prior to the date of termination.

9.2 **Definition of Material Damage.** Damage to the Project shall be deemed material if, in Landlord's reasonable judgment, the uninsured cost of repairing the damage will exceed Twenty-Five Thousand Dollars (\$25,000). If insurance proceeds are available to Landlord

In an amount which is sufficient to pay the entire cost of repairing all of the damage to the Project, the damage shall be deemed material if the cost of repairing the damage exceeds One Hundred Thousand Dollars (\$100,000). Damage to the Project shall also be deemed material if (a) the Project cannot be rebuilt or repaired to substantially the same condition it was in prior to the damage due to laws or regulations in effect at the time the repairs will be made, (b) the holder of any mortgage or deed of trust encumbering the Project requires that insurance proceeds available to repair the damage in excess of Twenty-Five Thousand Dollars (\$25,000) be applied to the repayment of the indebtedness secured by the mortgage or the deed of trust, or (c) the damage occurs during the last twelve (12) months of the Lease term.

9.3 Abatement of Rent. If Landlord elects to repair damage to the Project and all or part of the Premises will be unusable or inaccessible to Tenant in the ordinary conduct of its business until the damage is repaired, and the damage was not caused by the negligence or intentional acts of Tenant or its employees, agents, contractors or invitees, Tenant's Base Rent and Tenant's Share of Operating Expense increases shall be abated until the repairs are completed in proportion to the amount of the Premises which is unusable or inaccessible to Tenant in the ordinary conduct of its business. Notwithstanding the foregoing, there shall be no abatement of Base Rent or Tenant's Share of Operating Expense increases by reason of any portion of the Premises being unusable or inaccessible for a period equal to five (5) consecutive business days or less. If the cause of the damage or destruction is an earthquake or a flood, Tenant shall only be entitled to an abatement of rent when and if Landlord receives reimbursement for such rent from insurance proceeds, if any.

9.4 Tenant's Acts. If such damage or destruction occurs as a result of the negligence or the intentional acts of Tenant or Tenant's employees, agents, contractors or invitees, and the proceeds of insurance which are actually received by Landlord are not sufficient to pay for the repair of all of the damage, Tenant shall pay, at Tenant's sole cost and expense, to Landlord upon demand, the difference between the cost of repairing the damage and the insurance proceeds received by Landlord.

9.5 Tenant's Property. As more fully set forth in section 22, Landlord shall not be liable to Tenant or its employees, agents, contractors, invitees or customers for loss or damage to merchandise, tenant improvements, fixtures, automobiles, furniture, equipment, computers, files or other property (hereinafter collectively "Tenant's property") located at the Project. Tenant shall repair or replace all of Tenant's property at Tenant's sole cost and expense. Tenant acknowledges that it is Tenant's sole responsibility to obtain adequate insurance coverage to compensate Tenant for damage to Tenant's property.

9.6 Waiver. Landlord and Tenant hereby waive the provisions of any present or future statutes which relate to the termination of leases when leased property is damaged or destroyed and agree that such event shall be governed by the terms of this Lease.

10. Real and Personal Property Taxes.

10.1 Payment of Taxes. Tenant shall pay to Landlord during the term of this Lease, in addition to Base Rent and Tenant's Share of Operating Expense increases, Tenant's Share of the amount by which all "Real Property Taxes" (as defined in section 10.2 below) for each Comparison Year exceeds the amount of all Real Property Taxes for the Base Year. Tenant's Share of Real Property Tax increases shall be payable by Tenant at the same time, in the same manner and under the same terms and conditions as Tenant pays Tenant's Share of Operating Expense increases as provided in section 4.2(f) of this Lease. Except as expressly provided in section 10.4 below, if the Real Property Taxes incurred during any Comparison Year are less than the Real Property Taxes incurred during the Base Year, Tenant shall not be entitled to receive any credit, offset, reduction or benefit as a result of said occurrence.

10.2 Definition of "Real Property Tax." As used herein, the term "Real Property Taxes" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, improvement bond or bonds imposed on the Project or any portion thereof by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Landlord in the Project or in any portion thereof, unless such tax is defined as an Operating Expense by section 4.3(c).

10.3 Personal Property Taxes. Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or related to Tenant's use of the Premises. If any of Tenant's personal property shall be assessed with Landlord's real or personal property, Tenant shall pay to Landlord the taxes attributable to Tenant within ten (10) days after receipt of a written statement from Landlord setting forth the taxes applicable to Tenant's property.

10.4 Reassessments. From time to time Landlord may challenge the assessed value of the Project as determined by applicable taxing authorities and/or Landlord may attempt to cause the Real Property Taxes to be reduced on other grounds. If Landlord is successful in causing the Real Property Taxes to be reduced or in obtaining a refund, rebate, credit or similar benefit (hereinafter collectively referred to as a "reduction"), Landlord shall have the option, in its sole discretion, to (a) retain the benefit of the reduction and to pay, at Landlord's sole expense, the costs incurred by Landlord in causing the reduction to be made or (b) to the extent practicable, to credit the reduction(s) to Real Property Taxes for the calendar year to which a reduction applies and to recalculate the Real Property Taxes owed by Tenant for years after the year in which the reduction applies based on the reduced Real Property Taxes (if a reduction applies to Tenant's Base Year, the Base Year Real Property Taxes shall be reduced by the amount of the reduction and Tenant's Share of Real Property Tax increases shall be recalculated for all Comparison Years following the year of the reduction based on the lower Base Year amount). If Landlord proceeds in accordance with (b) above, all costs incurred by Landlord in obtaining the Real Property Tax reductions shall be considered an Operating Expense and Landlord shall determine, in its sole discretion, to which years any reductions will be applied. In addition, if Landlord proceeds in accordance with (b) above, all accounting and related costs incurred by Landlord in calculating new Base Years for tenants and in making all other adjustments shall be an Operating Expense. If Landlord proceeds in accordance with (a) above, Landlord shall not be obligated to refund to Tenant all or any portion of the reduction or to reduce Real Property Taxes for the years to which any reductions apply.

11. Utilities.

11.1 Services Provided by Landlord. Subject to all governmental rules, regulations and guidelines applicable thereto, Landlord shall use its best efforts to provide HVAC to the Premises for normal office use during the times described in section 11.4, reasonable amounts of electricity for normal office lighting and fractional horsepower office machines, water in the Premises or in the Common Area for reasonable and normal drinking and lavatory use, replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures, and building standard janitorial services.

11.2 Intra-building Network Cabling. In addition to the items described in 11.1 above, Landlord shall also provide Tenant with access to a reasonable amount of INC. For purposes of this section 11.2, a reasonable amount of INC shall not exceed two (2) cable pairs per one thousand (1,000) usable square feet of space in the Premises. If Tenant requires additional INC capacity, the cost of providing, maintaining, repairing and replacing such capacity shall be borne solely by Tenant. Additional INC capacity may only be installed, maintained, repaired and replaced by a contractor approved by Landlord, in Landlord's sole discretion. The Building's minimum point of entry ("MPOE") for telephone service, the INC risers and the telephone terminal rooms located on each floor of the Building may only be accessed with Landlord's prior consent and by contractors approved by Landlord, in Landlord's sole discretion. Tenant shall be responsible for any loss, cost, damage, liability and expense (including attorneys' fees) arising out of or related to the installation, maintenance, repair and replacement of additional INC capacity.

11.3 Services Exclusive to Tenant. Tenant shall pay for all water, gas, heat, electricity, telephone and other utilities and services supplied and/or metered exclusively to the Premises or to Tenant, together with any taxes thereon. If any such services are not separately metered to the Premises, Tenant shall pay, at Landlord's option, either Tenant's Share or a reasonable proportion to be determined by Landlord of all charges jointly metered with other premises in the Project.

11.4 Hours of Service. Building services and utilities shall be provided Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturdays from 9:00 a.m. to 1:00 p.m. Janitorial services shall be provided Monday through Friday. HVAC and other Building services shall not be provided at other times or on nationally recognized holidays. Nationally recognized holidays shall include, but shall not necessarily be limited to, New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Landlord shall use its best efforts to provide HVAC to Tenant at times other than those set forth above subject to (a) the payment by Tenant of Landlord's standard charge, as determined by Landlord from time to time, in Landlord's sole discretion, for after hours HVAC and (b) Tenant providing to Landlord at least one (1) business day's advance written notice of Tenant's need for after hours HVAC. As of the date of this Lease, and subject to future increases, the standard charge for after hours HVAC is Fifty Dollars (\$50.00) per hour. Tenant shall pay all after hours HVAC charges to Landlord within three (3) days after Landlord bills Tenant for said charges.

11.5 Excess Usage by Tenant. Notwithstanding the use set forth in section 1.5, Tenant shall not use Building utilities or services in excess of those used by the average office building tenant using its premises for ordinary office use. Tenant shall not install at the Premises office machines, lighting fixtures or other equipment which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If Tenant does use Building utilities or services in excess of those used by the average office building tenant, Landlord shall have the right, in addition to any other rights or remedies it may have under this Lease, to (a) at Tenant's expense, install separate metering devices at the Premises, and to charge Tenant for its usage, (b) require Tenant to pay to Landlord all costs, expenses and damages incurred by Landlord as a result of such usage, and (c) require Tenant to stop using excess utilities or services.

11.6 Interruptions. Tenant agrees that Landlord shall not be liable to Tenant for its failure to furnish gas, electricity, telephone service, water, HVAC or any other utility services or building services when such failure 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, telephone service or other utility at the Project, by any accident, casualty or event arising from any cause whatsoever, including the negligence of Landlord, its employees, agents and contractors, by act, negligence or default of Tenant or any other person or entity, or by any other cause, and such failures shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from the obligation of paying rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for loss of 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 such services or utilities. Landlord may comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions without creating any liability of Landlord to Tenant under this Lease.

12. Assignment and Subletting.

12.1 Landlord's Consent Required. Tenant shall not voluntarily or by operation of law assign, transfer, hypothecate, mortgage, sublet, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Premises (hereinafter collectively a "Transfer"), without Landlord's prior written consent, which shall not be unreasonably withheld. Landlord shall respond to Tenant's written request for consent hereunder within thirty (30) days after Landlord's receipt of the written request from Tenant. Any attempted Transfer without such consent shall be void and shall constitute a material default and breach of this Lease. Tenant's written request for Landlord's consent shall include, and Landlord's thirty (30) day response period referred to above shall not commence, unless and until Landlord has received from Tenant, all of the following information: (a) financial statements for the proposed assignee or subtenant for the past three (3) years prepared in accordance with generally accepted accounting principles, (b) federal tax returns for the proposed assignee or subtenant for the past three (3) years, (c) a TRW credit report or similar report on the proposed assignee or subtenant, (d) a detailed description of the business the assignee or subtenant intends to operate at the Premises, (e) the proposed effective date of the assignment or sublease, (f) a copy of the proposed sublease or assignment agreement which includes all of the terms and conditions of the proposed assignment or sublease, (g) a detailed description of any ownership or commercial relationship between Tenant and the proposed assignee or subtenant and (h) a detailed description of any Alterations the proposed assignee or subtenant desires to make to the Premises. If the obligations of the proposed assignee or subtenant will be guaranteed by any person or entity, Tenant's written request shall not be considered complete until the information described in (a), (b) and (c) of the previous sentence has been provided with respect to each proposed guarantor. "Transfer" shall also include the transfer (a) if Tenant is a corporation, and Tenant's stock is not publicly traded over a recognized securities exchange, of more than twenty five percent (25%) of the voting stock of such corporation during the term of this Lease (whether or not in one or more transfers) or the dissolution, merger or liquidation of the corporation, or (b) if Tenant is a partnership or other entity, of more than twenty five percent (25%) of the profit and loss participation in such partnership or entity during the term of this Lease (whether or not in one or more transfers) or the dissolution, merger or liquidation of the partnership.

12.2 Leveraged Buy-out. The involvement by Tenant or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, refinancing, transfer, leveraged buy-out or otherwise) whether or not a formal assignment or hypothecation of this Lease or Tenant's assets occurs, which results or will result in a reduction of the "Net Worth" of Tenant as hereinafter defined, by an amount equal to or greater than twenty-five percent (25%) of such Net Worth of Tenant as it is represented to Landlord at the time of the execution by Landlord of this Lease, or as it exists immediately prior to said transaction or transactions constituting such reduction, at whichever time said Net Worth of Tenant was or is greater, shall be considered to be an assignment of this Lease by Tenant to which Landlord may reasonably withhold its consent. "Net Worth" of Tenant for purposes of this section 12.2 shall be the net worth of Tenant (excluding any guarantors) established under generally accepted accounting principles consistently applied.

12.3 Standard For Approval. Landlord shall not unreasonably withhold its consent to a Transfer provided that Tenant has complied with each and every requirement, term and condition of this section 12. Tenant acknowledges and agrees that each requirement, term and condition in this section 12 is a reasonable requirement, term or condition. It shall be deemed reasonable for Landlord to withhold its consent to a Transfer if any requirement, term or condition of this section 12 is not complied with or: (a) the Transfer would cause Landlord to be in violation of its obligations under another lease or agreement to which Landlord is a party; (b) in Landlord's reasonable judgment, a proposed assignee or subtenant has a smaller net worth than Tenant had on the date this Lease was entered into with Tenant or is less able financially to pay the rents due under this Lease as and when they are due and payable; (c) a proposed assignee's or subtenant's business will impose a burden on the Project's parking facilities, elevators, Common Areas or utilities that is greater than the burden imposed by Tenant, in Landlord's reasonable judgment; (d) the terms of a proposed assignment or subletting will allow the proposed assignee or subtenant to exercise a right of renewal, right of expansion, right of first offer, right of first refusal or similar right held by Tenant; (e) a proposed assignee or subtenant refuses to enter into a written assignment agreement or sublease, reasonably satisfactory to Landlord, which provides that it will abide by and assume all of the terms and conditions of this Lease for the term of any assignment or sublease and containing such other terms and conditions as Landlord reasonably deems necessary; (f) the use of the Premises by the proposed assignee or subtenant will not be identical to the use permitted by this Lease; (g) any guarantor of this Lease refuses to consent to the Transfer or to execute a written agreement reaffirming the guaranty; (h) Tenant is in default as defined in section 13.1 at the time of the request; (i) if requested by Landlord, the assignee or subtenant refuses to sign a non-disturbance and attornment agreement in favor of Landlord's lender; (j) Landlord has sued or been sued by the proposed assignee or subtenant or has otherwise been involved in a legal dispute with the proposed assignee or subtenant; (k) the assignee or subtenant is involved in a business which is not in keeping with the then current standards of the Project; or (l) the proposed assignee or subtenant is an existing tenant of the Project or is a person or entity then negotiating with Landlord for the lease of space in the Project.

12.4 Additional Terms and Conditions. The following terms and conditions shall be applicable to any Transfer:

(a) Regardless of Landlord's consent, no Transfer shall release Tenant from Tenant's obligations hereunder or alter the primary liability of Tenant to pay the rent and other sums due Landlord hereunder and to perform all other obligations to be performed by Tenant hereunder or release any guarantor from its obligations under its guaranty.

(b) Landlord may accept rent from any person other than Tenant pending approval or disapproval of an assignment or subletting.

(c) Neither a delay in the approval or disapproval of a Transfer, nor the acceptance of rent, shall constitute a waiver or estoppel of Landlord's right to exercise its rights and remedies for the breach of any of the terms or conditions of this section 12.

(d) The consent by Landlord to any Transfer shall not constitute a consent to any subsequent Transfer by Tenant or to any subsequent or successive Transfer by an assignee or subtenant. However, Landlord may consent to subsequent Transfers or any amendments or modifications thereto without notifying Tenant or anyone else liable on the Lease and without obtaining their consent, and such action shall not relieve such persons from liability under this Lease.

(e) In the event of any default under this Lease, Landlord may proceed directly against Tenant, any guarantors or anyone else responsible for the performance of this Lease, including any subtenant or assignee, without first exhausting Landlord's remedies against any other person or entity responsible therefor to Landlord, or any security held by Landlord.

(f) Landlord's written consent to any Transfer by Tenant shall not constitute an acknowledgment that no default then exists under this Lease nor shall such consent be deemed a waiver of any then existing default.

(g) The discovery of the fact that any financial statement relied upon by Landlord in giving its consent to an assignment or subletting was materially false shall, at Landlord's election, render Landlord's consent null and void.

(h) Landlord shall not be liable under this Lease or under any sublease to any subtenant.

(i) No assignment or sublease may be modified or amended without Landlord's prior written consent.

(j) The occurrence of a transaction described in section 12.2 shall give Landlord the right (but not the obligation) to require that Tenant immediately provide Landlord with an additional security deposit equal to twelve (12) times the monthly Base Rent payable under the Lease, and Landlord may make its receipt of such amount a condition to Landlord's consent to such transaction.

(k) Any assignee of, or subtenant under, this Lease shall, by reason of accepting such assignment or entering into such sublease, be deemed, for the benefit of Landlord, to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Tenant during the term of said assignment or sublease, other than such obligations as are contrary or inconsistent with provisions of an assignment or sublease to which Landlord has specifically consented in writing.

12.5 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Tenant of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Tenant hereby absolutely and unconditionally assigns and transfers to Landlord all of Tenant's interest in all rentals and income arising from any sublease entered into by Tenant, and Landlord may collect such rent and income and apply same toward Tenant's obligations under this Lease; provided, however, that until a default shall occur in the performance of Tenant's obligations under this Lease, Tenant may receive, collect and enjoy the rents accruing under such sublease. Landlord shall not, by reason of this or any other assignment of such rents to Landlord nor by reason of the collection of the rents from a subtenant, be deemed to have assumed or recognized any sublease or to be liable to the subtenant for any failure of Tenant to perform and comply with any of Tenant's obligations to such subtenant under such sublease, including, but not limited to, Tenant's obligation to return any security deposit. Tenant hereby irrevocably authorizes and directs any such subtenant, upon receipt of a written notice from Landlord stating that a default exists in the performance of Tenant's obligations under this Lease, to pay to Landlord the rents due as they become due under the sublease. Tenant agrees that such subtenant shall have the right to rely upon any such statement and request from Landlord, and that such subtenant shall pay such rents to Landlord without any obligation or right to inquire as to whether such default exists and notwithstanding any notice from or claim from Tenant to the contrary.

(b) In the event Tenant shall default in the performance of its obligations under this Lease, Landlord at its option and without any obligation to do so, may require any subtenant to atturn to Landlord, in which event Landlord shall undertake the obligations of Tenant under such sublease from the time of the exercise of said option to the termination of such sublease; provided, however, Landlord shall not be liable for any prepaid rents or security deposit paid by such subtenant to Tenant or for any other prior defaults of Tenant under such sublease.

12.6 Transfer Premium from Assignment or Subletting. Landlord shall be entitled to receive from Tenant (as and when received by Tenant) as a part of additional rent fifty percent (50%) of all amounts received by Tenant from such assignee or subtenant in excess of the amounts payable by Tenant to Landlord hereunder (the "Transfer Premium"). The Transfer Premium shall be reduced by the reasonable brokerage commissions and legal fees actually paid by Tenant in order to assign the Lease or to sublet a portion of the Premises. "Transfer Premium" shall mean all Base Rent, additional rent or other consideration of any type whatsoever payable by the assignee or subtenant in excess of the Base Rent and additional rent payable by Tenant under this Lease. If less than all of the Premises is transferred, the Base Rent and the additional rent shall be determined on a per rentable square foot basis. "Transfer Premium" shall also include, but not be limited to, key money and bonus money paid by the assignee or subtenant to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to the assignee or subtenant or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to the assignee or subtenant in connection with such Transfer.

12.7 Landlord's Option to Recapture Space. Notwithstanding anything to the contrary contained in this section 12, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any request by Tenant to assign this Lease or to sublease space in the Premises, to terminate this Lease with respect to said space as of the date thirty (30) days after Landlord's election. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Base Rent, Tenant's Share of Operating Expenses increases and the number of parking spaces Tenant may use shall be adjusted on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the original 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 same. If Landlord recaptures only a portion of the Premises, it shall construct and erect at its sole cost such partitions as may be required to sever the space to be retained by Tenant from the space recaptured by Landlord. Landlord may, at its option, lease any recaptured portion of the Premises to the proposed subtenant or assignee or to any other person or entity without liability to Tenant. Tenant shall not be entitled to any portion of the profit, if any, Landlord may realize on account of such termination and reletting. Tenant acknowledges that the purpose of this section 12.7 is to enable Landlord to receive profit in the form of higher rent or other consideration to be received from an assignee or subtenant, to give Landlord the ability to meet additional space requirements of other tenants of the Project and to permit Landlord to control the leasing of space in the Project. Tenant acknowledges and agrees that the requirements of this section 12.7 are commercially reasonable and are consistent with the intentions of Landlord and Tenant.

12.8 Landlord's Expenses. In the event Tenant shall assign this Lease or sublet the Premises or request the consent of Landlord to any Transfer, then Tenant shall pay Landlord's reasonable costs and expenses incurred in connection therewith, including, but not limited to, attorneys', architects', accountants', engineers' or other consultants' fees.

13. **Default; Remedies.**

13.1 **Default by Tenant.** Landlord and Tenant hereby agree that the occurrence of any one or more of the following events is a material default by Tenant under this Lease and that said default shall give Landlord the rights described in section 13.2. Landlord or Landlord's authorized agent shall have the right to execute and to deliver any notice of default, notice to pay rent or quit or any other notice Landlord gives Tenant.

(a) Tenant's failure to make any payment of Base Rent, Tenant's Share of Operating Expense Increases, Tenant's Share of Real Property Taxes, parking charges, charges for after hours HVAC, late charges, or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant. In the event that Landlord serves Tenant with a notice to pay rent or quit pursuant to applicable unlawful detainer statutes, such notice shall also constitute the notice required by this section 13.1(a).

(b) The abandonment of the Premises by Tenant in which event Landlord shall not be obligated to give any notice of default to Tenant.

(c) The failure of Tenant to comply with any of its obligations under sections 6.1, 6.2(b), 7.2, 7.3, 6, 11.4, 12, 18, 19, 21, 23, 24, 26, 34, 35 and 56 where Tenant fails to comply with its obligations or fails to cure any earlier breach of such obligation within ten (10) days following written notice from Landlord to Tenant. In the event Landlord serves Tenant with a notice to quit or any other notice pursuant to applicable unlawful detainer statutes, said notice shall also constitute the notice required by this section 13.1(c).

(d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant (other than those referenced in sections 13.1(a), (b) and (c), above), where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's non-performance is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said ten (10) day period and thereafter diligently pursues such cure to completion. In the event that Landlord serves Tenant with a notice to quit or any other notice pursuant to applicable unlawful detainer statutes, said notice shall also constitute the notice required by this section 13.1(d).

(e) (i) The making by Tenant or any guarantor of Tenant's obligations hereunder of any general arrangement or general assignment for the benefit of creditors; (ii) Tenant or any guarantor becoming a "debtor" as defined in 11 U.S.C. 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant or guarantor, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or (v) the insolvency of Tenant. In the event that any provision of this section 13.1(e) is unenforceable under applicable law, such provision shall be of no force or effect.

(f) The discovery by Landlord that any financial statement, representation or warranty given to Landlord by Tenant, or by any guarantor of Tenant's obligations hereunder, is or was materially false. Tenant acknowledges that Landlord has entered into this Lease in material reliance on such information.

(g) If Tenant is a corporation or a partnership, the dissolution or liquidation of Tenant.

(h) If Tenant's obligations under this Lease are guaranteed: (i) the death of a guarantor, (ii) the termination of a guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a guarantor's refusal to honor the guaranty, or (v) a guarantor's breach of its guaranty obligation on an anticipatory breach basis.

13.2 **Remedies.**

(a) In the event of any material default or breach of this Lease by Tenant, Landlord may, at any time thereafter, with or without notice or demand, and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default:

(i) terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease and the term hereof shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. If Landlord terminates this Lease, Landlord may recover from Tenant (A) the worth at the time of award of the unpaid rent which had been earned at the time of termination; (B) 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; (C) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and (D) any other amount necessary to compensate Landlord for all decrement proximately caused by Tenant's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, any real estate commissions actually paid by Landlord and the unamortized value of any free rent, reduced rent, tenant improvement allowance or other economic concessions provided by Landlord. The "worth at time of award" of the amounts referred to in section 13.2(a)(i)(A) and (B) shall be computed by allowing interest at the lesser of ten percent (10%) per annum or the maximum interest rate permitted by applicable law. The worth at the time of award of the amount referred to in section 13.2(a)(i)(C) 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%). For purposes of this section 13.2(a)(i), "rent" shall be deemed to be all monetary obligations required to be paid by Tenant pursuant to the terms of this Lease.

(ii) maintain Tenant's right of possession in which event Landlord shall have the remedy described in California Civil Code Section 1951.4 which permits Landlord to continue this Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due. In the event Landlord elects to continue this Lease in effect, Tenant shall have the right to sublet the Premises or assign Tenant's interest in the Lease subject to the reasonable requirements contained in section 12 of this Lease and provided further that Landlord shall not require compliance with any standard or condition contained in section 12 that has become unreasonable at the time Tenant seeks to sublet or assign the Premises pursuant to this section 13.2(a)(ii).

(iii) collect sublease rents (or appoint a receiver to collect such rent) and otherwise perform Tenant's obligations at the Premises, it being agreed, however, that the appointment of a receiver for Tenant shall not constitute an election by Landlord to terminate this Lease.

(iv) pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises are located.

(b) No remedy or election hereunder shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies at law or in equity. The expiration or termination of this Lease and/or the termination of Tenant's right to possession of the Premises shall not relieve Tenant of liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term of the Lease or by reason of Tenant's occupancy of the Premises.

(c) If Tenant abandons or vacates the Premises, Landlord may re-enter the Premises and such re-entry shall not be deemed to constitute Landlord's election to accept a surrender of the Premises or to otherwise relieve Tenant from liability for its breach of this Lease. No surrender of the Premises shall be effective against Landlord unless Landlord has entered into a written agreement with Tenant in which Landlord expressly agrees to (i) accept a surrender of the Premises and (ii) relieve Tenant of liability under the Lease. The delivery by Tenant to Landlord of possession of the Premises shall not constitute the termination of the Lease or the surrender of the Premises.

13.3 Default by Landlord. Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice by Tenant to Landlord and to the holder of any mortgage or deed of trust encumbering the Project whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its cure, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently pursues the same to completion. This Lease and the obligations of Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike or other labor problems, acts of God, riot, insurrection, governmental actions or requirements, or any other cause beyond the reasonable control of Landlord, and the time for Landlord's performance shall be extended for the period of any such delay.

13.4 Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of Base Rent, Tenant's Share of Operating Expense Increases, parking charges, after hours HVAC charges, or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed encumbering the Project. Accordingly, if any installment of Base Rent, Tenant's Share of Operating Expense Increases, parking charges, after hours HVAC charges or any other sum due from Tenant shall not be received by Landlord when such amount shall be due, then, without any requirement for notice or demand to Tenant, Tenant shall immediately pay to Landlord a late charge equal to six percent (6%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder including the assessment of interest under section 13.5.

13.5 Interest on Past-due Obligations. Except as expressly herein provided, any amount due to Landlord that is not paid when due shall bear interest at the lesser of ten percent (10%) per annum or the maximum rate permitted by applicable law. Payment of such interest shall not excuse or cure any default by Tenant under this Lease; provided, however, that interest shall not be payable on late charges incurred by Tenant nor on any amounts upon which late charges are paid by Tenant.

13.6 Payment of Rent and Security Deposit after Default. If Tenant fails to pay Base Rent, Tenant's Share of Operating Expense Increases, parking charges or any other monetary obligation due hereunder on the date it is due, after Tenant's third failure to pay any monetary obligation on the date it is due, at Landlord's option, all monetary obligations of Tenant hereunder shall thereafter be paid by cashiers check, and Tenant shall, upon demand, provide Landlord with an additional security deposit equal to three (3) months' Base Rent. If Landlord has required Tenant to make said payments by cashiers check or to provide an additional security deposit, Tenant's failure to make a payment by cashiers check or to provide the additional security deposit shall be a material default hereunder.

14. Landlord's Right to Cure Default; Payments by Tenant. 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. If Tenant shall fail to perform any of its obligations under this Lease, within a reasonable time after such performance is required by the terms of this Lease, Landlord may, but shall not be obligated to, after three (3) days prior written notice to Tenant, make any such payment or perform any such act on Tenant's behalf without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder. Tenant shall pay to Landlord, within ten (10) days after delivery by Landlord to Tenant of statements therefore, an amount equal to the expenditures reasonably made by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of this section 14.

15. Condemnation. If any portion of the Premises or the Project are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs; provided that if so much of the Premises or Project are taken by such condemnation as would substantially and adversely affect the operation and profitability of Tenant's business conducted from the Premises, and said taking lasts for ninety (90) days or more, Tenant shall have the option, to be exercised only in writing within thirty (30) days after Landlord shall have given Tenant written notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession), to terminate this Lease as of the date the condemning authority takes such possession. If a taking lasts for less than ninety (90) days, Tenant's rent shall be abated during said period but Tenant shall not have the right to terminate this Lease. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent and Tenant's Share of Operating Expenses shall be reduced in the proportion that the usable floor area of the Premises taken bears to the total usable floor area of the Premises. Common Areas taken shall be excluded from the Common Areas usable by Tenant and no reduction of rent shall occur with respect thereto or by reason thereof. Landlord shall have the option in its sole discretion to terminate this Lease as of the taking of possession by the condemning authority, by giving written notice to Tenant of such election within thirty (30) days after receipt of notice of a taking by condemnation of any part of the Premises or the Project. Any award for the taking of all or any part of the Premises or the Project under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold, for good will, for the taking of the fee, as severance damages, or as damages for tenant improvements; provided, however, that Tenant shall be entitled to any separate award for loss of or damage to Tenant's removable personal property. In the event that this Lease is not terminated by reason of such condemnation, and subject to the requirements of any lender that has made a loan to Landlord encumbering the Project, Landlord shall to the extent of severance damages received by Landlord in connection with such condemnation, repair any damage to the Project caused by such condemnation except to the extent that Tenant has been reimbursed therefor by the condemning authority. Tenant shall pay any amount in excess of such severance damages required to complete such repair. This section, not general principles of law or California Code of Civil Procedure sections 1230.010 et seq., shall govern the rights and obligations of Landlord and Tenant with respect to the condemnation of all or any portion of the Project.

16. Vehicle Parking.

16.1 Use of Parking Facilities. During the term and subject to the rules and regulations attached hereto as Exhibit "C," as modified by Landlord from time to time (the "Rules"), Tenant shall be entitled to use the number of parking spaces set forth in section 1.13 in the parking facility of the Project at the monthly rate applicable from time to time for monthly parking as set by Landlord and/or its licensee. Landlord may, in its sole discretion, assign tandem parking spaces to Tenant and designate the location of any reserved parking spaces. For purposes of this Lease, a "parking space" refers to the space in which one (1) motor vehicle is intended to park (e.g., a tandem parking stall includes two tandem parking spaces). Landlord reserves the right at any time to relocate Tenant's reserved and unreserved parking spaces. If Tenant commits or allows in the parking facility any of the activities prohibited by the Lease or the Rules, then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Tenant, which cost shall be immediately payable by Tenant upon demand by Landlord. Tenant's parking rights are the personal rights of Tenant and Tenant shall not transfer, assign, or otherwise convey in parking rights separate and apart from this Lease.

16.2 Parking Charges. The initial monthly parking rate per parking space is set forth in section 1.14 and is subject to change by Landlord, in Landlord's sole discretion, upon five (5) days prior written notice to Tenant. Monthly parking fees shall be payable in advance prior to the first day of each calendar month. Visitor parking rates shall be determined by Landlord from time to time in Landlord's sole

discretion. The parking rates charged to Tenant or Tenant's visitors may not be the lowest parking rates charged by Landlord for the use of the parking facility. Notwithstanding anything to the contrary contained herein, any tax imposed on the privilege of occupying space in the parking facility, upon the revenues received by Landlord from the parking facility or upon the charges paid for the privilege of using the parking facility by any governmental or quasi-governmental entity may be added by Landlord to the monthly parking charges paid by Tenant at any time, or Landlord may require Tenant and other persons using the parking facility to pay said amounts directly to the taxing authority.

17. **Broker's Fee.** Tenant and Landlord each represent and warrant to the other that neither has had any dealings or entered into any agreements with any person, entity, broker or finder other than the persons, if any, listed in section 1.18, in connection with the negotiation of this Lease, and no other broker, person, or entity is entitled to any commission or finder's fee in connection with the negotiation of this Lease, and Tenant and Landlord each agree to indemnify, defend and hold the other harmless from and against any claims, damages, costs, expenses, attorneys' fees or liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings, actions or agreements of the indemnifying party.

18. **Estoppel Certificate.**

18.1 **Delivery of Certificate.** Tenant shall from time to time upon not less than ten (10) days' prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing certifying such information as Landlord may reasonably request including, but not limited to, the following: (a) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) (b) the date to which the Base Rent and other charges are paid in advance and the amounts so payable, (c) that there are not, to Tenant's knowledge, any unsecured defaults or unfulfilled obligations on the part of Landlord, or specifying such defaults or unfulfilled obligations, if any are claimed, (d) that all tenant improvements to be constructed by Landlord, if any, have been completed in accordance with Landlord's obligations and (e) that Tenant has taken possession of the Premises. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Project.

18.2 **Failure to Deliver Certificate.** At Landlord's option, the failure of Tenant to deliver such statement within such time shall constitute a material default of Tenant hereunder, or it shall be conclusive upon Tenant that (a) this Lease is in full force and effect, without modification except as may be represented by Landlord, (b) there are no unsecured defaults in Landlord's performance, (c) not more than one month's Base Rent has been paid in advance, (d) all tenant improvements to be constructed by Landlord, if any, have been completed in accordance with Landlord's obligations and (e) Tenant has taken possession of the Premises.

19. **Financial Information.** From time to time, at Landlord's request, Tenant shall cause the following financial information to be delivered to Landlord, at Tenant's sole cost and expense, upon not less than ten (10) days' advance written notice from Landlord: (a) a current financial statement for Tenant and Tenant's financial statements for the previous two accounting years, (b) a current financial statement for any guarantor(s) of this Lease and the guarantor(s) financial statements for the previous two accounting years and (c) such other financial information pertaining to Tenant or any guarantor as Landlord or any lender or purchaser of Landlord may reasonably request. All financial statements shall be prepared in accordance with generally accepted accounting principals consistently applied and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant.

20. **Landlord's Liability.** Tenant acknowledges that Landlord shall have the right to transfer all or any portion of its interest in the Project and to assign this Lease to the transferee. Tenant agrees that in the event of such a transfer Landlord shall automatically be released from all liability under this Lease; and Tenant hereby agrees to look solely to Landlord's transferee for the performance of Landlord's obligations hereunder after the date of the transfer. Upon such a transfer, Landlord shall, at its option, return Tenant's security deposit to Tenant or transfer Tenant's security deposit to Landlord's transferee and, in either event, Landlord shall have no further liability to Tenant for the return of its security deposit. Subject to the rights of any lender holding a mortgage or deed of trust encumbering all or part of the Project, Tenant agrees to look solely to Landlord's equity interest in the Project for the collection of any judgment requiring the payment of money by Landlord arising out of (a) Landlord's failure to perform its obligations under this Lease or (b) the negligence or willful misconduct of Landlord, its partners, employees and agents. No other property or assets of Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of any judgment or writ obtained by Tenant against Landlord. No partner, employee or agent of Landlord shall be personally liable for the performance of Landlord's obligations hereunder or be named as a party in any lawsuit arising out of or related to, directly or indirectly, this Lease and the obligations of Landlord hereunder. The obligations under this Lease do not constitute personal obligations of the individual partners of Landlord, if any, and Tenant shall not seek recourse against the individual partners of Landlord or their assets.

21. **Indemnity.** Tenant hereby agrees to indemnify, defend and hold harmless Landlord and its employees, partners, agents, contractors, lenders and ground lessors (said persons and entities are hereinafter collectively referred to as the "Indemnified Parties") from and against any and all liability, loss, cost, damage, claims, loss of rents, liens, judgments, penalties, fines, settlement costs, investigation costs, the cost of consultants and experts, attorneys fees, court costs and other legal expenses, the effects of environmental contamination, the cost of environmental testing, the removal, remediation and/or abatement of Hazardous Substances or Medical Waste (as said terms are defined below), insurance policy deductibles and other expenses (hereinafter collectively referred to as "Damages") arising out of or related to an "Indemnified Matter" (as defined below). For purposes of this section 21, an "Indemnified Matter" shall mean any matter for which one or more of the Indemnified Parties incur liability or Damages if the liability or Damages arise out of or involve, directly or indirectly, (a) Tenant's or its employees, agents, contractors or invitees (all of said persons or entities are hereinafter collectively referred to as "Tenant Party") use or occupancy of the Premises or the Project, (b) any act, omission or neglect of a Tenant Party, (c) Tenant's failure to perform any of its obligations under the Lease, (d) the existence, use or disposal of any Hazardous Substance (as defined in section 23 below) brought on to the project by a Tenant Party, (e) the existence, use or disposal of any Medical Waste (as defined in section 24 below) brought on to the Project by a Tenant Party or (f) any other matters for which Tenant has agreed to indemnify Landlord pursuant to any other provision of this Lease. Tenant's obligations hereunder shall include, but shall not be limited to (g) compensating the Indemnified Parties for Damages arising out of Indemnified Matters within ten (10) days after written demand from an Indemnified Party and (h) providing a defense, with counsel reasonably satisfactory to the Indemnified Party, at Tenant's sole expense, within ten (10) days after written demand from the Indemnified Party, of any claims, action or proceeding arising out of or relating to an Indemnified Matter whether or not litigated or reduced to judgment and whether or not well founded. If Tenant is obligated to compensate an Indemnified Party for Damages arising out of an Indemnified Matter, Landlord shall have the immediate and unconditional right, but not the obligation, without notice or demand to Tenant, to pay the damages and Tenant shall, upon ten (10) days advance written notice from Landlord, reimburse Landlord for the costs incurred by Landlord. By way of example, and not limitation, Landlord shall have the immediate and unconditional right to cause any damages to the Common Area, another tenant's premises or to any other part of the Project to be repaired and to compensate other tenants of the Project or other persons or entities for Damages arising out of an Indemnified Matter. The Indemnified Parties need not first pay any Damages to be indemnified hereunder. Tenant's obligations under this section shall not be released, reduced or otherwise limited because one or more of the Indemnified Parties are or may be actively or passively negligent with respect to an Indemnified Matter or because an Indemnified Party is or was partially responsible for the Damages incurred. This indemnity is intended to apply to the fullest extent permitted by applicable law. Tenant's obligations under this section shall survive the expiration or termination of this Lease unless specifically waived in writing by Landlord after said expiration or termination.

22. **Exemption of Landlord from Liability.** Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for loss of or damage to the merchandise, tenant improvements, fixtures, furniture, equipment, computers, files, automobiles, or other property of Tenant, Tenant's employees, agents, contractors or invitees, or any other person in or about the Project, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents, contractors or invitees, whether such damage or injury is caused by or results from any cause whatsoever including, but not limited to, theft, criminal activity at the Project, negligent security measures, bombings or bomb scares, Hazardous Substances or Medical Waste (as defined below), fire, steam, electricity, gas, water or rain, flooding, breakage of pipes, sprinklers, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Project, or from other sources or places, or from new construction or the repair, alteration or improvement of any part of the Project, and regardless of whether the cause of the damage or injury arises out of Landlord's or its employees, agents or contractors negligent or intentional acts. Landlord shall not be liable for any damages arising from any

act or neglect of any employees, agents, contractors or invitees of any other tenant, occupant or user of the Project, nor from the failure of Landlord to enforce the provisions of the lease of any other tenant of the Project. Tenant, as a material part of the consideration to Landlord hereunder, hereby assumes all risk of damage to Tenant's property or business or injury to persons, in, upon or about the Project arising from any cause, including Landlord's negligence or the negligence of its employees, agents or contractors, and Tenant hereby waives all claims in respect thereof against Landlord, its employees, agents and contractors.

23. Hazardous Substances.

23.1 **Definition and Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or affect, either by itself or in combination with other materials expected to be on the Premises, is either: (a) potentially injurious to the public health, safety or welfare, the environment or the Premises, (b) regulated or monitored by any governmental entity, (c) a basis for liability of Landlord to any governmental entity or third party under any federal, state or local statute or common law theory or (d) defined as a hazardous material or substance by any federal, state or local law or regulation. Except for small quantities of ordinary office supplies such as copier toner, liquid paper, glue, ink and common household cleaning materials, Tenant shall not cause or permit any Hazardous Substance to be brought, kept, or used in or about the Premises or the Project by Tenant, its agents, employees, contractors or invitees.

23.2 **Duty to Inform Landlord.** If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance, or a condition involving or resulting from same, has come to be located in, on or under or about the Premises or the Project, Tenant shall immediately give written notice of such fact to Landlord. Tenant shall also immediately give Landlord (without demand by Landlord) a copy of any statement, report, notice, registration, application, permit, license, given to or received from, any governmental authority or private party, or persons entering or occupying the Premises, concerning the presence, spill, release, discharge of or exposure to, any Hazardous Substance or contamination in, on or about the Premises or the Project.

23.3 **Inspection; Compliance.** Landlord and Landlord's employees, agent, contractors and lenders shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Tenant with this section 23. Landlord shall have the right to employ experts and/or consultants in connection with its examination of the Premises and with respect to the installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Premises. The costs and expenses of any such inspections shall be paid by the party requesting same, unless a contamination, caused or materially contributed to by Tenant, is found to exist or be imminent, or unless the inspection is requested or ordered by governmental authority as the result of any such existing or imminent violation or contamination. In any such case, Tenant shall upon request reimburse Landlord for the cost and expenses of such inspection.

24. Medical Waste.

24.1 **Definition.** The term "Medical Waste" shall mean the types of waste described in section 25023.2 of California's Health and Safety Code and any similar type of waste. Unless specifically permitted by section 6 of this Lease to use the Premises for medical office uses, Tenant shall not cause or permit any Medical Waste to be brought, kept or used in or about the Premises or the Project by Tenant, its employees, agents, contractors or invitees.

24.2 **Disposal of Medical Waste.** Tenant hereby agrees, at Tenant's sole expense, to dispose of its Medical Waste in compliance with all federal, state and local laws, rules and regulations relating to the disposal of Medical Waste and to dispose of the Medical Waste in a prudent and reasonable manner. Tenant shall not place any Medical Waste in refuse containers emptied by Landlord's janitorial staff or in the Project's refuse containers. At Landlord's option, in Landlord's sole discretion, Landlord shall have the right, upon sixty (60) days' advance written notice to Tenant, at any time and from time to time, to elect to provide Medical Waste disposal services to Tenant. If Landlord elects to provide Medical Waste disposal services to Tenant, all costs incurred by Landlord in providing such services shall be paid by Tenant to Landlord as additional rent. Landlord may bill Tenant for said costs based upon the actual cost of providing said services to Tenant, as determined by Landlord, in Landlord's sole discretion, or Landlord may bill said expenses based upon Tenant's Share of the total cost of providing said services.

24.3 **Duty to Inform Landlord.** Within ten (10) days following Landlord's written request, Tenant shall provide Landlord with any information requested by Landlord concerning the existence, generation or disposal of Medical Waste at the Premises, including, but not limited to, the following information: (a) the name, address and telephone number of the person or entity employed by Tenant to dispose of its Medical Waste, including a copy of any contract with said person or entity, (b) a list of each type of Medical Waste generated by Tenant at the Premises and a description of how Tenant disposes of said Medical Waste, (c) a copy of any laws, rules or regulations in Tenant's possession relating to the disposal of the Medical Waste generated by Tenant, and (d) copies of any licenses or permits obtained by Tenant in order to generate or dispose of said Medical Waste. Tenant shall also immediately provide to Landlord (without demand by Landlord) a copy of any notice, registration, application, permit, or license given to or received from any governmental authority or private party, or persons entering or occupying the Premises, concerning the presence, release, exposure or disposal of any Medical Waste in or about the Premises or the Project.

24.4 **Inspection; Compliance.** Landlord and Landlord's employees, agents, contractors and lenders shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of verifying compliance by Tenant with this section 24. Landlord shall have the right to employ experts and/or consultants in connection with its examination of the Premises and with respect to the generation and disposal of Medical Waste on or from the Premises. The cost and expenses of any such inspection shall be paid by Landlord, unless it is determined that Tenant is not disposing of its Medical Waste in a manner permitted by applicable law, in which case Tenant shall immediately reimburse Landlord for the cost of such inspection.

25. **Tenant Improvements.** Tenant acknowledges and agrees that Landlord shall not be obligated to construct any tenant improvements on behalf of Tenant unless a work letter agreement (the "Work Letter") is attached to this Lease as an exhibit and the Work Letter is fully completed and executed by Landlord. If a space plan is attached to the Work Letter, the space plan shall not be binding on Landlord unless separately initialed by Landlord. Except as set forth in a Work Letter, it is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, the Project, or any part thereof, or to provide any allowance for such purposes, and that no representations respecting the condition of the Premises or the Project have been made by Landlord to Tenant.

26. Subordination.

26.1 **Effect of Subordination.** This Lease, and any Option (as defined in section 27 below) granted hereby, upon Landlord's written election, shall be subject and subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Project and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. At the request of any mortgagee, trustee or ground lessor, Tenant shall return to such person or entity. If any mortgagee, trustee or ground lessor shall elect to have this Lease and any Options granted hereby prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease and such Options shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease or such Options are dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof. In the event of the foreclosure of a security device, the new owner shall not (a) be liable for any act or omission of any prior Landlord or with respect to events occurring prior to its acquisition of title, (b) be liable for

the breach of this Lease by any prior landlord, (c) be subject to any offsets or defenses which Tenant may have against the prior landlord or (d) be liable to Tenant for the return of its security deposit.

26.2 Execution of Documents. Tenant agrees to execute and acknowledge any documents Landlord reasonably requests that Tenant execute to effectuate an attornment, a subordination, or to make this Lease or any Option granted herein prior to the lien of any mortgage, deed of trust or ground lease, as the case may be. Tenant acknowledges that the subordination agreement may give the lender the right, in the lender's sole discretion, to continue this Lease in effect or to terminate this Lease in the event of a foreclosure sale. Tenant's failure to execute such documents within ten (10) days after written demand shall constitute a material default by Tenant hereunder or, at Landlord's option, Landlord shall have the right to execute such documents on behalf of Tenant as Tenant's attorney-in-fact. Tenant does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney-in-fact and in Tenant's name, place and stead, to execute such documents in accordance with this section 26.2.

27. Options.

27.1 Definition. As used in this Lease, the word "Option" has the following meaning: (1) the right or option to extend the term of this Lease or to renew this Lease, and (2) the option or right of first refusal to lease the Premises or the right of first offer to lease the Premises or the right of first refusal to lease other space within the Project or the right of first offer to lease other space within the Project. Any Option granted to Tenant by Landlord must be evidenced by a written option agreement attached to this Lease as a rider or addendum or said option shall be of no force or effect.

27.2 Options Personal. Each Option granted to Tenant in this Lease, if any, is personal to the original Tenant and may be exercised only by the original Tenant while occupying the entire Premises and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than Tenant, including, without limitation, any permitted transferee as defined in section 12. The Options, if any, herein granted to Tenant are not assignable separate and apart from this Lease, nor may any Option be separated from this Lease in any manner, either by reservation or otherwise. If at any time an Option is exercisable by Tenant, the Lease has been assigned, or a sublease exists as to any portion of the Premises, the Option shall be deemed null and void and neither Tenant nor any assignee or subtenant shall have the right to exercise the Option.

27.3 Multiple Options. In the event that Tenant has multiple Options to extend or renew this Lease a later Option cannot be exercised unless the prior Option to extend or renew this Lease has been so exercised.

27.4 Effect of Default on Options. Tenant shall have no right to exercise an Option (i) during the time commencing from the date Landlord gives to Tenant a notice of default pursuant to section 13.1 and continuing until the noncompliance alleged in said notice of default is cured, or (ii) if Tenant is in default of any of the terms, covenants or conditions of this Lease. The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise an Option because of the provisions of this section 27.4.

27.5 Limitations on Options. Notwithstanding anything to the contrary contained in any rider or addendum to this Lease, any options, rights of first refusal or rights of first offer granted hereunder shall be subject and secondary to Landlord's right to first offer and lease any such space to any tenant who is then occupying or leasing such space at the time the space becomes available for leasing and shall be subject and subordinated to any other options, rights of first refusal or rights of first offer previously given to any other person or entity.

27.6 Notice of Exercise of Option. Notwithstanding anything to the contrary contained in section 41, Tenant may only exercise an Option by delivering its written notice of exercise to Landlord by certified mail, return receipt and date of delivery requested. It shall be Tenant's obligation to prove that such notice was so sent in a timely manner and was delivered to Landlord by the U.S. Postal Service.

28. Landlord Reservations. Landlord shall have the right: (a) to change the name and address of the Project or Building upon not less than ninety (90) days prior written notice; (b) to, at Tenant's expense, provide and install building standard graphics on or near the door of the Premises and such portions of the Common Areas as Landlord shall determine, in Landlord's sole discretion; (c) to permit any tenant the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and (d) to place signs, notices or displays upon the roof, interior, exterior or Common Areas of the Project. Tenant shall not use a representation (photographic or otherwise) of the Building or the Project or their name(s) in connection with Tenant's business or suffer or permit anyone, except in an emergency, to go upon the roof of the Building. Landlord reserves the right to use the exterior walls of the Premises, and the area beneath, adjacent to and above the Premises together with the right to install, use, maintain and replace equipment, machinery, pipes, conduits and wiring throughout the Premises, which serve other parts of the Project provided that Landlord's use does not unreasonably interfere with Tenant's use of the Premises.

29. Changes to Project. Landlord shall have the right, in Landlord's sole discretion, from time to time, to make changes to the size, shape, location, number and extent of the Improvements comprising the Project (hereinafter referred to as "Changes") including, but not limited to, the Project interior and exterior, the Common Areas, elevators, escalators, restrooms, HVAC, electrical systems, communication systems, fire protection and detection systems, plumbing systems, security systems, parking control systems, driveways, entrances, parking spaces, parking areas and landscaped areas. In connection with the Changes, Landlord may, among other things, erect scaffolding or other necessary structures at the Project, limit or eliminate access to portions of the Project, including portions of the Common Areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Tenant hereby agrees that such Changes and Landlord's actions in connection with such Changes shall in no way constitute a constructive eviction of Tenant or 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 Changes, nor shall Tenant be entitled to any compensation or damages from Landlord for any inconvenience or annoyance occasioned by such Changes or Landlord's actions in connection with such Changes.

30. Substitution of Other Premises. Landlord shall have the right at any time to move Tenant to any other leaseable space in the Project provided that said space shall be approximately the same size as the Premises and that Landlord shall pay the cost of moving Tenant's furniture and equipment to the new space. The new space shall include tenant improvements that are substantially equivalent to the tenant improvements contained in the Premises, and the cost of any required tenant improvements shall be paid by Landlord. If Landlord elects to relocate Tenant, Landlord shall give Tenant written notice of its election and Tenant shall have thirty (30) days thereafter to agree to be relocated in accordance with the terms and conditions of this section 30 or to elect to terminate this Lease. If Tenant elects to terminate this Lease within said thirty (30) day period or fails to respond to Landlord's notice within said thirty (30) day period, this Lease shall then terminate on the date which is sixty (60) days after the date Landlord gave Tenant its written notice electing to relocate Tenant. Landlord shall have no liability to Tenant as a result of Tenant's election to terminate this Lease. Prior to said termination, Landlord and Tenant shall perform all of their obligations under this Lease. If Tenant elects to be relocated, Landlord shall deliver substitute space to Tenant not more than one hundred eighty (180) days after (a) Tenant agrees to be relocated and (b) approves plans for the construction of required tenant improvements at the new space, if any. Tenant shall not unreasonably withhold or delay its approval of any plans for the construction of tenant improvements. Landlord shall give Tenant thirty (30) days advance notice of the estimated move in date. Prior to the date that Tenant is moved to the new space, Tenant shall remain in the Premises and shall continue to perform all of its obligations under this Lease. After Tenant moves into the new space, this Lease shall remain in full force and effect and be deemed applicable to such new space, except as to Base Rent, Tenant's Share of Operating Expense increases and the number of parking spaces Tenant shall be entitled to use, all of which shall be adjusted based on the relationship between the number of rentable square feet in the original Premises and the number of rentable square feet in the substituted space. Upon Tenant's relocation, Landlord and Tenant shall amend this Lease to provide for the relocation of the Premises.

31. Holding Over. If Tenant remains in possession of the Premises or any part thereof after the expiration or earlier termination of the term hereof with Landlord's consent, such occupancy shall be a tenancy from month to month upon all the terms and conditions of this Lease.

pertaining to the obligations of Tenant, except that the Base Rent payable shall be the greater of (a) two hundred percent (200%) of the Base Rent payable immediately preceding the termination date of this Lease or (b) one hundred twenty-five percent (125%) of the fair market Base Rent for the Premises as of the date Tenant holds over, and all Options, if any, shall be deemed terminated and be of no further effect. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof without Landlord's consent, Tenant may, at Landlord's option, be treated as a tenant at sufferance or a trespasser. Nothing contained herein shall be construed to constitute Landlord's consent to Tenant holding over at the expiration or earlier termination of the Lease term or to give Tenant the right to hold over after the expiration or earlier termination of the Lease term. Tenant hereby agrees to indemnify, hold harmless and defend Landlord from any cost, loss, claim or liability (including attorneys' fees) Landlord may incur as a result of Tenant's failure to surrender possession of the Premises to Landlord upon the termination of this Lease.

32. Landlord's Access.

32.1 Access. Landlord and Landlord's agents, contractors and employees shall have the right to enter the Premises at reasonable times for the purpose of inspecting the Premises, performing any services required of Landlord, showing the Premises to prospective purchasers, lenders, or tenants, undertaking safety measures and making alterations, repairs, improvements or additions to the Premises or to the Project. In the event of an emergency, Landlord may gain access to the Premises by any reasonable means, and Landlord shall not be liable to Tenant for damage to the Premises or to Tenant's property resulting from such access. Landlord may at any time place on or about the Building for sale or for lease signs and Landlord may at any time during the last one hundred twenty (120) days of the term hereof place on or about the Premises for lease signs.

32.2 Keys. Landlord shall have the right to retain keys to the locks on the entry doors to the Premises and all interior doors at the Premises. At Landlord's option, Landlord may require Tenant to obtain all keys to door locks at the Premises from Landlord's engineering staff or Landlord's locksmith and to only use Landlord's engineering staff or Landlord's locksmith to change locks at the Premises. Tenant shall pay Landlord's or its locksmith's standard charge for all keys and other services obtained from Landlord's engineering staff or locksmith.

33. Security Measures. Tenant hereby acknowledges that Landlord shall have no obligation whatsoever to provide guard service or other security measures for the benefit of the Premises or the Project, and Landlord shall have no liability to Tenant due to its failure to provide such services. Tenant assumes all responsibility for the protection of Tenant, its agents, employees, contractors and invitees and the property of Tenant and of Tenant's agents, employees, contractors and invitees from acts of third parties. Nothing herein contained shall prevent Landlord, at Landlord's sole option, from implementing security measures for the Project or any part thereof, in which event Tenant shall participate in such security measures and the cost thereof shall be included within the definition of Operating Expenses, and Landlord shall have no liability to Tenant and its agents, employees, contractors and invitees arising out of Landlord's negligent provision of security measures. Landlord shall have the right, but not the obligation, to require all persons entering or leaving the Project to identify themselves to a security guard and to reasonably establish that such person should be permitted access to the Project.

34. Easements. Landlord reserves to itself the right, from time to time, to grant such easements, rights and dedications that Landlord deems necessary or desirable, and to cause the recording of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Tenant. Tenant shall sign any of the aforementioned documents within ten (10) days after Landlord's request and Tenant's failure to do so shall constitute a material default by Tenant. The obstruction of Tenant's view, air, or light by any structure erected in the vicinity of the Project, whether by Landlord or third parties, shall in no way affect this Lease or impose any liability upon Landlord.

35. Transportation Management. Tenant shall fully comply at its sole expense with all present or future programs implemented or required by any governmental or quasi-governmental entity or Landlord to manage parking, transportation, air pollution, or traffic in and around the Project or the metropolitan area in which the Project is located.

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

37. Time of Essence. Time is of the essence with respect to each of the obligations to be performed by Tenant under this Lease.

38. Definition of Additional Rent. All monetary obligations of Tenant to Landlord under the terms of this Lease, including, but not limited to, Base Rent, Tenant's Share of Operating Expenses, parking charges and charges for after hours HVAC shall be deemed to be rent.

39. Incorporation of Prior Agreements. This Lease and the attachments listed in section 1.16 contain all agreements of the parties with respect to the lease of the Premises and any other matter mentioned herein. No prior or contemporaneous agreement or understanding pertaining to any such matter shall be effective. Except as otherwise stated in this Lease, Tenant hereby acknowledges that no real estate broker nor Landlord or any employee or agents of any of said persons has made any oral or written warranties or representations to Tenant concerning the condition or use by Tenant of the Premises or the Project or concerning any other matter addressed by this Lease.

40. Amendments. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

41. Notices. All notices required or permitted by this Lease shall be in writing and may be delivered (a) in person (by hand, by messenger or by courier service), (b) by U.S. Postal Service regular mail, (c) by U.S. Postal Service certified mail, return receipt requested, (d) by U.S. Postal Service Express Mail, Federal Express or other overnight courier, or (e) by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this section 41. Any notice permitted or required hereunder, and any notice to pay rent or quit or similar notice, shall be deemed personally delivered to Tenant on the date the notice is personally delivered to any employee of Tenant at the Premises. The addresses set forth in section 1.17 of this Lease shall be the address of each party of notice purposes. Landlord or Tenant may by written notice to the other specify a different address for notices purposes, except that upon Tenant's taking possession of the Premises, the Premises shall constitute Tenant's address for the purpose of mailing or delivering notices to Tenant. A copy of all notices required or permitted to be given to Landlord hereunder shall be concurrently transmitted to such party or parties at such addresses as Landlord may from time to time hereinafter designate by written notice to Tenant. Any notice sent by regular mail or by certified mail, return receipt requested, shall be deemed given three (3) days after deposited with the U.S. Postal Service. Notices delivered by U.S. Express Mail, Federal Express or other courier shall be deemed given on the date delivered by the carrier to the appropriate party's address for notice purposes. If any notice is transmitted by facsimile transmission, the notice shall be deemed delivered upon telephone confirmation of receipt of the transmission thereof at the appropriate party's address for notice purposes. If notice is received on Saturday, Sunday or a legal holiday, it shall be deemed received on the next business day. Nothing contained herein shall be construed to limit Landlord's right to serve any notice to pay rent or quit or similar notice by any method permitted by applicable law, and any such notice shall be effective if served in accordance with any method permitted by applicable law whether or not the requirements of this section have been met.

42. Waiver. No waiver by Landlord of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act by Tenant. The acceptance of rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No acceptance by Landlord of partial payment of any sum due from Tenant shall be deemed a waiver by Landlord of its right to receive the full amount due, nor shall any endorsement or statement on any check or accompanying letter from Tenant be deemed an accord and satisfaction. Tenant hereby waives California Code of Civil Procedure Section 1179 and Civil Code Section 3275 which allow tenants to obtain relief from the forfeiture of a lease. Tenant hereby waives for Tenant and all those claiming under Tenant all rights now or hereafter existing to redeem by order or judgment of any court or by legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

43. **Covenants.** This Lease shall be construed as though Landlord's covenants contained herein are independent and not dependent and Tenant hereby waives the benefit of any statute to the contrary. All provisions of this Lease to be observed or performed by Tenant are both covenants and conditions.

44. **Binding Effect; Choice of Law.** Subject to any provision hereof restricting assignment or subletting by Tenant, this Lease shall bind the parties, their heirs, personal representatives, successors and assigns. This Lease shall be governed by the laws of the state in which the Project is located and any litigation concerning this Lease between the parties hereto shall be initiated in the county in which the Project is located.

45. **Attorneys' Fees.** If Landlord or Tenant brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, or appeal thereon, shall be entitled to its reasonable attorneys' fees and court costs to be paid by the losing party as fixed by the court in the same or separate suit, and whether or not such action is pursued to decision or judgment. The attorneys' fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees and court costs reasonably incurred in good faith. Landlord shall be entitled to reasonable attorneys' fees and all other costs and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default. Landlord and Tenant agree that attorneys' fees incurred with respect to defaults and bankruptcy are actual pecuniary losses within the meaning of Section 565(b)(1)(B) of the Bankruptcy Code or any successor statute.

46. **Auctions.** Tenant shall not conduct, nor permit to be conducted, either voluntarily or involuntarily, any auction upon the Premises or the Common Areas. The holding of any auction on the Premises or Common Areas in violation of this section 46 shall constitute a material default hereunder.

47. **Signs.** Tenant shall not place any sign upon the Premises (including on the inside or the outside of the doors or windows of the Premises) or the Project without Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion. Landlord shall have the right to place any sign it deems appropriate on any portion of the Project except the interior of the Premises. Any sign Landlord permits Tenant to place upon the Premises shall be maintained by Tenant, at Tenant's sole expense. If Landlord permits Tenant to include its name in the Building's directory, the cost of placing Tenant's name in the directory and the cost of any subsequent modifications thereto shall be paid by Tenant, at Tenant's sole expense.

48. **Merger.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, or a termination by Landlord, shall not result in the merger of Landlord's and Tenant's estates, and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

49. **Quiet Possession.** Provided Tenant is not in default hereunder, and subject to the rights of any lender, Tenant shall have quiet possession of the Premises for the entire term hereof subject to all of the provisions of this Lease.

50. **Authority.** If Tenant is a corporation, trust, or general or limited partnership, Tenant, and each individual executing this Lease on behalf of such entity, represents and warrants that such individual is duly authorized to execute and deliver this Lease on behalf of said entity, that said entity is duly authorized to enter into this Lease, and that this Lease is enforceable against said entity in accordance with its terms. If Tenant is a corporation, trust or partnership, Tenant shall deliver to Landlord upon demand evidence of such authority satisfactory to Landlord.

51. **Conflict.** Except as otherwise provided herein to the contrary, any conflict between the printed provisions, exhibits, addenda or riders of this Lease and the typewritten or handwritten provisions, if any, shall be controlled by the typewritten or handwritten provisions.

52. **Multiple Parties.** If more than one person or entity is named as Tenant herein, the obligations of Tenant shall be the joint and several responsibility of all persons or entities named herein as Tenant. Service of a notice in accordance with section 41 on one Tenant shall be deemed service of notice on all Tenants.

53. **Interpretation.** This Lease shall be interpreted as if it was prepared by both parties and ambiguities shall not be resolved in favor of Tenant because all or a portion of this Lease was prepared by Landlord. The captions contained in this Lease are for convenience only and shall not be deemed to limit or alter the meaning of this Lease. As used in this Lease the words tenant and landlord include the plural as well as the singular. Words used in the neuter gender include the masculine and feminine gender.

54. **Prohibition Against Recording.** 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. Landlord shall have the right to record a memorandum of this Lease, and Tenant shall execute, acknowledge and deliver to Landlord for recording any memorandums prepared by Landlord.

55. **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.

56. **Rules and Regulations.** Tenant agrees to abide by and conform to the Rules and to cause its employees, suppliers, customers and invitees to so abide and conform. Landlord shall have the right, from time to time, to modify, amend and enforce the Rules in a non-discriminatory manner. Landlord shall not be responsible to Tenant for the failure of other persons including, but not limited to, other tenants, their agents, employees and invitees to comply with the Rules.

57. **Right to Lease.** Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in its sole discretion shall determine, and Tenant is not relying on any representation that any specific tenant or number of tenants will occupy the Project.

58. **Security Interest.** In consideration of the covenants and agreements contained hereth, and as a material consideration to Landlord for entering into this Lease, Tenant hereby unconditionally grants to Landlord a continuing security interest in and to all personal property of Tenant located or left at the Premises and the security deposit, if any, and any advance rent payment or other deposit, now in or hereafter delivered to or coming into the possession, custody or control of Landlord, by or for the account of Tenant, together with any increase in profits or proceeds from such property. The security interest granted to Landlord hereunder secures payment and performance of all obligations of Tenant under this Lease now or hereafter arising or existing, whether direct or indirect, absolute or contingent, or due or to become due. In the event of a default under this Lease which is not cured within the applicable grace period, if any, Landlord is and shall be entitled to all the rights, powers and remedies granted a secured party under the California Commercial Code and otherwise available at law or in equity, including, but not limited to, the right to retain as damages the personal property, security deposit and other funds held by Landlord, without additional notice or demand regarding this security interest. Tenant agrees that it will execute such other documents or instruments as may be reasonably necessary to carry out and effectuate the purpose and terms of this section, or as otherwise reasonably requested by Landlord, including without limitation, execution of a UCC-1 financing statement. Tenant's failure to execute such documents within ten (10) days after written demand shall constitute a material default by Tenant hereunder and, at Landlord's option, Landlord shall have the right to execute such documents on behalf of Tenant as Tenant's attorney-in-fact. Tenant does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney-in-fact, and Landlord shall have the right to execute such documents in Tenant's name. Tenant hereby waives any rights it may have under Sections 1980 through 1991 of the California Civil Code which are inconsistent with Landlord's rights under this section. Landlord's rights under this section are in addition to Landlord's rights under section 5.

59. **Security for Performance of Tenant's Obligations.** Notwithstanding any security deposit held by Landlord pursuant to Section 5 and any security interest held by Landlord pursuant to section 58, Tenant hereby agrees that in the event of a default by Tenant, Landlord shall

be entitled to seek and obtain a writ of attachment and/or a temporary protective order and Tenant hereby waives any rights or defenses to contest such a writ of attachment and/or temporary protective order on the basis of California Code of Civil Procedure Section 483.010 or any other related statute or rule.

60. **Attachments.** The items listed in section 1.16 are a part of this Lease and are incorporated herein by this reference.

61. **Confidentiality.** Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases with respect to the Project and may impair Landlord's relationship with other tenants of the Project. Tenant agrees that it and its partners, officers, directors, employees, brokers, and attorneys, if any, shall not disclose the terms and conditions of this Lease to any other person or entity without the prior written consent of Landlord which may be given or withheld by Landlord, in Landlord's sole discretion. It is understood and agreed that damages alone would be an inadequate remedy for the breach of this provision by Tenant, and Landlord shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach.

62. **WAIVER OF JURY TRIAL.** LANDLORD AND TENANT HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING AND/OR HEARING BROUGHT BY EITHER LANDLORD AGAINST TENANT OR TENANT AGAINST LANDLORD ON ANY MATTER WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE, OR REGULATION, EMERGENCY OR OTHERWISE, NOW OR HEREAFTER IN EFFECT.

LANDLORD AND TENANT ACKNOWLEDGE THAT THEY HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LANDLORD AND TENANT WITH RESPECT TO THE PREMISES. TENANT ACKNOWLEDGES THAT IT HAS BEEN GIVEN THE OPPORTUNITY TO HAVE THIS LEASE REVIEWED BY ITS LEGAL COUNSEL PRIOR TO ITS EXECUTION. PREPARATION OF THIS LEASE BY LANDLORD OR LANDLORD'S AGENT AND SUBMISSION OF SAME TO TENANT SHALL NOT BE DEEMED AN OFFER BY LANDLORD TO LEASE THE PREMISES TO TENANT OR THE GRANT OF AN OPTION TO TENANT TO LEASE THE PREMISES. THIS LEASE SHALL BECOME BINDING UPON LANDLORD ONLY WHEN FULLY EXECUTED BY BOTH PARTIES AND WHEN LANDLORD HAS DELIVERED A FULLY EXECUTED ORIGINAL OF THIS LEASE TO TENANT.

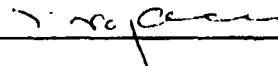
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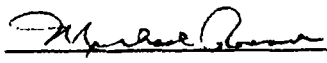
TENANT

Advent Realty Limited Partnership II.
a Delaware limited partnership

Jamshid Nazarian, M.D.

By: Advent Realty GP II
Limited Partnership
a Delaware limited partnership
its General Partner
(print name)
By: Advent Realty Inc.,
a Delaware corporation
Its: General Partner
(print title)

By: 
Jamshid Nazarian, M.D.
(print name)
Its: _____
(print title)

By: 
Michael A. Ruane
(print name)
Its: Chairman
(print title)

By: _____
(print name)
Its: _____
(print title)

EXHIBIT A
FLOOR PLAN

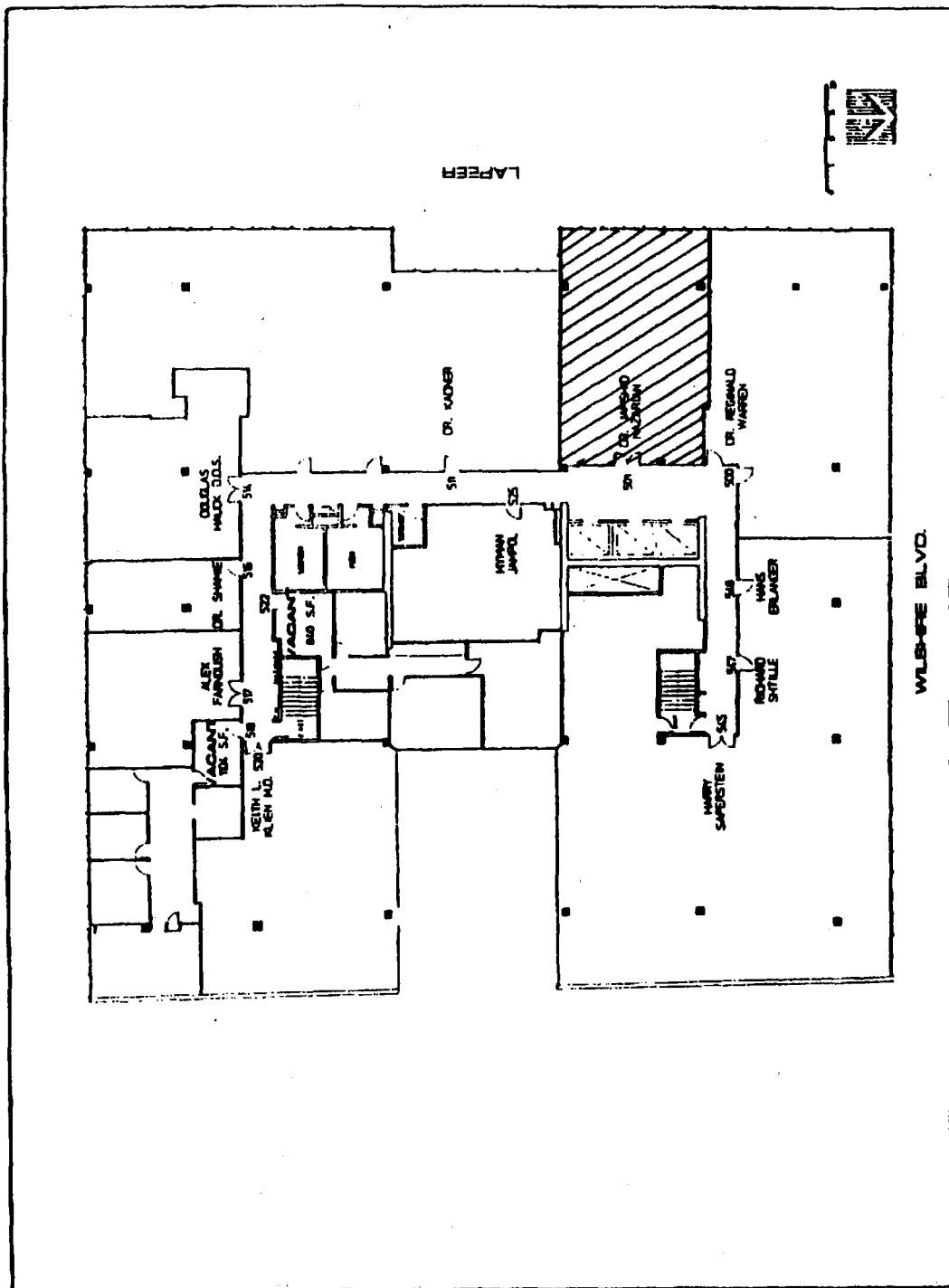


EXHIBIT C

RULES AND REGULATIONS

GENERAL RULES

Tenant shall faithfully observe and comply with the following Rules and Regulations.

1. Tenant shall not alter any locks 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. 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. 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.
3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Project except during the Project's normal hours of business as defined in section 11.3 of the Lease. Tenant, its employees and agents must be sure that the doors to the Project are securely closed and locked when leaving the Premises if it is after the normal hours of business of the Project. Tenant, its employees, agents or any other persons entering or leaving the Project at any time when it is so locked, or any time when it is considered to be after normal business hours for the Project, may be required to sign the Project register. Access to the Project may be refused unless the person seeking access has proper identification or has a previously received authorization for access to the Project. 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 Project of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.
4. Landlord reserves the right, in Landlord's sole and absolute discretion, to close or limit access to the Project and/or the Premises, from time to time, due to the failure of utilities, due to damage to the Project and/or the Premises, to ensure the safety of persons or property or due to government order or directive, and Tenant agrees to immediately comply with any such decision by Landlord. If Landlord closes or limits access to the Project and/or the Premises for the reasons described above, Landlord's actions shall not constitute a breach of the Lease.
5. No furniture, freight or equipment of any kind shall be brought into the Project without Landlord's prior authorization. All moving activity into or out of the Project shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Project and also the times and manner of moving the same in and out of the Project. 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, and Tenant shall be solely responsible for the cost of installing all supports. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Project, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.
6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Tenant shall not ask employees of Landlord to do anything outside their regular duties without special authorization from Landlord.
7. Tenant shall not disturb, solicit, or canvass any occupant of the Project and shall cooperate with Landlord and its agents to prevent the same. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, halls, stairways, elevators, or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises. Smoking shall not be permitted in the Common Areas.
8. The toilet rooms, urinals and wash bowls 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.
9. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord. All vendors or other persons visiting the Premises shall be subject to the reasonable control of Landlord. Tenant shall not permit its vendors or other persons visiting the Premises to solicit other tenants of the Project.
10. Tenant shall not use or keep in or on the Premises or the Project any kerosene, gasoline or other inflammable or combustible fluid or material. Tenant shall not bring into or keep within the Premises or the Project any animals, birds, bicycles or other vehicles.
11. 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 Project by reason of noise, odors, or vibrations, or to otherwise interfere in any way with the use of the Project by other tenants.
12. No cooking shall be done or permitted on the Premises, nor shall the Premises be used for the storage of merchandise, for loading 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 for employees and visitors of Tenant, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations; and provided further that such cooking does not result in odors escaping from the Premises.
13. Landlord shall have the right to approve where and how telephone 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 office equipment affixed to the Premises shall be subject to the approval of Landlord. Tenant shall not mark, drive nails or screws, or drill into the partitions, woodwork or plaster contained in the Premises or in any way deface the Premises or any part thereof without Landlord's prior written consent. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Project. Tenant shall not interfere with broadcasting or reception from or in the Project or elsewhere.
14. Landlord reserves the right to exclude or expel from the Project 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.
15. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Project's heating and air conditioning system, and shall refrain from attempting to adjust any controls. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord. Tenant shall not use electric fans or space heaters in the Premises.
16. 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 in the vicinity of the Project 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.

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

18. No awnings or other projection shall be attached to the outside walls or windows of the Project by Tenant. No curtains, blinds, shades or screens shall be attached to or hung in any window or door of the Premises without the prior written consent of Landlord. Landlord shall have the right to require Tenant to use Landlord's standard curtains or window coverings. Tenant shall not place any signs in the windows of the Premises or the Project. All electrical ceiling fixtures hung in the Premises must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises. The skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Project shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

19. Tenant shall not employ any person or persons other than the Janitor of Landlord for the purpose of cleaning the Premises unless otherwise agreed to in writing by Landlord. Except with the prior written consent of Landlord, no person or persons other than those approved by Landlord shall be permitted to enter the Project for the purpose of cleaning same. Landlord shall in no way be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant or any of its employees or other persons by the Janitor of Landlord. Landlord shall not be obligated to notify Tenant of the times at which the janitorial staff will enter the Premises, and Tenant hereby authorizes the janitorial staff to enter the Premises at any time, without notice. Janitor service shall include ordinary dusting and cleaning by the Janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture and other special services. Window cleaning shall be done only by Landlord at reasonable intervals and as Landlord deems necessary.

20. Tenant acknowledges that the local fire department has previously required Landlord to participate in a fire and emergency preparedness program or may require Landlord and/or Tenant to participate in such a program in the future. Tenant agrees to take all actions necessary to comply with the requirements of such a program including, but not limited to, designating certain employees as "fire wardens" and requiring them to attend any necessary classes and meetings and to perform any required functions.

21. Tenant acknowledges that the Building is a non-smoking facility. Tenant, his employees, patients and guests shall not smoke cigarettes, pipes, cigars or other tobacco in the Premises or other common areas of the Building.

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles. Tenant and its employees shall park automobiles within the lines of the parking spaces.

2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

3. Parking stickers, parking cards and other identification devices shall be the property of Landlord and shall be returned to Landlord by the holder thereof upon termination of the holder's parking privileges. Landlord may require Tenant and each of its employees to give Landlord a deposit when a parking card or other parking device is issued. Landlord shall not be obligated to return the deposit unless and until the parking card or other device is returned to Landlord. Tenant will pay such replacement charges as is reasonably established by Landlord for the loss of such devices. Loss or theft of parking identification stickers or devices from automobiles must be reported to the parking operator immediately. Any parking identification stickers or devices reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution.

4. Landlord reserves the right to relocate all or a part of parking spaces within the parking area and/or to reasonably adjacent off site locations(s), and to allocate them between compact and standard size and tandem spaces, as long as the same complies with applicable laws, ordinances and regulations.

5. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Landlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

6. Validation of visitor parking, if established, will be permissible only by such method or methods as Landlord may establish at rates determined by Landlord, in Landlord's sole discretion. Only persons visiting Tenant at the Premises shall be permitted by Tenant to use the Project's visitor parking facilities.

7. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

8. Tenant shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements. Parking area managers or attendants, if any, are not authorized to make or allow any exceptions to these Parking Rules and Regulations. Landlord reserves the right to terminate parking rights for any person or entity that willfully refuses to comply with these rules and regulations.

9. Every driver is required to park his own car. Where there are tandem spaces, the first car shall pull all the way to the front of the space leaving room for a second car to park behind the first car. The driver parking behind the first car must leave his key with the parking attendant. Failure to do so shall subject the driver of the second car to a Fifty Dollar (\$50.00) fine. Refusal of the driver to leave his key when parking in a tandem space shall be cause for termination of the right to park in the parking facilities. The parking operator, or his employees or agents, shall be authorized to move cars that are parked in tandem should it be necessary for the operation of the garage. Tenant agrees that all responsibility for damage to cars or the theft of or from cars is assumed by the driver, and further agrees that Tenant will hold Landlord harmless for any such damages or theft.

10. No vehicles shall be parked in the parking garage overnight. The parking garage shall only be used for daily parking and no vehicle or other property shall be stored in a parking space.

11. Any vehicle parked by Tenant, its employees, contractors or visitors in a reserved parking space or in any area of the parking area that is not designated for the parking of such a vehicle may, at Landlord's option, and without notice or demand, be towed away by any towing company selected by Landlord, and the cost of such towing shall be paid for by Tenant and/or the driver of said vehicle.

12. At Landlord's request, Tenant shall provide Landlord with a list which includes the name of each person using the parking facilities based on Tenant's parking rights under this Lease and the license plate number of the vehicle being used by that person. Tenant shall provide Landlord with an updated list within five (5) days after any part of the list becomes inaccurate.

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 Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. 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 "E"

**Addendum to Standard Office Lease (the "Lease")
dated the 1st day of July 1994 Between
ADVENT REALTY LIMITED PARTNERSHIP II,
a Delaware limited partnership ("Landlord")
and Jamshid Nazarian, M.D. ("Tenant")**

It is hereby agreed by Landlord and Tenant that the provisions of this Addendum are a part of the Lease. If there is a conflict between the terms and conditions of this Addendum and the terms and conditions of the Lease, the terms and conditions of this Addendum shall control. Capitalized terms in this Addendum shall have the same meaning as capitalized terms in the Lease.

1. **Base Rental.** The following monthly Base Rent shall be payable during the term of the Lease:

a) From the Commencement Date through the end of the 30th full month of the Lease term, the monthly Base Rent shall be Two and 00/100 Dollars (\$2.00) per rentable square foot; and

b) For the calendar months 31 through 60, the monthly Base Rent shall be Two and 15/100 Dollars (\$2.15) per rentable square foot.

2. **Termination Upon Death or Disability.**

(a) **Termination Date.** Tenant shall have an option (the "Termination Option") to terminate this Lease if Jamshid Nazarian, M.D. dies or if it is determined that Jamshid Nazarian, M.D. is disabled from the practice of medicine. For purposes of this Addendum section, Jamshid Nazarian, M.D. shall be deemed disabled from the practice of medicine if a medical doctor mutually satisfactory to Landlord and Tenant determines that Jamshid Nazarian, M.D. will be unable to work as a medical doctor for a continuous period during the term of this Lease of not less than one hundred eighty (180) days. In addition, this Termination Option is granted subject to the following terms and conditions:

(i) **Notice.** Tenant shall give Landlord not less than one hundred twenty (120) days advance written notice of its election to exercise the Termination Option. The Lease will terminate on the latter to occur of the date which is one hundred twenty (120) days after Jamshid Nazarian, M.D. is determined to be disabled or at the end of said notice period (the "Termination Date"); and

(ii) **Termination Fee.** Tenant pays to Landlord concurrently with Tenant's exercise of the Termination Option, a cash termination payment (the "Termination Payment") in an amount equal to the sum of:

(A) the unamortized amount as of the Termination Date of the sum of the following costs relating to the Premises;

(1) all brokerage commissions paid or incurred by Landlord in connection with this Lease, plus

(2) all rent abatements provided by Landlord to Tenant under this Lease, plus.

Said costs shall be amortized on a straight-line basis over the term of this Lease.

(b) **Terms.** If Tenant timely and properly exercise the Termination Option, (i) all rent payable under this Lease shall be paid through and apportioned as of the Termination Date (in addition to payment by Tenant of the Termination Payment); (ii) neither party shall have any rights, liabilities, or obligations under this Lease for the period accruing after the Termination Date, except those which, by the provisions of this Lease, expressly survive the expiration or termination of the term of this

Lease; (iii) Tenant shall surrender and vacate the Premises and deliver possession thereof to Landlord on or before the Termination Date in the condition required under this Lease for surrender of the Premises; and (iv) at Landlord's option, Tenant shall enter into a written agreement reflecting the termination of this Lease upon the terms provided for herein, which agreement shall be executed within thirty (30) days after Tenant exercises the Termination Option.

3. Termination of Existing Lease. Upon commencement of this Lease per Section 1.7, the lease dated November 24, 1989 ("Former Lease") between Landlord and Tenant will be considered terminated.

4. Abatement of Rent. Landlord hereby agrees to conditionally waive one-half (1/2) of the Annual Basic Rent (\$1,298.00) plus gross receipts tax (\$30.50) for the sixth (6th) through the tenth (10th) calendar months of the Lease term. In the event Tenant commits a default as defined in Article 13 of the Lease, and Tenant has failed to cure the default during the applicable cure period, Annual Basic Rent coming due thereafter shall not be waived, and all Annual Basic Rent that Landlord conditionally waived in the past shall be immediately due and payable by Tenant to Landlord without notice or demand from Landlord. If the Lease expires in accordance with its terms, and does not terminate as a result of a default by Tenant, Landlord agrees to permanently waive the Annual Basic Rent is has conditionally waived.

5. Delinquent Rent. Under the terms of the lease dated November 24, 1989 between Landlord and Tenant ("Former Lease") there is a delinquent balance of Twelve Thousand Three Hundred Forty-Five and 24/100 Dollars (\$12,345.24) due from Tenant to Landlord as of June 30, 1994. This Lease dated July 1, 1994 and commencing July 1, 1994 replaces the Former Lease. As long as the Tenant performs all of the obligations under this Lease the delinquent balance under the Former Lease will be forgiven on the date Tenant has performed the last of his obligations under this Lease. If Tenant commits a default under this Lease the total amount of the delinquent rent under the Former Lease shall become immediately due and payable without notice or demand. Such delinquent rent shall be deemed "base rent" as defined in this Lease and Landlord shall have all the same rights with respect to collection of the delinquent rent as it has with respect to collection of Base Rent under this Lease.

6. Sublease to Affiliates. Tenant shall have the right, without Landlord's consent, upon written notice to the Landlord, to sublet not more than one (1) office in the Premises to not more than one (1) other full time medical doctor licensed by the State of California; provided, that Tenant's right to sublease the office is subject to the following conditions:

(a) Tenant shall remain fully liable under the terms and conditions of the Lease;

(b) Any sublease shall be subject to all of the terms, covenants and conditions of the Lease;

(c) Landlord shall have no obligation or liability to any subtenant;

(d) Tenant shall enter into a written sublease with the subtenant which shall contain all of the terms and conditions of the agreement between Tenant and subtenant;

(e) Tenant shall provide Landlord with a copy of the written sublease within ten (10) days after the sublease is entered into; and

(f) Landlord shall have no liability to any subtenant and shall not be obligated to accept rent from a subtenant.

7. Lease Assignment. Tenant shall be relieved of all liabilities under the terms of the Lease upon assignment under the following conditions:

(a) There is a formal, legal assignment of the Lease, in writing, which contains a contingency requiring written approval of such assignment by Landlord.

(b) Assignee, under the assignment, accepts all terms, covenants, and conditions of the Lease without change or modification, including all liabilities and obligations thereunder;

(c) All other terms, covenants, conditions, and standards for approval under Section 12 of the Lease are complied with.

IN WITNESS WHEREOF, the parties hereto have respectively executed this Addendum.

LANDLORD:

Advent Realty Limited Partnership
II, a Delaware limited partnership

By: Advent Realty GP II Limited
Partnership, a Delaware
limited partnership
Its General Partner

By: Advent Realty Inc.,
a Delaware corporation
Its General Partner

By: Michael Ruane
Michael A. Ruane,
Chairman

TENANT:

Jamshid Nazarian, M.D.

Jamshid Nazarian
Jamshid Nazarian, M.D.

SECOND Addendum to Standard Office Lease (the "Lease")
dated the 9 th day of August 1994 Between
ADVENT REALTY LIMITED PARTNERSHIP II,
a Delaware limited partnership ("Landlord")
and **Jamshid Nazarian, M.D.** ("Tenant")

It is hereby agreed by Landlord and Tenant that the provisions of this Second Addendum are a part of the Lease. If there is a conflict between the terms and conditions of this Second Addendum and the terms and conditions of the Lease or the First Addendum, the terms and conditions of this Second Addendum shall control. Capitalized terms in this Second Addendum shall have the same meaning as capitalized terms in the Lease and First Addendum.

1. **Abatement of Rent:** "Abatement of Rent" as defined in Exhibit E, Paragraph 4, of the Lease dated July 1, 1994, shall be amended as follows:

Landlord hereby agrees to conditionally waive one-half (1/2) of the Annual Basic Rent (\$1,298.00) plus gross receipts tax (\$30.50) for the seventh (7th) through the eleventh (11th) calendar months of the Lease term. In the event Tenant commits a default as defined in Article 13 of the Lease, and Tenant has failed to cure the default during the applicable cure period, Annual Basic Rent coming due thereafter shall not be waived, and all Annual Basic Rent that Landlord conditionally waived in the past shall be immediately due and payable by Tenant to Landlord without notice or demand from Landlord. If the Lease expires in accordance with its terms, and does not terminate as a result of default by Tenant, Landlord agrees to permanently waive the Annual Basic Rent it has conditionally waived.

IN WITNESS WHEREOF, the parties hereto have respectively executed this Second Addendum.

LANDLORD:

Advent Realty Limited Partnership II, a Delaware limited partnership

By: Advent Realty GP II Limited Partnership, a Delaware limited partnership
Its General Partner

By: Advent Realty Inc.,
a Delaware corporation
Its General Partner

By: Michael A. Ruane
Michael A. Ruane,
Chairman

TENANT:

Jamshid Nazarian, M.D.

Jamshid Nazarian
Jamshid Nazarian, M.D.

ORIGINAL

FOURTH AMENDMENT TO OFFICE LEASE

This Fourth Amendment to Office Lease (this "Fourth Amendment"), dated August 28, 2015, is made by and between DOUGLAS EMMETT 1998, LLC, a Delaware limited liability company ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and JAMSHID NAZARIAN, an individual ("Tenant"), with offices at 8920 Wilshire Boulevard, Suite 501, Beverly Hills, California 90211.

WHEREAS,

A. Landlord, pursuant to the provisions of that certain Standard Office Lease dated July 1, 1994 (the "Original Lease"), as amended by that certain First Amendment to Office Lease dated September 15, 1999 (the "First Amendment"); that certain Second Amendment to Office Lease dated February 9, 2004 (the "Second Amendment"); and that certain Third Amendment to Office Lease dated June 10, 2010 (the "Third Amendment"), leased to Tenant and Tenant leased from Landlord space in the property located at 8920 Wilshire Boulevard, Beverly Hills, California 90211 (the "Building"), commonly known as Suite 501 (the "Premises");

B. The Third Extended Term expires at midnight on December 31, 2015, which Third Extended Term Landlord and Tenant wish to hereby extend; and

C. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of the Original Lease, as amended.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. Confirmation of Defined Terms. Unless modified herein, all terms previously defined and capitalized in the Original Lease, as amended, shall hold the same meaning for the purposes of this Fourth Amendment. The Original Lease, as modified by the First Amendment, the Second Amendment, the Third Amendment and this Fourth Amendment, shall hereinafter be referred to as the "Lease."

2. Extension of Third Extended Term. The Third Extended Term of the Lease is hereby extended for a period of five (5) years (the "Fourth Extended Term"), from and including January 1, 2016 (the "Effective Date"), through and including midnight on December 31, 2020 (the "Termination Date").

3. Revision in Fixed Monthly Rent. Tenant shall pay Fixed Monthly Rent as follows:

Period	Fixed Monthly Rent
January 1, 2016 through December 31, 2016	\$6,497.40
January 1, 2017 through December 31, 2017	\$6,741.05
January 1, 2018 through December 31, 2018	\$6,993.84
January 1, 2019 through December 31, 2019	\$7,256.11
January 1, 2020 through December 31, 2020	\$7,528.22

All payments of Fixed Monthly Rent shall be made in immediately available funds.

4. Modification to Security Deposit. Landlord acknowledges that it currently holds the sum of \$5,589.40 as a Security Deposit under the Lease, which amount Landlord shall continue to hold throughout the Fourth Extended Term, unless otherwise applied pursuant to the provisions of the Lease. Concurrent with Tenant's execution and tendering to Landlord of this Fourth Amendment, Tenant shall tender the sum of \$1,938.82, which amount Landlord shall add to the Security Deposit already held by

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B

FOURTH AMENDMENT TO OFFICE LEASE

Landlord, so that thereafter, throughout the Fourth Extended Term, provided the same is not otherwise applied, Landlord shall hold a total of \$7,528.22 as a Security Deposit on behalf of the Tenant. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in Article 13 of the Original Lease, and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant's breach of the Lease or the acts or omission of Tenant or any Tenant Party. As used in the Lease a "Tenant Party" shall mean Tenant, any employee of Tenant, or any agent, authorized representative, design consultant or construction manager engaged by or under the control of Tenant.

5. **Revision to Base Year.** As of the Effective Date, the Base Year shall be calendar year 2016.

6. **Option to Extend Term.** Provided that Tenant is not in material default after the expiration of notice and the opportunity to cure on the date or at any time during the remainder of the Fourth Extended Term, the "Extension Option" set forth in Section 6 of the First Amendment shall apply during the Fourth Extended Term. The notice periods set forth in said Section 6 shall be construed to apply to the Fourth Extended Term and the modified Termination Date under this Fourth Amendment.

7. **Tenant Improvements.** Tenant shall be permitted to install certain Improvements in the Premises in accordance with and subject to the terms and conditions of Exhibit B attached to the Third Amendment, as such Exhibit B is amended as follows:

a) Tenant acknowledges and agrees that Landlord shall have no obligation to disburse the Allowance prior to the Effective Date or after December 31, 2016.

b) The reference to California Civil Code Section 3262(d)(4) is hereby deleted and replaced instead with California Civil Code Section 8138.

c) The administration fee referenced in the last paragraph of Exhibit B is hereby amended to be six percent (6%) of the total hard costs of the Improvements provided that no administration fee shall be charged to Tenant in the event the Improvements are cosmetic in nature (such as paint and carpet).

d) During completion of the Improvements, neither Tenant or any Contractors shall permit any contractors, workmen, laborers, material or equipment to come into or upon the Building if the use thereof, in Landlord's reasonable judgment, would violate Landlord's agreement with any union providing work, labor or services in or about the Building or disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. If any violation, labor disturbance (such as but not limited to picketing), interference or conflict occurs, Tenant, upon demand by Landlord, shall immediately cause all contractors or subcontractors or all materials causing the violation, disturbance, interference, difficulty or conflict, to leave or be removed from the Building or the Common Areas immediately. Tenant shall indemnify and hold Landlord harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including attorneys fees and costs incurred in the defense thereof) to which Landlord may be subject or suffer when the same arise out of or in connection with the use of, work in, construction to, or actions in, on, upon or about the Premises by Tenant or Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, including any actions relating to the installation, placement, removal or financing of the Improvements and any other improvements, fixtures and/or equipment in, on, upon or about the Premises.

8. **Acceptance of Premises.** Tenant acknowledges that it has been in possession of the Premises for

Ja. _____ _____ W
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FOURTH AMENDMENT TO OFFICE LEASE

over twenty (2) years, has no claim against Landlord, and therefore releases Landlord from any claim, loss, liability, cost or expense, in connection with the Premises or the Lease. Tenant has made its own inspection of and inquiries regarding the Premises, which is already improved. Therefore, Tenant accepts the Premises in its "as-is" condition. Tenant further acknowledges that Landlord has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Premises or the Building for the purposes intended by Tenant.

9. **Warranty of Authority.** If Landlord or Tenant signs as a corporation, or a limited liability company or a partnership, each of the persons executing this Fourth Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the applicable entity executing herein below is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this Fourth Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

10. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Fourth Amendment other than Douglas Emmett Management, Inc., Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Fourth Amendment.

11. **Confidentiality.** Tenant agrees that the covenants and provisions of this Fourth Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.

12. **Governing Law.** The provisions of this Fourth Amendment shall be governed by the laws of the State of California.

13. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Premises, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

14. **Civil Code Section 1938 Disclosure.** Pursuant to California Civil Code Section 1938, Landlord hereby discloses that the Premises have not undergone an inspection by a Certified Access Specialist to determine whether the Premises meet all applicable construction-related accessibility standards.

15. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Fourth Amendment, until both Landlord and Tenant have executed and delivered this Fourth Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Fourth Amendment.

The submission of this Fourth Amendment to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or an option for the Tenant to lease the Premises, or otherwise create any interest by Tenant in the Premises or any other portion of the Building other than the Premises. Execution of this Fourth Amendment by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered this Fourth Amendment to Tenant.

[Signatures Appear on the Following Page]

FOURTH AMENDMENT TO OFFICE LEASE


ORIGINAL

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document, effective as of the later of the date(s) written below.

LANDLORD:

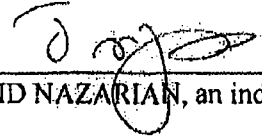
DOUGLAS EMMETT 1998, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, Inc.,
a Delaware corporation, its Manager

By: 
Andrew B. Goodman
Senior Vice President

Dated: 9/14/15

TENANT:


JAMSHID NAZARIAN, an individual

Dated: _____

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES.

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 12100 Wilshire Boulevard, Suite 1050, Los Angeles, California 90025.

On June 21, 2016, I served the foregoing document described as **JAMSHID NAZARIAN'S FIRST AMENDED COMPLAINT** on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed to:

Charles G. Brackins
Hinshaw & Culbertson LLP
11601 Wilshire Blvd., Suite 800
Los Angeles, California 90025

Attorneys for Defendant
Douglas Emmett 1998, LLC



BY MAIL: I caused such envelope to be deposited in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. It is deposited with the United States Postal Service on that same day in the ordinary course of business.



BY ELECTRONIC MAIL: I served the above-mentioned document electronically on the parties listed at the email address above, and to the best of my knowledge, the transmission was complete and without error in that I did not receive an electronic notification to the contrary.



BY PERSONAL SERVICE: I caused such envelope to be personally delivered by hand to the addressee.



BY FEDERAL EXPRESS: The Federal Express package tracking numbers for these envelopes are _____, _____ and the envelopes were sent FedEx Standard Overnight delivery for receipt on _____

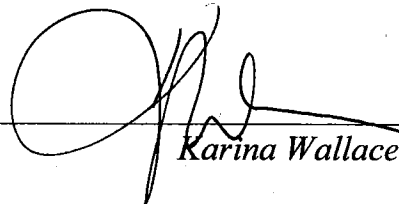


BY FACSIMILE MACHINE: The above-referenced document was transmitted by facsimile transmission and said transmission was reported as complete and without error.

Executed on June 21, 2016, at Los Angeles, California.



(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.


Karina Wallace