

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "**License**") is made as of the Effective Date, by and between San Diego Family Housing, LLC, a California limited liability company ("**Licensor**"), and Licensee (as defined in Exhibit A attached hereto).

RECITALS:

A. The United States of America, Department of the Navy ("**Prime Landlord**"), as lessor, and Licensor, as lessee, entered into that certain Second Amended and Restated Real Estate Ground Lease dated as of October 1, 2007 (together with all exhibits, modifications, and amendments thereto, if any, the "**Prime Lease**").

B. Pursuant to the Prime Lease, Prime Landlord leased to Licensor certain Land and Appurtenances (each as defined in the Prime Lease), and conveyed to Licensor for a term of years certain Improvements (as more particularly described in the Prime Lease, collectively, the "**Original Property**"), subject to the terms and conditions set forth in the Prime Lease.

C. Licensor desires to grant and Licensee desires to accept a non-exclusive license to use the Licensed Premises solely for the Permitted Use (as such terms are defined in Exhibit A attached hereto), subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensor and Licensee, intending to be legally bound, do hereby agree as follows:

1. Definitions. All capitalized terms used in this License and not defined herein will have the definition provided for in Exhibit A attached hereto and made a part hereof.

2. Licensed Premises. Licensor hereby grants to Licensee a non-exclusive license to use, subject to the terms and conditions hereinafter provided, the Licensed Premises. Licensee accepts the Licensed Premises in its "as-is" condition as of the License Commencement Date. This License creates only a license terminable at will and not a lease or other estate in land.

3. Term. Subject to and upon the covenants, agreements and conditions set forth herein, including those set forth on Exhibit A, the term of this License shall be for the License Term, but is revocable at any time with thirty (30) days' written notice at the option and discretion of Licensor (with the consent of Prime Landlord).

4. License Fee.

(a) Base Fee. Licensee is granted this License to use the Licensed Premises in consideration of the Base Fee.

(b) Additional Fees. Licensee shall be responsible for the costs of the License Services specified in Paragraph 11 of Exhibit A attached hereto and any other costs and expenses (collectively, "**Additional Fees**") reasonably attributable to the Licensed Premises (e.g., pro rata

share of long-term maintenance costs and expenses). Any Additional Fees shall be paid by Licensee within thirty (30) days after receipt of an invoice from Licensor.

5. Permitted Use. Licensee will use the Licensed Premises solely for the Permitted Use and for no other purpose. Licensee agrees to abide by any Special Provisions set forth on Exhibit A in connection with its use of the Licensed Premises.

6. License Services. Provided Licensee is not in default under this License, Licensor agrees that it will provide (or cause to be provided) the License Services at Licensee's sole cost and expense. Licensee shall be responsible for obtaining, at Licensee's sole cost and expense, any other services relating to the use of the Licensed Premises.

7. Compliance With Laws. Licensee will comply with all applicable laws (including environmental laws), rules, orders, ordinances and regulations, including without limitation, any covenants, conditions and restrictions affecting the Licensed Premises, at any time issued or in force, applicable to the Licensed Premises or Licensee's use thereof.

8. Assignment. Licensee will not assign or otherwise transfer this License, or permit occupancy or use of the Licensed Premises or any part thereof by any other party.

9. Alterations. Licensee shall make no alterations, installations, additions or improvements in or to the Licensed Premises except Permitted Alterations, if any.

10. Licensor's Access to Licensed Premises. Licensor, its officers, agents, members, managers, employees, and contractors may enter upon the Licensed Premises (after reasonable advance notice, except in the event of emergency), for any purposes including, but not limited to, the purpose of inspection. Licensee shall have no claim on account of any entries against Licensor or any of Licensor's officers, agents, members, managers, employees, or contractors.

11. Surrender. Licensee, at Licensee's expense, will keep the Licensed Premises in a clean, safe and sanitary condition, will take good care thereof, and will suffer no waste or injury thereto. At the expiration or earlier termination of the License Term, Licensee will surrender the Licensed Premises in the same order and condition in which they were on the License Commencement Date, ordinary wear and tear excepted. At the expiration or earlier termination of this License, Licensee shall remove its property from the Licensed Premises. If any of Licensee's property remains in the Licensed Premises at the expiration or earlier termination of the License Term, it shall be deemed Licensor's property and Licensee shall be liable to Licensor for all cost and expenses of storage and/or removal of such property.

12. Damage to Licensed Premises. Any and all injury or damage to the Licensed Premises caused by Licensee or its agents, contractors, servants, invitees or employees shall promptly be repaired at the sole expense of Licensee.

13. Indemnity and Insurance. Licensee represents to Licensor that it is a self-insured Municipal Corporation, and shall pay all claims which arise from Licensee's use of the Licensed Premises which would normally be covered by a third party insurance carrier. In addition, Licensee shall extend such insurance to Licensor by indemnifying and saving harmless Licensor and its officers, members, managers, directors, partners, agents and employees from any and all liability, damage, expense, cause of action, suits, claims, judgments and cost of defense, which arise from Licensee's use of the Premises.

14. Liability.

(a) All personal property of Licensee, Licensee's employees, agents, invitees, licensees, customers, clients, family members, guests or trespassers, in and on the Licensed Premises or any part thereof, shall be and remain therein under any and all circumstances at the sole risk of said parties, and Licensor shall in no event be liable to any such person or party for any damage to, or loss thereof.

(b) Licensor shall not be liable for any personal injury to Licensee, Licensee's employees, agents, invitees, licensees, customers, clients, family members, guests or trespassers, arising from the use and condition of the Licensed Premises or any part thereof.

(c) It is expressly agreed by the parties hereto that Licensor shall not be liable to Licensee, or to any of Licensee's employees, agents, invitees, licensees, customers, clients, family members, guests or trespassers for any damage, injury, loss, compensation or claim. Notwithstanding anything to the contrary contained herein, in no event shall Licensor be liable for claims for the interruption of or loss to Licensee's business, based on, arising out of, or resulting from any cause whatsoever, including, without limitation, interruption in the use of the Licensed Premises or any interruption in any utility services or any other License Services.

15. Licensor's Remedies. This License shall, at the option of Licensor (with the consent of Prime Landlord), cease and terminate if Licensee shall violate or fail to perform any of the conditions, covenants or agreements of this License made by Licensee. In such event Licensee shall however remain liable to Licensor for all costs, expenses and other damages arising from such violation or failure and/or otherwise arising prior to the date of such termination. In the event of any dispute between the parties hereunder, Licensee shall immediately reimburse Licensor upon demand for all attorneys' fees, disbursements and costs incurred by Licensor to defend or enforce its rights under this License or applicable law.

16. Hold-Over. If Licensee remains in possession of the Licensed Premises or any part thereof after the expiration of the term hereof, with the expressed written consent of Licensor, such occupancy shall be a tenancy from month-to-month. In such event, Licensor and Licensee shall each be required to give the other thirty (30) days' written notice in order to cancel said month-to-month tenancy. In the event Licensee does not vacate and immediately surrender the Licensed Premises at the expiration of such thirty (30) day period, Licensee shall pay immediately to Licensor the Hold-Over Fee. Notwithstanding the foregoing, if Licensor shall desire to regain possession of the Licensed Premises promptly at the expiration of such thirty (30) day period contemplated in this Section, Licensor may re-enter and take possession of

the Licensed Premises by any legal action or process, and Licensors shall have the right to recover all damages suffered by Licensors as a result of Licensee's failure to vacate upon such expiration.

17. Prime Lease Superior. Licensee acknowledges that any rights or remedies it has under the License are derived from the Prime Lease, attached hereto as Exhibit B, and, notwithstanding anything to the contrary contained herein or in the License, Licensee agrees to be bound by all of the terms and conditions of the Prime Lease as fully and completely as if Licensee were the original tenant under the Prime Lease. Notwithstanding anything in the License to the contrary, this License is and shall remain in all respects subject and subordinate to the Prime Lease (as the same may be amended), and any deeds of trusts or mortgages affecting the Original Property. Licensee agrees that it will not, by its act or omission to act, cause a default under the Prime Lease. Licensee shall not act in any manner which is inconsistent with the terms of the Prime Lease.

18. Termination of Prime Lease. If, at any time prior to the expiration or earlier termination of the License Term, the Prime Lease (or Licensors's right to possession) shall expire or be sooner terminated for any reason, then this License shall simultaneously terminate and Licensee shall vacate the Licensed Premises on or before the date of termination. Notice of termination shall be made in writing and allow Licensee thirty (30) days to vacate the Licensed Premises. Notwithstanding the foregoing, in the event Licensee does not vacate and immediately surrender the Licensed Premises at the expiration of such thirty (30) day period, Licensors may immediately pursue against Licensee all rights and remedies available to Licensors under the License, at law or in equity in order to remedy such holdover.

19. [INTENTIONALLY DELETED]

20. Notices. All notices or other communications hereunder shall be in writing and shall be deemed duly given only when delivered in person (with receipt therefor), two (2) days after being sent by certified mail, return receipt requested, or one (1) business day after delivery to a recognized overnight carrier: (a) if to Licensors, at the following addresses: c/o Lincoln Property Company, 19600 Fairchild Road, Suite 285, Irvine, CA 92612, Attention: Reggie D. DelPonte, and c/o Lincoln Property Company, 2000 McKinney Avenue, Suite 1000, Dallas, TX 75201-3394, Attention: President, and c/o Clark Realty Capital, L.L.C., 4401 Wilson Boulevard, Suite 600, Arlington, VA 22203, Attention: Managing Director, and with copies to: Lincoln Property Company, 2000 McKinney Avenue, Suite 1000, Dallas, TX 75201-3394, Attention: General Counsel, and Clark Enterprises, Inc., 7500 Old Georgetown Road, 15th Floor, Bethesda, MD 20814, Attention: General Counsel, and Clark Realty Capital, L.L.C., 4401 Wilson Boulevard, Suite 600, Arlington, VA 22203, Attention: David Brody, Esq., and Goulston & Storrs, 1999 K Street, N.W., Suite 500, Washington, D.C. 20006, Attn: Lee C. Carter, Esq.; and (b) if to Licensee at Licensee's Notice Address. The party to receive notices and the place notices are to be sent for either Licensors or Licensee may be changed by notice given pursuant to the provisions of this section.

21. No Partnership. It is agreed that nothing contained in this License shall be deemed or construed as creating a partnership, joint venture, or a relationship of landlord and tenant between Licensors and Licensee.

22. Brokers. Licensors and Licensees each represent and warrant one to another that neither of them has employed any broker in carrying on the negotiations, or had any dealings with any broker, relating to this License. Licensors shall indemnify and hold Licensees harmless, and Licensees shall indemnify and hold Licensors harmless, from and against any claim or claims for brokerage or other commission arising from or out of any breach of the foregoing representation and warranty by the respective indemnitor.

23. Estoppel. Licensee shall, without charge, from time to time, within five (5) business days after request therefor, execute, acknowledge and deliver a written estoppel certificate certifying, as of the date of such estoppel certificate, such information as is reasonably requested by Licensors. If Licensee fails to execute, acknowledge and deliver such estoppel within the required time frame, Licensee hereby appoints Licensors as Licensee's attorney-in-fact to execute and deliver such estoppel by and on behalf of Licensee.

24. Entire Agreement. This License, including Exhibit A, Exhibit B and Exhibit C, contains and embodies the entire agreement of the parties hereto, and no representations, inducements, or agreements, oral or otherwise, between the parties not contained and embodied in this License shall be of any force and effect, and the same may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by all parties hereto. This License shall be governed by the laws of the State of California.

25. Authority of Licensee. Licensee represents and warrants that the person executing this License on behalf of Licensee has the full right, power and authority to execute this License on Licensee's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this License.

26. Confidentiality. Licensee acknowledges and understands that the Prime Lease, attached hereto as Exhibit B, is confidential and must be held in strict confidence by Licensee and its officers, agents, and employees. Licensee covenants and agrees that it will keep the Prime Lease, and all information obtained from the Prime Lease in strict confidence, and shall not reveal the Prime Lease or any information contained therein to any person except upon the prior written consent of Licensors, which consent may be withheld in Licensors's sole discretion, or if required pursuant to any litigation between Licensors and Licensee.

27. Captions. The captions throughout this License are for convenience of reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this License, nor in any way effect this License.

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

29. Singular and Plural. Wherever appropriate herein, the singular includes the plural and the plural includes the singular.

30. Counterpart. This License may be executed in several counterparts, but all counterparts shall constitute but one and the same instrument.

31. Survival. Sections 11-31, inclusive, of this License shall survive expiration or earlier termination of the License Term

[Remainder of Page Intentionally Left Blank]

[Signatures on Following Pages]

IN WITNESS WHEREOF, Licensor and Licensee have caused this License to be executed and delivered under seal as their act and deed as of the Effective Date, intending to be legally bound by its terms and provisions.

LICENSOR:

SAN DIEGO FAMILY HOUSING, LLC, a California limited liability company

By: Lincoln/Clark San Diego, LLC, a California limited liability company,
one of two members and the managing member

By: Lincoln Property Company No. 2179 Limited Partnership, a
California limited partnership, a co-manager

By: Lincoln No. 2179, Inc., a California corporation, its
managing general partner

By: 
Name: Reggie D. DelPonte
Title: Vice President

By: Clark San Diego Military Housing LLC, a Delaware limited
liability company, a co-manager

By: Clark Realty Capital, L.L.C., a Delaware limited liability
company, its sole manager

By: _____
Name: _____
Title: Manager

By: _____
Name: _____
Title: Manager

[Licensor Signature Page to License Agreement (Page 1 of 2)]

[Signatures Continue on Following Page]

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LICENSOR:

SAN DIEGO FAMILY HOUSING, LLC, a California limited liability company

By: Lincoln/Clark San Diego, LLC, a California limited liability company,
one of two members and the managing member

By: Lincoln Property Company No. 2179 Limited Partnership, a
California limited partnership, a co-manager

By: Lincoln No. 2179, Inc., a California corporation, its
managing general partner

By:

Name: Reggie D. DelPonte

Title: Vice President

By: Clark San Diego Military Housing LLC, a Delaware limited
liability company, a co-manager

By: Clark Realty Capital, L.L.C., a Delaware limited liability
company, its sole manager

By:

Name: Cleve Johnson

Title: Manager

By:

Name: Mike Baulig

Title: Manager DEV. EXEC

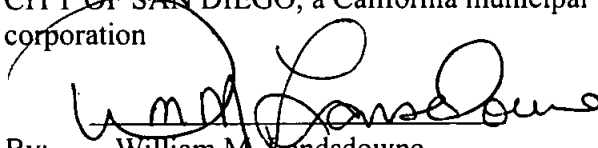
[Licensor Signature Page to License Agreement (Page 1 of 2)]

[Signatures Continue on Following Page]

LICENSEE:

CITY OF SAN DIEGO, a California municipal corporation

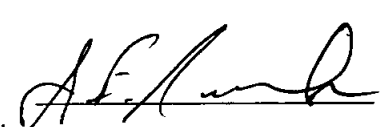
By:


William M. Landsdowne

City of San Diego Police Department

Title: Chief of Police

By:

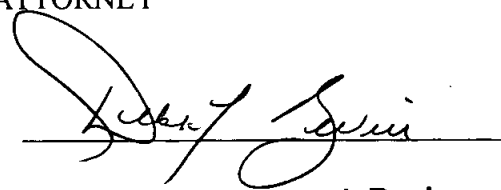

Name:

Title: Director of Real Estate Assets

Approved As to Form and Legality this 8th day
of August, 2012.

JAN I. GOLDSMITH,
CITY ATTORNEY

By:


Name:

Debra J. Bevler

Deputy City Attorney

Title: Deputy City Attorney

[Licensee Signature Page to License Agreement (Page 2 of 2)]

Exhibits:

Exhibit A: Definitions and Additional Terms

Exhibit B: Prime Lease

Exhibit C: Area Site Map

EXHIBIT A
DEFINITIONS AND ADDITIONAL TERMS

1. Effective Date: June 1, 2012
2. Licensee: City of San Diego
3. Licensee's Notice Address: 1200 Third Avenue, Suite 1700, San Diego, California 92101
4. Licensor's Agents: Lincoln Military Property Management, Inc.
c/o Lincoln Property Company
19600 Fairchild Road, Suite 285
Irvine, CA 92612
Attention: Reggie D. Delponte
5. Licensed Premises: 4439 Olney Street (see Exhibit C, attached) – Note that the warehouse building is excluded and is not part of the Licensed Premises
6. Permitted Use: For the City of San Diego Police Department to use as a police storefront office and storage facility to write reports, conduct minor investigations, hold community meetings, conduct briefings and other forms of daily police work, including the storage of police beach vehicles consisting of bikes, all terrain vehicles and boats. Access to the warehouse building must be kept clear for San Diego Family Housing, LLC use.
7. Permitted Alterations: None
8. License Term: From June 1, 2012 to May 31, 2013
9. Hold-Over Fee: Monthly rent in the amount of \$2,000.00 (as specified in Paragraph 16)
10. Base Fee:
 - 10a. Amount: None
 - 10b. Frequency: Not Applicable
 - 10c. First Due Date: Not Applicable
 - 10d. Payments To: 3360 Murray Ridge Road, San Diego, California 92123
11. License Services:
 - 11a. Services to be provided by Licensor: Licensor will provide (or cause to be provided) water, sewer, gas, electricity, rubbish removal services, and be responsible for routine maintenance and upkeep of the Licensed Premises.
 - 11b. Services to be paid by Licensee: Licensee shall be responsible for obtaining, at Licensee's sole cost and expense, any other services relating to the use of the Licensed Premises.
12. Special Provisions: None
13. Licensee's Insurance Requirements: Licensee represents to Licensor that it is a self-insured Municipal Corporation.

EXHIBIT B
PRIME LEASE

[See Attached]

EXHIBIT C
AREA SITE MAP

[See Attached]

