

THE MCCABE LAW FIRM

4817 Santa Monica Avenue, Suite B
San Diego, CA 92107
Telephone (619) 224-2848
Facsimile (619) 224-0089
jim@mccabelaw.net

James M. McCabe*
Ryan M. McCabe
Jesse R. McCabe

**Admitted in NY and CA*

October 24, 2007

City of San Diego
ATTN: FREDERICK L. REALE
1200 Third Avenue, Suite 1700
MS 51A
San Diego, CA 92101

Re: Premises located at 4817 Santa Monica Avenue, Suite B, San Diego, CA
92107

Dear Mr. Reale:

Pursuant to the terms of our lease under Section 3, we hereby give you notice as the landlord of our exercise of our option to extend the term of our lease for the "extended period" of five (5) years commencing on February 1, 2008.

Thank you for noting this election to exercise my option and feel free to contact me if you have any questions or concerns.

Otherwise, I am still waiting for a reply to our last letter requesting repairs to our windows which are inoperable on the west side of our office building. Thank you for your assistance with this.

Very truly,

s//James M. McCabe//

James M. McCabe

**LAW OFFICES OF
JAMES M. McCABE**

4817 Santa Monica Avenue, Suite B
San Diego, CA 92107
Telephone (619) 224-2848
Facsimile (619) 224-0089
jim@mccabelaw.net

Admitted to Bars of:
CALIFORNIA
NEW YORK

Legal Staff
Jesse McCabe, CFP®
Ryan McCabe, Paralegal
Mary J. Young, Paralegal
www.mccabelaw.net

November 3, 2006

FAX COVER SHEET

TO: Charmaine Gillis

FAX: (619) 236-6706

FROM: James M. McCabe, Attorney at Law

SUBJECT: Lease for 4817 B Santa Monica Avenue
Charmaine:

You will note my lease was executed in February of 2003 for a five year term and I have an option to extend for another five years. My lease rights thus extend into 2013. Let me know what you propose for the future when you intend to remove this building.
James M. McCabe

You should receive ____ page(s) including cover sheet. If you do not receive all pages please call (619) 224-2848.

CONFIDENTIALITY NOTICE

The materials enclosed with this facsimile transmission are private and confidential and are the property of the sender. The information contained in the material is privileged and is intended only for the use of the individual(s) or entity(ies) named above. If you are not the intended recipient, be advised that any unauthorized disclosure, copying, distribution, or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this facsimile transmission in error, please notify us immediately by telephone to arrange for return of the forwarded documents to us.

Re CABE

800: 3/4

TABLE OF CONTENTS

1. Leased Premises
2. Term
3. Option to Extend Term
4. Holding Over
5. Rent and Security Deposit
6. Adjustment to Rent
7. Maintenance; Insurance; Taxes
8. Utilities
9. Use
10. Trade Fixtures and Signs
11. Alterations, Repairs, Restoration
12. Mechanic's Liens
13. Landlord's Duty to Repair
14. Maintenance by Tenant
15. Destruction of the Premises
16. Indemnity and Insurance
17. Assignment and Subletting
18. Default
19. Remedies Upon Default
20. Interest on Unpaid Rent
21. Late Charge
22. Notices
23. Estoppel Certificates
24. Modification of Lease
25. Binding on Heirs and Assigns
26. California Law
27. Attorney's Fees
28. Time of Essence
29. Captions; Table of Contents
30. Singular and Plural
31. Joint and Several Obligations
32. Severability

LEASE

THIS LEASE is entered into between BRYAN & GEE PROFESSIONAL SUITES, a California General Partnership ("Landlord"), and JAMES McCABE ("Tenant").

1. Leased Premises:

Landlord leases to Tenant, and Tenant hires from Landlord, for the term, at the rental and upon the conditions in this Lease, approximately 800 square feet of interior floor space ("Premises") of the building located on the second floor of the commercial office building situated at 4817 B, Santa Monica Avenue, San Diego, California.

2. Term:

The term of this Lease shall be for a period of 60 full calendar months, commencing on February 1, 2003 and expiring, unless sooner terminated, at midnight on the last day of the 60th full calendar month, ("Term").

3. Option to Extend Term:

Tenant is given the option to extend the term on all the provisions contained in this lease, except for monthly rent, for a five (5) year period ("extended term") following expiration of the initial term, by giving notice of exercise of the option ("option notice") to Landlord at least 3 months but not more than one year before the expiration of the term. Provided that, if Tenant is in default on the date of giving the option notice, the option notice shall be totally ineffective, or if Tenant is in default on the date the extended term is to commence, the extended term shall not commence and this lease shall expire at the end of the initial term. In the event Tenant exercises said option to extend the term, Tenant is given the option to extend the term on all the provisions contained in this lease, except for monthly rent, for an additional five (5) year period ("second extended term") following expiration of the extended term, by giving notice of exercise of the second option ("second option notice") to Landlord at least 3 months but not more than one year before the expiration of the extended term. Provided that, if Tenant is in default on the date of giving the second option notice, the second option notice shall be totally ineffective, or if Tenant is in default on the date the second extended term is to commence, the second extended term shall not commence and this lease shall expire at the end of the extended term. In the event Landlord's Partners, or any entity in which either of Landlord's Partners is a material participant, need to utilize the leased premises for their own business use at the end of the initial term, or the first extended term, Tenant's option shall be void and the lease will expire at the end of the initial term, or the first extended term.

4. Holding Over:

Holding over after the expiration of the Term of this Lease, or any extension thereof, with the consent of the Landlord shall be construed as a tenancy from month to month and shall otherwise be on the terms and conditions herein specified so far as applicable.

5. Rent

Tenant agrees to pay Landlord, without notice, demand, deduction, or offset, the monthly sum of \$1,200.00 in advance on or before the first day of each and every successive calendar month during the term hereof, subject to adjustment as hereinafter provided. The rent may be paid by check payable to Landlord, unless Tenant is instructed, in writing, by Landlord of a change of address of payee. Rent for any period which is for less than one month shall be a prorated portion of the monthly rental based upon a thirty (30) day month.

6. Adjustment to Rent:

The monthly rent provided for in paragraph 5 shall be adjusted at the commencement of each year after the first year of the Term of the Lease, and any extended Term as follows:

The monthly rent shall be subject to adjustment at the commencement of the second year and each year thereafter (hereinafter "Adjustment Dates"). The base for computing the adjustment is the Consumer Price Index for All Urban Consumers (base year 1982-84 = 100) for the San Diego Region published by the United States Department of Labor, Bureau of Labor Statistics ("Index") which is published for the month nearest the date of commencement of the first year of the Term ("Beginning Index"). If the Index published nearest any of the Adjustment Dates ("Extension Index") has increased over the Beginning Index, the monthly rent for the following year, or until the next rent adjustment, shall be set by multiplying the monthly rent for the first year of the Term, \$1,200.00, by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. In no case shall the monthly rent be less than the monthly rent for the month preceding the adjustment. Regardless of the actual increase in the consumer price index, the rent shall increase a minimum of 1.0% and a maximum of 4% each year during the Term and any extension of the Term.

Landlord shall compute the adjustment of the minimum monthly rent for any extension of the Term as soon as practicable after the adjustment date and provide Tenant written notice of the new minimum monthly rent and any rent arrearage due upon the date of said notice. Tenant shall pay any rent arrearage within 10 days after receiving notice thereof.

If the Index is changed so that the base year differs from that in effect when the extension of the Term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

7. Maintenance; Insurance; Taxes:

Landlord shall pay all costs of exterior maintenance of the premises including but not limited to rubbish removal, resurfacing and striping the parking lot, roof replacement and repairs, plumbing and electrical maintenance and repairs, exterior painting, landscaping; costs of standard fire, extended coverage, public liability and excess liability insurance maintained by the Landlord; and real estate taxes and assessments payable by the Landlord which are allocable to the Premises and to land on which the Premises stand and the adjacent land owned by the Landlord and any other recurring expenses, dissimilar or similar, necessarily and reasonably incurred by the Landlord in the proper operation and maintenance of the Premises. In addition, landlord shall pay the following costs of interior maintenance: plumbing, sewage, heating, ventilation, air conditioning, exterminating and electrical fixtures.

8. Utilities:

Tenant shall pay for all gas, heat, light, power, telephone service, and all other utilities services of any kind and nature whatsoever, supplied to and used on the premises by Tenant. Landlord shall pay for all water supplied to the premises.

9. Use:

Tenant shall use the Premises solely for the purpose of practicing law. Tenant agrees not to use or permit the use of the premises for any other purpose without first obtaining the consent in writing of Landlord.

Tenant shall comply with and conform to all laws and regulations, municipal, county, state, and federal, and any and all requirements and order of any municipal, county, state, or federal board or authority, present or future, in any way relating to the condition, use, or occupancy of the Premises throughout the entire Term of this Lease.

Tenant agrees, in using the leased Premises:

- a. Not to commit any waste or suffer any waste to be committed upon the leased Premises;
- b. Not to commit any public or private nuisance or any other act or thing which might or would disturb the quiet enjoyment of any other tenant of the leased Premises or any occupant of nearby property;
- c. Not to burn refuse or other materials in or about the leased Premises, or permit any activity or activities which might cause unreasonable annoyance to adjoining tenants;
- d. Not to keep, use, sell, or offer for sale on the Premises any article, or conduct any activity thereon, which may be prohibited by the standard form of fire insurance policy, and if

Tenant does keep, use, sell, or offer for sale any such article, or if any acts are performed on the Premises by Tenant which increase the rate of fire insurance premiums upon the building occupied by Tenant, Tenant agrees to pay to Landlord the amount of increase in fire insurance premiums attributable thereto on demand.

10. Trade Fixtures and Signs:

Tenant may install in and affix to the Premises such fixtures and equipment as Tenant deems desirable, however, exterior building signs must be approved by Landlord for continuity on the building relative to color and style.

Not later than the expiration of the time within which, under the provisions of this Lease, Tenant is required to surrender possession of the Premises to Landlord, Tenant may, and if prior to the expiration of such time Landlord gives written notice requiring Tenant to do so, Tenant shall remove all trade fixtures installed in the Premises by Tenant. All trade fixtures not removed within such time shall become and remain the property of Landlord. The removal of such trade fixtures shall be effected solely at the expense of Tenant and in a manner satisfactory to Landlord and without injury or damage to the Premises or the building, and Tenant covenants to repair immediately, at Tenant's expense, any injury or damage caused by such removal.

11. Alterations, Repairs, Restoration:

Tenant shall make no installations, additions, or improvements in or to the Premises, except as otherwise authorized in this Lease, or structural alterations or changes either to the interior or exterior of the building initially constructed on the Premises, or in the bearing walls, supports, beams, or foundations, without the prior written consent of Landlord.

All installations, additions, or improvements, and alterations and changes made, with the prior written consent of Landlord, shall be made at the sole cost and expense of Tenant, under the supervision of an architect or engineer satisfactory to Landlord.

It is understood and agreed between the parties that all installations, additions, or improvements erected or installed at any time upon the Premises during the Term of this Lease, except furniture, fixtures, and equipment installed and belonging to Tenant, shall immediately become the property of and belong to Landlord upon such erection or installation.

12. Mechanic's Liens:

Tenant agrees to pay promptly for all labor done or materials furnished for any work of repair, maintenance, improvement, alteration, or addition done by Tenant in connection with the Premises, and to keep and to hold the Premises free, clear, and harmless of and from all liens that could arise by reason of any such work. If any such lien shall at any time be filed against the Premises, Tenant shall either cause the same to be discharged of record within 10 days after the date of filing the same, or if Tenant, in his discretion and in good faith, determines that such lien should

be contested, Tenant shall furnish such security as may be necessary or required to prevent any foreclosure proceedings against the Premises during the pendency of such contest. If Tenant shall fail to discharge such lien within such period or fail to furnish such security, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to discharge the same, either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit in court or by giving security or in such other manner as is or may be prescribed by law. Tenant shall repay to Landlord on demand all sums disbursed or deposited by Landlord pursuant to the foregoing provisions hereof, including Landlord's costs, expenses and reasonable attorney's fees incurred by Landlord in connection therewith. Nothing contained herein shall imply any consent or agreement on the part of Landlord to subject Landlord's interest in the real property, of which the Premises are a part, to liability under any mechanic's lien law.

Tenant further agrees that no improvement or alteration of the Premises shall be made without the prior written consent of the Landlord. Prior to the commencement of any substantial repair, improvement or alteration, Tenant shall give Landlord at least seven (7) days written notice in order that Landlord may post appropriate notices to avoid any liability for liens.

13. Landlord's Duty to Repair:

Landlord agrees to keep in good order, condition, and repair the foundations, exterior walls, down spouts, gutters, and roof of the building on the premises and the plumbing, sewage, electrical, heating, ventilation and air conditioning systems of said building; provided, however Landlord shall not be obligated to repair any damage thereto caused by any act or negligence of Tenant or his employees, agents, invitees, licensees, or contractors. Landlord shall be obligated to start making any such repairs after 15 days' written notice from Tenant to Landlord, stating the need for such repairs or maintenance. It is expressly understood and agreed that in the event Landlord shall fail to commence the making of such repairs or the performance of such maintenance as he is obligated to do by the terms hereof within 30 days after receipt of such notice, Tenant's sole right and remedy for such failure on the part of Landlord shall be, without further notice to Landlord, to cause such repairs to be made or such maintenance to be performed and to deduct the costs and expenses thereof from the fixed rent payable hereunder; provided that the amount of such deduction does not exceed the reasonable value of such repairs or maintenance.

14. Maintenance by Tenant:

Tenant agrees during the Term hereof to keep and maintain the interior of the Premises, other than plumbing, sewage, electrical, heating, ventilation and air conditioning, and every part thereof in good order, condition, and repair, including, without limiting the foregoing, all fixtures, interior walls, floors, and ceilings, other than damage caused by landlord's failure to maintain pursuant to Paragraph 7.

15. Destruction of the Premises:

Should the Premises and the leasehold improvements be damaged or destroyed by fire, casualty, or hazard, and if damage is so slight as not to interfere substantially with the Tenant's use of the Premises, then Tenant shall notify Landlord, who shall immediately undertake to make repairs to the Premises and improvements and restore the same to substantially the same condition as they were in immediately preceding such damage or destruction. Such work shall be done as rapidly as conditions permit. In the event such damage is so slight as not to interfere substantially with Tenant's use of the Premises, there shall be no abatement of rent.

Should there be total or substantial destruction in the building and improvements so that the Premises are rendered unusable, either in whole or in part, either party shall have the right to terminate this Lease.

Unless the parties to this Lease can and do agree forthwith upon the extent and amount of such damage or destruction, landlord promptly shall designate a certified architect, registered engineer, licensed building contractor, or a combination of such architect, engineer, or contractor shall be used as criteria to aid in reaching agreement.

In the event neither party elects to terminate this Lease, Landlord shall, to the extent of available insurance proceeds, repair or rebuild such building and improvements, to substantially the same condition that they were in immediately preceding such damage or destruction.

Should neither party elect to terminate this Lease, Tenant shall, to the extent of available insurance proceeds, repair or replace so much of the furniture, fixtures, and equipment situated upon the Premises which may have been damaged or destroyed by such cause as may in the opinion of the Tenant be necessary for the resumption by Tenant of his business upon the Premises.

Tenant shall be entitled to a reasonable suspension or diminution of the fixed rent payable hereunder during the time required for restoration and repair according to the portion of the Premises rendered unusable, taking into consideration the time and extent of interference with the usual conduct of Tenant's business.

16. Indemnity and Insurance:

Landlord shall not be liable at any time for any loss, damage, or injury to the property or person of any person whomsoever at any time occasioned by or arising out of any act or omission of the Tenant, or of anyone holding under Tenant or the occupancy or use of the Premises or any part thereof or the parking lot by or under the Tenant, or directly or indirectly from any state or condition of the Premises or any part during the Term of this Lease.

Notwithstanding anything to the contrary in this Lease and irrespective of any insurance carried by the Tenant for the benefit of Landlord, Tenant agrees to protect, indemnify, and hold Landlord and the Premises harmless from any and all damages or liabilities of whatsoever

nature arising under the terms of this Lease or arising out of or in connection with the operation carried on by Tenant on, or the use of occupancy of, the Premises.

The Tenant shall carry and maintain, during the entire Term hereof, at Tenant's sole cost and expense, broad form comprehensive public liability insurance with limits of not less than 500,000 Dollars per person and 1,000,000 Dollars per each occurrence, insuring against any and all liability of the Tenant with respect to the Premises or arising out of the maintenance, use, or occupancy thereof, and property damage liability insurance with a limit of not less than 25,000 Dollars each accident.

The policy of insurance shall be issued in the names of the Tenant and the Landlord and for the mutual and joint benefit and protection of the parties. All public liability and property damage policies shall contain a provision that the Landlord, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss, injury, or damage to Landlord, his servants, agents, and employees by reason of the negligence of the Tenant.

Tenant shall deliver to Landlord policies evidencing the insurance procured by Tenant, or to deliver in lieu thereof certificates of coverage from the insurance company or companies writing the policy or policies of insurance, which certificates shall, among other things, designate the company writing the same, the number, amount, and provisions thereof. Upon Landlord's written request, duplicate copies of such certificates of insurance shall be delivered to Landlord's mortgagees.

All insurance policies shall contain a provision that such policies shall not be canceled or terminated without 30 days' prior notice from the insurance company to Landlord. Tenant agrees that on or before 30 days prior to expiration of any insurance policy, Tenant will deliver to Landlord written notification in the form of a receipt or other similar document from the applicable insurance company that said policy or policies have been renewed, or deliver certificates of coverage from another good and solvent insurance company for such coverage.

Tenant shall procure an appropriate clause in, or an endorsement on, any policy of fire or extended coverage insurance covering the personal property, fixtures, and equipment located in or on the Premises, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery against Landlord, and Tenant does hereby agree that he shall not make any claim against or seek to recover from Landlord any loss or damage to his property or the property of others, resulting from fire or other hazards covered by such fire and extended coverage insurance.

17. Assignment and Subletting:

Tenant shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except Tenant's authorized representatives or attorneys renting office space from Tenant) to occupy or use all or any part of the premises, without first obtaining Landlord's written consent. Any assignment, encumbrance, or sublease without Landlord's consent shall be voidable and, at Landlord's election,

shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this paragraph.

Tenant immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this lease, all rent from any subletting of all or a part of the premises as permitted by this lease, and Landlord, as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this lease; except that, until the occurrence of an act of default by Tenant, Tenant shall have the right to collect such rent.

18. Default:

The occurrence of any of the following shall constitute a default by Tenant:

a. Failure to pay rent when due, if the failure continues for ten days after notice has been given to Tenant.

b. Abandonment and vacation of the Premises (failure to occupy and operate the Premises for 20 consecutive days shall be deemed an abandonment and vacation) without consent of Landlord.

c. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty days after notice has been given to Tenant. If the default cannot reasonably be cured within thirty days, Tenant shall not be in default of this Lease if Tenant commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

d. In the event that a receiver shall be appointed to take over the business of the Tenant, or in the event that the Tenant shall make a general assignment for the benefit of creditors, or Tenant shall take or suffer any action under any insolvency or bankruptcy act, the same shall constitute breach of this Lease by Tenant.

Notices given under this paragraph shall specify the alleged default and the applicable Lease Provisions, and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord so elects in the notice.

19. Remedies upon Default:

Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law:

a. Landlord can continue this Lease in full force and effect, and the Lease will

continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting. No act by Landlord allowed by this paragraph shall terminate this lease unless Landlord notifies Tenant that Landlord elects to terminate this Lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this Lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.

If Landlord elects to relet the Premises as provided in this paragraph, rent that Landlord receives from reletting shall be applied to the payment of:

First, any indebtedness from Tenant to Landlord other than rent due from Tenant;

Second, all costs, including for maintenance, incurred by Landlord in reletting;

Third, rent due and unpaid under this Lease. After deducting the payments referred to in this paragraph, any sum remaining from the rent Landlord receives from reletting shall be held by Landlord and applied in payment of future rent as rent becomes due under this Lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this Lease, the rent received from the reletting is less than the rent due on that date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs, including for maintenance, Landlord incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

b. Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:

1. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Lease;

2. The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;

3. The worth, at the time of the award, of the amount by which the unpaid

rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and

4. Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

"The worth, at the time of the award," as used in 1 and 2 of this paragraph, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award," as referred to in 3 of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

c. If Tenant is in default of this Lease, Landlord shall have the right to have a receiver appointed to collect rent and conduct Tenant's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Landlord to terminate this Lease.

d. Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it shall be additional rent.

20. Interest on Unpaid Rent:

Rent not paid when due shall bear interest from the date due until paid at the maximum rate an individual is permitted by law to charge.

21. Late Charge:

Tenant acknowledges that late payment by Tenant to Landlord of rent, or any payments due hereunder, will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the premises. Therefore, if any installment of rent, or any payment, due from Tenant is not received by Landlord when due, Tenant shall pay to Landlord an additional sum of 5% of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

22. Notices:

All notices or other communications made pursuant hereto shall be in writing and shall be deemed properly delivered, given or served when (i) personally delivered or (ii) mailed by certified or registered mail, postage prepaid, and addressed to the other party at the address stated hereinbelow, or at an address the party may hereafter designate in writing.

23. Estoppel Certificates:

Each party, within 10 days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of minimum monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent.

Failure to deliver the certificate within the 10 days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

24. Modification of Lease:

This Lease contains all of the agreements of the parties and cannot be modified or amended except by a written agreement.

25. Binding on Heirs and Assigns:

All provision of this Lease shall extend to and bind and inure to the benefit of the respective successors and assigns of the parties, except to the extent of any contrary provisions of this Lease.

26. California Law:

This Lease shall be construed and interpreted in accordance with the laws of the State of California.

27. Attorney's Fees:

If either party becomes a party to any litigation concerning this Lease, the Premises, or the building or other improvements in which the Premises are located, by reason of any act or omission of the other party or its authorized representatives, and not by any act or omission of the party that becomes a party to that litigation or any act or omission of its authorized representatives, the party that causes the other party to become involved in the litigation shall be liable to that party for reasonable attorneys' fees and court costs incurred by it in the litigation.

If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

28. Time of Essence:

Time is of the essence of each provision of this lease.

29. Captions; Table of Contents:

The captions and the table of contents of this lease shall have no effect on its interpretation.

30. Singular and Plural:

When required by the context of this lease, the singular shall include the plural.

31. Joint and Several Obligations:

"Party" shall mean Landlord or Tenant; and if more than one person or entity is Landlord or Tenant, the obligations imposed on that party shall be joint and several.

32. Severability:

The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto as of ~~March 29, 2002~~ JANUARY 23, 2003

LANDLORD:

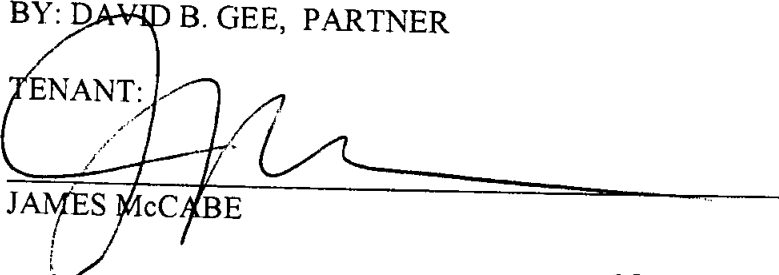


BRYAN & GEE PROFESSIONAL SUITES
BY: THOMAS J. BRYAN, JR., PARTNER



BRYAN & GEE PROFESSIONAL SUITES
BY: DAVID B. GEE, PARTNER

TENANT:



JAMES McCABE