



THE CITY OF

SAN DIEGO

AIRPORTS DIVISION • MONTGOMERY AND BROWN FIELDS

Main Office • Montgomery Field Administration Building

3750 John H. Montgomery Drive • San Diego, California 92123

Phone (619) 573-1425

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**GENERAL SERVICES
DEPARTMENT**

PETER SODERQUIST
Deputy Director

February 1, 1993

Mr. Joseph M. Blair, President
PM Realty Group
660 Newport Center Drive, Suite 350
Newport Beach, CA 92660

Re: City Authorization to Lease to Marvin Golden

Dear Mr. Blair:

In accordance with paragraph 32 of your lease agreement, you are herein authorized to continue subletting a portion of Building "B" at 8690 Aero Drive on Montgomery Field Airport to Marvin Golden, in accordance with the terms and conditions of the attached Shopping Center Lease between you and Mr. Golden dated October 15, 1987.

The City shall neither charge an airport use permit fee nor charge percentage rents on Mr. Golden's gross income, provided he continues to operate at the current location and he confines his business to selling pilot supplies.


Tom Raines
Airport Operations Manager

DLD:marv.gol

Attachment:

pc: General Services Director
Airports Deputy Director
Property Agent, MYF
Auditors: S. Drake



DIVERSITY
BRINGS US ALL TOGETHER

January 28, 1993

Ms. Diana L. Drake
Airport Property Manager, MYF
The City of San Diego
3750 John H. Montgomery Drive
San Diego, Ca. 92123

Re: **USES OFFICE BUILDINGS/RETAIL**
Montgomery Field Business Park

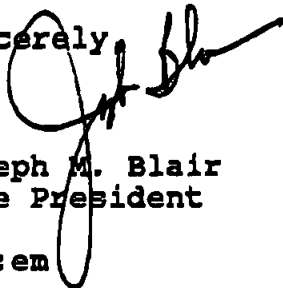
Dear Ms. Drake:

I would like to thank you very much for taking the time this week to update me on the permitted aviation use around and near Montgomery Field. Per our conversation, I am writing this letter to confirm the tenancy of Mr. Marv Golden of Marv Golden Discount Sales, Inc. at 8690 Aero Drive, Suite 102, San Diego, CA. 92123. Mr. Golden has been a tenant at Montgomery Field Business Park since March 1988 and continues to enjoy his location. To my knowledge, Mr. Golden does not sell on airport property or nor does his business require coming on to the airport.

As you had indicated on the phone, please forward my request to the City for approval of Mr. Golden's tenancy and confirmation return to me so that I may clear up my records.

Thanks in advance for your help.

Sincerely,


Joseph M. Blair
Vice President

JMB:em

cc: **Geoff Sears**
Robert Percival

STATEMENT OF
COMMENCEMENT AND EXPIRATION
OF LEASE TERM

WHEREAS, Marv Golden Discount Sales, Inc. entered into a certain Office Lease dated October 15, 1987 with Montgomery Field Limited, a California Limited Partnership, Landlord, for the premises located at 8690 Aero Drive, Suite 102, San Diego, California; and

WHEREAS, in accordance with ARTICLE 4 "Terms and Possession", of said Lease, the parties desire to adjust and ratify the commencement and expiration dates of the term of said Lease.

NOW THEREFORE, for good and valuable considerations, receipt of which is acknowledged, it is mutually agreed:

1. The commencement date of said Lease is March 1, 1988 and the expiration date is February 28, 1993. *mc*
2. This instrument in no way alters, changes, modifies, or amends said Lease, but merely adjusts and ratifies the commencement and expiration dates as provided in said Lease.

Dated this 1st day of March, 1988.

LANDLORD: Montgomery Field Ltd.
A California Limited Partnership

TENANT: Marv Golden Discount Sales, Inc.

BY: SAMMIS PROPERTIES, INC.,
General Partner

BY: *Marv Golden*

BY: *E. A. Mendis*

Edward A. Mendis
Controller/Assistant Sec.

AMENDMENT TO LEASE
MARV GOLDEN DISCOUNT SALES INC.
MONTGOMERY FIELD LTD.

Article 35

- A. The square footage of said Lease is hereby amended to a total size of 1,454 square feet. Rental rate per square foot to remain the same. Monthly rent shall be \$1,235.90 NNN.
- B. It is mutually agreed that Landlord shall pay for half of the cost for a new bathroom for subject space. Landlord to build.
- C. Landlord will furnish Tenant with one small office per Tenant's space plan.

TENANT:

Marv Golden

Date: 12/8/87

LANDLORD:

Sammis Properties, General Partner

Ed C. C. C.
Asst Sec.

Date: 12/14/87

SHOPPING CENTER

L E A S E

Table of Contents

	Page
Article 1 Fundamental Lease Provisions.....	1
Article 2 Exhibits	2
Article 3 Premises	2
Article 4 Term	2
Article 5 Rental and Taxes.....	3
Article 6 Definition of "Net Sales".....	5
Article 7 Possession and Use	6
Article 8 Utilities Services	7
Article 9 Indemnity - Insurance - Waiver of Subrogation	7
Article 10 Title of Landlord	9
Article 11 Tenant's Rights to Make Alterations.....	9
Article 12 Mechanics' Liens	10
Article 13 Advertising Signs.....	11
Article 14 Fixtures and Personal Property	11
Article 15 Assigning, Mortgaging, Subletting, Change in Corporate Ownership	11
Article 16 Tenant's Conduct of Business	12
Article 17 Repairs and Maintenance	13
Article 18 Reconstruction	14
Article 19 Common Areas and Automobile Parking	15
Article 20 Bankruptcy - Insolvency	18
Article 21 Defaults by Tenant	18
Article 22 Default by Landlord	20
Article 23 Eminent Domain	20
Article 24 Attorneys' Fees	21
Article 25 Sale of Premises by Landlord	21
Article 26 Subordination, Attornment	22
Article 27 Quiet Possession	22
Article 28 Landlord's Right of Entry	22
Article 29 Captions and Terms	23
Article 30 Notices	23
Article 31 Obligations of Successors	23
Article 32 Consent of Landlord and Tenant	23
Article 33 Security Deposit	23
Article 34 Miscellaneous	24

SHOPPING CENTER LEASE

In consideration of the rents and covenants hereinafter set forth, Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the following described premises upon the following terms and conditions:

Article 1

FUNDAMENTAL LEASE PROVISIONS:

- A. Date: October 15, 1987
- B. Landlord: Montgomery Field Limited
- C. Tenant: Marv Golden DISCOUNT SALES, INC. mfg.
- D. Tenant's Trade Name: Marv Golden Discount Sales, Inc. (Article 7 and Exhibit "B")
- E. Premises: Approximately 1,158 square feet of space in the Montgomery Plaza shopping center located at Montgomery and Aero Drive, San Diego, California. (Article 3 and Exhibit "B")
- F. Lease Term: 5 years - 5 year option at market rate mfg. gal (Article 4)
- G. Commencement of Term: (Check (a) or (b)) (Article 4)
- ☐ (a) Premises are leased in "as is" condition, with term commencing _____, 19____; or
- ☒ (b) Premises are leased subject to completion of work term to commence by Landlord, with term commencing upon such completion or when Tenant opens for business, January 1, 1988. whichever occurs earlier.
- H. Minimum Annual Rental: Eleven thousand eight hundred eleven and 60/100 (Article 5A)
Dollars (\$11,811.60) per annum, payable in twelve (12)
equal monthly installments during each year, subject to rental
adjustment every 1 year of the lease term, with 19____ as the
base year.
- I. Rental Deposit: \$ 984.30 (Article 5A)
- J. ~~Percentage Rental:~~ _____ percent (1) (Article 5C)
- K. Address for Notices: Premises.
- L. To Landlord: Montgomery Field Limited
- M. To Tenant: To the premises and 3686 Landfair Court (Article 30)
San Diego, CA 92130
- N. Security Deposit: Nine hundred eighty-four and 30/100 (Article 33)
Dollars (\$ 984.30).

References in this Article 1 to other articles are for convenience and designate some of the other Articles where references to the particular Fundamental Lease Provisions appear. Each reference in this Lease to any of the Fundamental Lease Provisions contained in this Article 1 shall be construed to incorporate all of the terms provided under each such Fundamental Lease Provision. In the event of any conflict between any Fundamental Lease Provision and the balance of the Lease, the latter shall control.

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Article 2

EXHIBITS

The following drawings and special provisions are attached hereto as exhibits and made a part of this Lease:

EXHIBIT "A" - General site plan of an integrated retail shopping center which Landlord and others intend to construct or cause to be constructed on real property located in the City, County and State described in Exhibit "B" and more particularly shown on Exhibit "A", hereinafter referred to as the "Shopping Center". Said site plan shows, among other things, the principal improvements which will comprise said Shopping Center. Tenant acknowledges that the site plan shown on Exhibit "A" is tentative and that Landlord may change the shape, size, location, number and extent of the improvements shown thereon and eliminate or add any improvements to any portion of the Shopping Center, provided that Landlord shall not change the size or location of the premises without Tenant's consent.

EXHIBIT "B" - Description of the premises, authorized use and Tenant's trade name.

EXHIBIT "C" - Description of work to be performed by Landlord and by Tenant in or on the premises.

EXHIBIT "D" - Guarantee of Lease.

EXHIBIT "E" - Tenant's Estoppel Certificate.

Article 3

PREMISES

Landlord hereby leases and demises unto Tenant and Tenant hereby leases and takes from Landlord, for the term, at the rental, and upon the covenants and conditions hereinafter set forth, the commercial space referred to herein as the "premises", and described on Exhibit "B" attached hereto and made a part hereof. The premises shall be constructed in accordance with the procedures outlined in Exhibit "C" attached hereto and made a part hereof.

Article 4

TERM

A. The term of this Lease shall begin as of the date specified in Article 1 hereof, and shall continue thereafter during the Lease Term specified in Article 1 hereof, unless sooner terminated as hereinafter provided in this Lease.

B. If the premises are leased subject to completion of work by Landlord, Landlord agrees to deliver to Tenant, and Tenant agrees to accept from Landlord, possession of the premises forthwith upon substantial completion of the premises as described in Exhibit "C" hereof. The term "substantial completion of the premises" is defined as the date Landlord notifies Tenant that the premises are substantially complete to the extent of Landlord's Work as specified in Exhibit "C", to the point wherein Tenant's contractor may commence the construction of Tenant's Work, if any, as specified in Exhibit "C". Certification by Landlord's architect ("Project Architect") of the substantial completion of the premises in accordance with said Exhibit "C" shall be conclusive and binding upon the parties hereto. Tenant shall commence the construction of Tenant's Work, if any, as described in Exhibit "C" hereof promptly upon substantial completion of the premises and shall diligently prosecute such construction to completion and shall open the premises for business upon such completion. In the event the term of this Lease has not commenced within three (3) years from the date hereof, then this Lease shall terminate as of said date and each of the parties hereto shall be released from any further obligation hereunder.

C. Within ten (10) days after Tenant opens for business, Tenant will execute and deliver to Landlord a certificate substantially in the form attached hereto, marked Exhibit "E" and made a part hereof, indicating thereon any

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exceptions thereto which may exist at that time. Failure of Tenant to execute and deliver such certificate shall constitute an acceptance of the premises and acknowledgement by Tenant that the statements included in Exhibit "E" are true and correct, without exception.

D. To the extent Tenant has possession or occupancy of any portion of the premises prior to the commencement of the term of this Lease, for any reason whatsoever (e.g., for Tenant to install tenant fixtures or improvements), all obligations under this Lease (particularly the obligation to maintain liability insurance) shall commence as of the date of such possession or occupancy, excepting only the obligation to pay minimum annual rent shall not commence.

Article 5

RENTAL AND TAXES

The Tenant agrees to pay as rental for the use and occupancy of the premises, at the times and in the manner hereinafter provided, the following sum of money:

A. MINIMUM ANNUAL RENTAL. The minimum annual rental specified in Article 1 here shall be payable in twelve (12) equal monthly installments during each year, in advance, on the first day of each calendar month without setoff or deduction with the commencement of the term of this Lease. Should the rental period commence on a day of the month other than the first day of such month, then the rental for the first fractional month shall be computed on a daily basis for the period from the date of commencement to the end of such calendar month and at an amount equal to one-three hundred sixtieth (1/360) of the said minimum annual rental for each such day, and thereafter shall be computed and paid as aforesaid. With the execution of this Lease, Tenant is paying to Landlord a rental Deposit, as defined in Article 1, as an advance on the first to become due minimum annual rent. At the end of each 12 month period of this Lease, the minimum annual rental shall be increased by a percentage equal to the percentage increase from the base period of the Consumer Price Index for all Urban Consumers, all items, nationwide, published by the Bureau of Labor Statistics, U.S. Department of Labor. Said Index for the calendar year designated in Article 1H, shall be considered the "base period." In no event shall said minimum annual rental be less than the sum then in effect for the preceeding 12 month period. If at any time there shall not exist said Consumer Price Index, the parties shall substitute any official index published by the Bureau of Labor Statistics, or successor or similar government agency, as may then be in existence and shall be most nearly equivalent thereto. If the parties shall be unable to agree upon a successor index, the parties shall refer the choice of a successor index to arbitration in accordance with the rules of the American Arbitration Association. It is the intent of this provision that the foregoing rental adjustment procedures shall occur effective as of the first day of the month of each 12 month period during this Lease term.

B. TAXES

(1) Throughout the term of this Lease, Tenant agrees to pay to Landlord, as additional rent, the amount of taxes and assessments levied and assessed for any such year upon the premises and the underlying realty. Such additional rent for any partial year of the term hereof shall be prorated on a time basis. Payment shall be made by Tenant within thirty (30) days after receipt of a written statement from Landlord setting forth the amount of such tax.

(2) The term "Floor Area", as used throughout this Lease shall be deemed to mean and include all areas for the exclusive use and occupancy by tenants or subtenants of Landlord, measured from the exterior surface of exterior walls (and from the extensions thereof, in the case of openings) and from the center of interior demising partitions, including mezzanines, warehousing or storage areas, clerical or office areas and employee areas.

(3) In the event the premises and underlying realty are not separately assessed, but are part of a larger parcel for assessment purposes (hereinafter referred to as the "larger parcel"), "taxes and assessments levied and assessed upon the premises and the underlying realty" shall mean a fractional portion of said taxes and assessments on the larger parcel (excluding taxes and assessments on any common areas thereon) the

[Handwritten Signature]
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numerator of which shall be the Floor Area of the premises and denominator of which shall be the Floor Area of all the areas available for exclusive use and occupancy by tenants of the larger parcel, whether or not actually occupied and open for business, provided that an equitable adjustment shall be made for buildings which are only partially completed on the date such taxes and assessments become a lien. With respect to any assessments which may be levied against or upon the premises and the underlying realty, or which under the laws then in force may be evidenced by improvement or other bonds, or may be paid in annual installments, only the amount of such annual installments (with appropriate proration for any partial year) and statutory interest shall be included within the computation of the annual taxes and assessments levied against the premises and the underlying realty.

(4) If at any time during the Lease Term under the laws of the United States Government, State, County, or City or any political subdivision thereof in which the premises are situated, a tax or excise on rent or any other tax however described is levied or assessed by any such political body, against Landlord on account of rentals payable to Landlord hereunder, such tax or excise shall be considered "taxes" for the purposes of this Article 5B, excluding, however, from such tax or excise all general income taxes, gift taxes, inheritance taxes and estate taxes. The term "taxes" shall also include possessory interest taxes levied in lieu of real property taxes.

C. PERCENTAGE RENTAL

~~(1) Tenant shall pay a sum equal to a percentage of net sales of Tenant (as the term "net sales" is defined in Article 6 hereof) made from or upon the premises during each calendar year. Said percentage rental shall be computed each calendar month, on or before the twentieth (20th) day of the calendar month immediately following the close of each such period, and Tenant shall pay to Landlord the amount by which the sum so computed as a percentage of net sales of Tenant during said period exceeds the installments of minimum annual rental which shall be payable by Tenant during such period, pursuant to Article 5A hereof. The percentage of net sales herein referred to shall be the percent specified as "Percentage Rental" in Article 1 hereof.~~

(2) At the close of each calendar year and within thirty (30) days thereafter, there shall be determined the net sales of Tenant during said calendar year and the amounts paid to Landlord as minimum annual rental for said calendar year as specified in Article 1 hereof and as percentage rental; and thereupon an adjustment shall be made with respect to said rental as follows: If Tenant shall have paid to Landlord an amount greater than Tenant is required to pay under the terms hereof, Tenant shall be entitled to a refund forthwith of said amount or, if Tenant shall have paid an amount less than the rentals required to be paid hereunder, then Tenant shall forthwith pay such difference.

(3) For the purpose of computing the percentage rental, sales in the first fractional month in which rentals commence shall be added to the sales for the first full month (provided the first fractional month is within the same calendar year as the first full calendar month) and any percentage rent due and payable for this entire period shall be in excess of the monthly installments of minimum annual rental which shall be payable by Tenant during said period.

(4) Tenant agrees to furnish or cause to be furnished to Landlord a statement of net sales of Tenant within twenty (20) days after the close of each calendar month, and an annual statement of net sales within thirty (30) days after the close of each calendar year. Such statements shall be signed by Tenant if Tenant be composed of individuals, or by a responsible officer of Tenant if Tenant is a corporation. Tenant shall keep full and accurate books of account, records and other pertinent data of the gross sales and "net sales" as hereinafter defined, and business relating to the premises (including the gross sales and net sales of any subtenant,

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~~(licensee or concessionaire) and such books and records shall be kept for a period of two (2) years after the close of each calendar year. The receipt by Landlord of any statement or any payment of percentage rental for any period shall not bind it as to the correctness of the statement or the payment. Within two (2) years after the receipt of any such statement, Landlord at any time shall be entitled to an audit of such gross sales and net sales either by Landlord or by a certified public accountant to be designated by Landlord. Such audit shall be limited to the determination of the "net sales" as defined in this Lease and shall be conducted during normal business hours at the principal place of business of Tenant. If it shall be determined as a result of such audit that there has been a deficiency in the payment of percentage rental, then such deficiency shall become immediately due and payable with interest at the maximum lawful rate from the date when said payment should have been made. In addition, if Tenant's statement for the pertinent calendar year shall be found to have understated net sales by more than two percent (2%) and Landlord is entitled to any additional percentage rental as a result of said understatement, then the Tenant shall pay all of Landlord's reasonable costs and expenses connected therewith. Any information gained from such statements or inspection shall be confidential and shall not be disclosed other than in connection with Landlord's interests under this Lease.~~

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INITIALS

D. The Tenant shall pay, as additional rent, all sums of money required to be paid pursuant to the terms of Article 5B and 5C, the sums to be paid pursuant to Articles 8, 9E and 19, and Exhibit "C" of this Lease, and all other sums of money or charges required to be paid by Tenant under this Lease, whether or not the same be designated "additional rent." If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless be collectible as additional rent with the next installment of minimum annual rental thereafter falling due, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of Landlord.

E. If Tenant shall fail to pay, when the same is due and payable, any rent or any additional rent, or amounts or charges of the character described in Article 5E hereof, such unpaid amounts shall bear interest at the maximum lawful rate from the date due to the date of payment. In addition to such interest, if Tenant shall fail to pay any monthly installment of minimum annual rental by the fifth day of the month such installment is due, a late charge equal to ten percent (10%) of the monthly installment of minimum annual rental shall be assessed.

F. All rental and other payments shall be paid by the Tenant to the Landlord at its management office, or at such other place as may from time to time be designated by the Landlord in writing at least ten (10) days prior to the next ensuing payment date.

Article 6

DEFINITION OF "NET SALES"

"Net Sales" of Tenant, as used in this Lease, is defined to be the gross selling price of all merchandise or services sold in or from the premises by Tenant, its subtenants, licensees and concessionaires, whether for cash or on credit, whether collected or delinquent, and whether made by store personnel or by approved vending or gaming machines, excluding therefrom the following:

- (i) The selling price of all merchandise returned by customers and accepted for full credit or the amount of discounts and allowances made thereon;
- (ii) Goods returned to sources or transferred to another store or warehouse owned by or affiliated with Tenant;
- (iii) Sums and credits received in the settlement of claims for loss of or damage to merchandise;
- (iv) The price allowed on all merchandise traded in by customers for credit or the amount of credit for discounts and allowances made in lieu of acceptance thereof;
- (v) Alteration workroom charges and delivery charges;

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INITIALS

(vi) Cash refunds made to customers in the ordinary course of business, but this exclusion shall not include any amount paid or payable for what are commonly referred to as trading stamps;

(vii) Interest, service or sales carrying charges or other charges, however denominated, paid by customers for extension of credit on sales and where not included in the merchandise sales price;

(viii) Receipts from public telephones, stamp machines, or public toilet locks;

(ix) Sales taxes, so-called luxury taxes, consumers' excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed upon the sale of merchandise or services, but only if collected separately from the selling price of merchandise or services and collected from customers;

(x) Sales of fixtures, equipment or property which are not stock in trade;

(xi) Gift certificates, or like vouchers, until such time as the same shall have been converted into a sale by redemption.

All sales originating at the premises shall be considered as made and completed therein, even though bookkeeping and payment of the account may be transferred to another place for collection and even though actual filling of the sale or service order and actual delivery of the merchandise may be made from a place other than the premises.

Article 7

POSSESSION AND USE

A. Possession of the premises shall be delivered to Tenant free and clear of all tenants and occupants and the rights of either, and also free of liens and encumbrances, except those as may be specified in Article 10 hereof. Tenant shall use the premises solely for the purposes and under the trade name specified in Exhibit "B" attached hereto. Tenant shall not use or permit the premises to be used for any other purpose or purposes or under any other trade name whatsoever without the written consent of Landlord first had and obtained. Tenant shall not, without the prior consent of Landlord, sell merchandise from vending machines or allow any coin operated vending or gaming machines on the premises. Tenant further covenants and agrees that it will not use or suffer or permit any person or persons to use the premises or any part thereof for conducting therein a secondhand store, auction, distress or fire sale or bankruptcy or going-out-of-business sale, or for any use or purpose in violation of the laws of the United States of America, or the laws, ordinances, regulations and requirements of the State, County and City where the Shopping Center is situated, or other lawful authorities, and that during said term the premises, and every part thereof, shall be kept by Tenant in a clean and wholesome condition, free of any objectionable noises, odors or nuisances, and that all health and police regulations shall, in all respects and at all times, be fully complied with by Tenant.

B. Tenant may not display, sell merchandise, allow carts, portable signs, devices or any other objects to be stored or to remain outside the defined exterior walls or roof and permanent doorways of the premises, or in hallways. No aerial or antenna shall be erected on the roof or exterior walls of the premises without first obtaining, in each instance, the written consent of Landlord. Any aerial or antenna so installed without such written consent shall be subject to removal without notice at any time. In addition, Tenant will not solicit in any manner in any of the automobile parking and common areas of the Shopping Center.

C. Tenant shall use its best efforts to complete, or cause to be completed, all deliveries, loading, unloading and services to the premises prior to 10:00 A.M. of each day. Tenant shall attempt to cause no delivery trucks or other vehicles servicing the premises to park or stand in front of, or at the rear of, the premises from 10:00 A.M. to 9:00 P.M. of each day. The Landlord reserves the right to further regulate the activities of the Tenant in regard to deliveries and servicing of the premises, and Tenant agrees to abide by such further non-discriminatory regulations of Landlord.

D. Tenant shall not do or permit anything to be done in or about the premises nor bring or keep anything therein which is not within the permitted use of the premises which will in any way increase the existing rate of or affect any fire or

other insurance upon the premises or any of its contents, or cause a cancellation of any insurance policy covering the shopping center or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the shopping center or injure or annoy them or use or allow the premises to be used for any improper, immoral, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the premises. Tenant shall not commit or allow to be committed any waste in or upon the premises. Tenant shall not use the premises, or permit anything to be done in or about the premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now or hereafter constituted relating to or affecting the conditions, use or occupancy of the premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

Article 8

UTILITIES SERVICES

Tenant agrees, as its own expense, to pay for all water, gas, power, electric current, telephone, and all other similar utilities used by the Tenant on the premises from and after the delivery of possession thereof by Landlord. If any such charges are not paid when due, Landlord may pay the same, and any amount so paid by Landlord shall thereupon become due to Landlord from Tenant as additional rent.

Article 9

INDEMNITY - INSURANCE - WAIVER OF SUBROGATION

A. Tenant covenants with Landlord that Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Tenant or any other person during the term of this Lease, from any cause whatsoever, by reason of the use, occupancy and enjoyment of the premises by Tenant or any person thereon or holding under Tenant, and that Tenant will indemnify and save harmless the Landlord from all liability whatsoever, on account of any such real or claimed damage or injury and from all liens, claims and demands arising out of the use of the premises and its facilities, or any repairs or alterations which Tenant may make upon said premises, but Tenant shall not be liable for damage or injury occasioned by the negligence of Landlord and its designated agents, servants or employees unless covered by insurance Tenant is required to provide. This obligation to indemnify shall include reasonable attorneys' fees and investigation costs and all other reasonable costs, expenses and liabilities from the first notice that any claim or demand is to be made or may be made.

B. Landlord and Tenant hereby waive any rights each may have against the other on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, their respective property, the premises, or its contents or to other portions of the Shopping Center, arising from any risk covered by fire and extended coverage insurance; and the parties each, on behalf of their respective insurance companies insuring the property of either Landlord or Tenant against any such loss, waive any right of subrogation that it may have against the Landlord or Tenant, as the case may be. The foregoing waivers of subrogation shall be operative only so long as they do not invalidate any such policy.

C. Tenant further covenants and agrees that from and after the substantial completion of the premises, Tenant will carry and maintain, at its sole cost and expense, the following types of insurance, in the amounts specified and in the form hereinafter provided for:


INITIALS

(i) PUBLIC LIABILITY. Bodily injury liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence insuring against any and all liability of the insured with respect to said premises or arising out of the maintenance, use or occupancy thereof, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) per accident or occurrence. All such bodily injury liability insurance and property damage liability insurance shall specifically insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and injury or damage to property in this Article 9 contained.

(ii) PLATE GLASS. The Tenant shall be responsible for the maintenance of the plate glass on the premises but shall have the option either to insure the risk or to self-insure.

(iii) AIR CONDITIONING EQUIPMENT, ETC. Landlord will maintain all heating and air conditioning equipment. The expense for maintaining the HVAC systems will be part of the tenant's common area maintenance charge.

(iv) TENANT IMPROVEMENTS. Insurance covering all of the items specified as "Tenant's Work" in Exhibit "C", Tenant's leasehold improvements, alterations, additions or improvements permitted under Article 11, trade fixtures, merchandise and personal property from time to time in, on or upon the premises, in an amount not less than eighty percent (80%) of their full replacement cost from time to time during the term of this Lease, providing protection against any peril included within the classification "Fire and Extended Coverage", together with insurance against sprinkler damage, vandalism and malicious mischief. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease and terminate under the provisions of Article 18 hereof.

(v) POLICY FORM. All policies of insurance provided for herein shall be issued by insurance companies, with general policy holders' rating of not less than A and a financial rating of Class X as rated in the most current available "Best's" Insurance Reports, and qualified to do business in the State where the Shopping Center is situated, and shall be issued in the names of Landlord and Tenant, which policies shall be for the mutual and joint benefit and protection of Landlord and Tenant, and executed copies of such policies of insurance or certificates thereof shall be delivered to Landlord within ten (10) days after delivery of possession of the premises to Tenant and thereafter within thirty (30) days prior to the expiration of the term of each such policy. All public liability and property damage policies shall contain a provision that Landlord, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence of Tenant. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. All policies of insurance delivered to Landlord must contain a provision that the company writing said policy will give to Landlord twenty (20) days notice in writing in advance of any cancellation or lapse or the effective date of any reduction in the amounts of insurance. All public liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Landlord may carry. To the extent Landlord's lender or ground lessor, if any, so requests, said lender and lessor shall also be named as additional insureds and shall be given the notices to the same extent as Landlord is entitled.

D. Notwithstanding anything to the contrary contained within this Article 9, Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy, or policies of insurance carried and maintained by Tenant, provided, however, that Landlord shall be named as an additional assured thereunder as its interest may appear and that the coverage

W/A
INITIALS

afforded Landlord will not be reduced or diminished by reason of the use of such blanket policy of insurance, and provided further that the requirements set forth herein are otherwise satisfied. Tenant agrees to permit Landlord at all reasonable times to inspect the policies of insurance of Tenant covering risks upon the premises for which policies or copies thereof are not required to be delivered to Landlord.

E. Landlord shall at all times during the term hereof maintain in effect a policy or policies of insurance covering the building of which the premises are a part, in an amount not less than eighty percent (80%) of full replacement cost (exclusive of the cost of excavations, foundations and footings) from time to time during the term of this Lease or the amount of such insurance Landlord's mortgage lender requires Landlord to maintain, whichever is the greater, providing protection against any peril generally included within the classification "Fire and Extended Coverage," together with insurance against sprinkler damage, vandalism and malicious mischief. Landlord's obligation to carry the insurance provided for herein may be brought within the coverage of any so-called blanket policy or policies of insurance carried and maintained by Landlord, provided that the coverage afforded will not be reduced or diminished by reason of the use of such blanket policy of insurance. Tenant agrees to pay Landlord, as additional rent, during each year or partial year of the term of this Lease, the cost to Landlord of the insurance required to be maintained by Landlord on the premises under Article 9E for each such year or partial year. Such additional rent for any partial year of the term hereof shall be prorated on a time basis. Payment shall be made by Tenant within fifteen (15) days after receipt of a written statement from Landlord setting forth the cost of such insurance and showing in reasonable detail the manner in which it has been computed. In the event the cost to the Landlord of the insurance it is required to maintain on the premises under said Article 9E is not separately charged to Landlord by its insurance carrier, the portion applicable to the premises of the cost of such insurance shall be that proportion of such cost which the Floor Area of the premises bears to the Floor Area of all the areas available for exclusive use and occupancy by tenants of the Shopping Center, whether or not actually occupied and open for business covered by such insurance.

Article 10

TITLE OF LANDLORD

Landlord covenants that as of the date hereof there are no liens upon its estate other than (a) the effect of covenants, conditions, restrictions, easements, ground lease(s), if any, and mortgages of record, and other rights of way of record; (b) the effect of any zoning laws of the City, County and State where the Shopping Center is situated, and (c) general and special taxes not delinquent. Tenant agrees that as to its leasehold estate it, and all persons in possession or holding under it, will conform to and will not violate the terms of any of the aforementioned matters of record, or any other matters of record.

Article 11

TENANT'S RIGHTS TO MAKE ALTERATIONS

A. Landlord agrees that Tenant may, at its own expense and after giving Landlord notice in writing of its intention to do so, from time to time during the term hereof, make alterations, additions and changes in and to the interior of the premises (except those of a structural nature) as it may find necessary or convenient for its purposes, provided that the value of the premises is not thereby diminished, and provided, however, that no alterations, additions or changes costing in excess of Two Thousand Five Hundred Dollars (\$2,500.00) may be made without first procuring the approval in writing of Landlord. In addition, no alterations, additions or changes shall be made to any store front, the exterior walls or roof of the premises, nor shall Tenant erect any mezzanine or increase the size of same, if one be initially constructed, unless and until the written consent and approval of Landlord shall first have been obtained. In no event shall Tenant make or cause to be made any penetration through the roof of the premises without the prior written approval of Landlord. Tenant shall be directly responsible for any and all damages resulting from any violation of the provisions of this Article. All alterations, additions, or changes to be made to the premises which require the approval of Landlord shall be under the supervision of a competent architect or competent licensed structural engineer and made in accordance with Plans and Specifications with respect thereto, approved in

writing by Landlord before the commencement of work, where such approval is required pursuant to the provisions of this Article. All work with respect to any alterations, additions, and changes must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the premises shall at all times be a complete unit except during the period of work. Upon completion of such work, Tenant shall file for record in the office of the County Recorder where the Shopping Center is located a Notice of Completion as permitted by the law. Upon termination of the Tenant's leasehold estate such alterations, additions or changes shall be considered as improvements and shall not be removed by Tenant but shall become a part of the premises. Any such changes, alterations and improvements shall be performed and done strictly in accordance with the laws and ordinances relating thereto. In performing the work of any such alterations, additions or changes, Tenant shall have the work performed in such a manner as not to obstruct the access to the premises of any other tenant in the Shopping Center.

B. In the event that Tenant shall make any permitted alterations, additions or improvements to the premises under the terms and provisions of this Article 11, Tenant agrees upon its part to carry such insurance as required by Article 9C (iv) covering any such alteration, addition or improvement, it being expressly understood and agreed that none of such alterations, additions or improvements shall be insured by Landlord under such insurance as it may carry upon the building of which the premises are a part, nor shall Landlord be required under any provisions for reconstruction of the premises to reinstall any such alterations, improvements or additions.

C. At Landlord's option upon termination or expiration of this Lease, Tenant shall remove any or all of the improvements constructed or installed by Tenant on the premises, with Tenant repairing any damages to the premises caused by such removal.

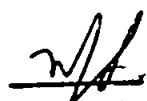
Article 12

MECHANICS' LIENS

A. Tenant agrees that it will pay or cause to be paid all costs for work done by it or caused to be done by it on the premises, and Tenant will keep the premises free and clear of all mechanics' liens and other liens on account of work done for Tenant or persons claiming under it. Tenant agrees to and shall indemnify, defend and save Landlord free and harmless against liability, loss, damage, costs, attorneys' fees, and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for the Tenant or persons claiming under it.

B. If Tenant shall desire to contest any claim of lien, it shall furnish Landlord adequate security of the value or in the amount of the claim, plus estimated costs and interest, or a bond of a responsible corporate surety in such amount conditioned on the discharge of the lien. If a final judgment establishing the validity or existence of a lien for any amount is entered, Tenant shall pay and satisfy the same at once.

C. If Tenant shall be in default in paying any charge for which a mechanics' lien claim and suit to foreclose the lien have been filed, and shall not have given Landlord security to protect the property and Landlord against such claim of lien, Landlord may (but shall not be so required to) pay the said claim and any costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due and owing from Tenant to Landlord, and Tenant shall pay the same to Landlord with interest at the maximum lawful rate from the dates of Landlord's payments. Should any claims of lien be filed against the premises or any action affecting the title to such property be commenced, the party receiving notice of such liens or action shall forthwith give the other party written notice thereof. Landlord or its representatives shall have the right to go upon and inspect the premises at all reasonable times and shall have the right to post and keep posted thereon notices of non-responsibility, or such other notices which the Landlord may deem to be proper for the protection of Landlord's interest in the premises. Tenant shall, before the commencement of any work which might result in any such lien, give to Landlord written notice of its intention to do so in sufficient time to enable the posting of such notices.


INITIALS

Article 13

ADVERTISING SIGNS

Tenant shall not utilize any sign on or about the premises except as has been approved by Landlord. Tenant shall not affix or maintain upon the glass panes and supports of the show windows (and within 24 inches of any window), doors and the exterior walls of the premises, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items except such as shall have first received the written approval of Landlord as to size, type, color, location, copy, nature and display qualities. Anything to the contrary in this Lease notwithstanding, Tenant shall not affix any sign to the roof of the premises. In addition, no advertising medium shall be utilized by Tenant which can be heard or experienced outside Tenant's premises, including without limiting the generality of the foregoing, flashing lights, search lights, loudspeakers, phonographs, radios or television. Tenant shall not display, paint or place or cause to be displayed, painted or placed, any handbills, bumper stickers or other advertising devices on any vehicle parked in the parking area of the Shopping Center, whether belonging to Tenant, or to Tenant's agent, or to any other person; nor shall Tenant distribute, or cause to be distributed, in the Shopping Center, any handbills or other advertising devices, and in the event of a violation of this covenant by Tenant, Tenant shall pay to Landlord the cost and expense necessary to remove any such unauthorized material from the Shopping Center.

Article 14

FIXTURES AND PERSONAL PROPERTY

A. Any trade fixtures, signs and other personal property of Tenant not permanently affixed to the premises shall remain the property of Tenant and Landlord agrees that Tenant shall have the right, provided Tenant be not in default under the terms of this Lease, at any time, and from time to time, to remove any and all of its trade fixtures, signs and other personal property which it may have stored or installed in the premises, including but not limiting the same to counters, shelving, showcases, mirrors and other movable personal property. Nothing in this Article contained shall be deemed or construed to permit or allow Tenant to remove so much of such personal property, without the immediate replacement thereof with similar personal property of comparable or better quality, as to render the premises unsuitable for conducting the type of business specified in Exhibit "B" attached hereto. Tenant at its expense shall immediately repair any damage occasioned to the premises by reason of the removal of any such trade fixtures, signs, and other personal property, and upon the last day of the Lease Term or a date of earlier termination of this Lease, shall leave the premises in a neat and clean condition, free of debris. All trade fixtures, signs, and other personal property installed in or attached to the premises by Tenant must be new when so installed or attached.

B. All improvements to the premises by Tenant, including but not limited to light fixtures, floor coverings and partitions, but excluding trade fixtures and signs, shall become the property of Landlord upon expiration or earlier termination of this Lease.

C. Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation, as well as upon its trade fixtures, lease-hold improvements (including, but not limited to, those Tenant is required to make in accordance with the provisions of Exhibit "C" hereof), merchandise and other personal property in, on or upon the premises. In the event any such items of property are assessed with property of Landlord, then, and in such event, such assessment shall be equitably divided between Landlord and Tenant to the end that Tenant shall pay only its equitable proportion of such assessment. Landlord shall determine the basis of prorating any such assessments and such determination shall be binding upon both Landlord and Tenant. No taxes, assessments, fees or charges referred to in this paragraph shall be considered as taxes under the provisions of Article 5 hereof.

Article 15

ASSIGNING, MORTGAGING, SUBLETTING, CHANGE IN CORPORATE OWNERSHIP

A. Tenant shall not transfer, assign, sublet, enter into license or concession


INITIALS

agreements, change ownership, mortgage or hypothecate this Lease or Tenant's interest in and to the premises without first procuring the written consent of Landlord. Any attempted transfer, assignment, subletting, license or concession agreement, change of ownership, mortgage or hypothecation without Landlord's written consent shall be void and confer no rights upon any third person. Without in any way limiting Landlord's right to refuse to give such consent for any other reason or reasons, Landlord reserves the right to refuse to give such consent unless Tenant remains fully liable during the unexpired term of the Lease and Landlord further reserves the right to refuse to give such consent if in Landlord's reasonable business judgment the quality of merchandising operation is or may be in any way adversely affected during the term of the Lease or the financial worth of the proposed new tenant is less than that of the Tenant executing this Lease or of Tenant and Tenant's Guarantor as the case may be. Tenant agrees to reimburse Landlord for Landlord's reasonable attorney fees incurred in conjunction with the processing and documentation of any such requested transfer, assignment, subletting, licensing or concession agreement, change of ownership, mortgage or hypothecation of this Lease or Tenant's interest in and to the premises.

B. Each transfer, assignment, subletting, license, concession agreement, mortgage and hypothecation to which there has been consent shall be by an instrument in writing in form satisfactory to Landlord and shall be executed by the transferor, assignor, sublessor, licensor, concessionaire, hypothecator or mortgagor and the transferee, assignee, sublessee, licensee, concessionaire or mortgagee in each instance, as the case may be; and each transferee, assignee, sublessee, licensee, concessionaire or mortgagee shall agree in writing for the benefit of Landlord herein to assume, to be bound by, and to perform the terms, covenants and conditions of this Lease to be done, kept and performed by Tenant, including the payment of all amounts due or to become due under this Lease directly to Landlord. One executed copy of such written instrument shall be delivered to Landlord. Failure to first obtain in writing Landlord's consent or failure to comply with the provisions of this Article shall operate to prevent any such transfer, assignment, subletting, license, concession agreement, mortgage or hypothecation from becoming effective.

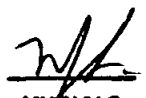
C. If Tenant hereunder is a corporation (except a corporation whose stock is traded on the NYSE or the AMEX), or is an unincorporated association or partnership, the transfer, assignment or hypothecation of any stock or interest in such corporation, association or partnership in the aggregate in excess of twenty-five percent (25%) shall be deemed an assignment within the meaning and provisions of this Article 15.

Article 16

TENANT'S CONDUCT OF BUSINESS

A. Tenant covenants and agrees that, continuously and uninterruptedly from and after its initial opening for business, it will operate and conduct within the premises the business which it is permitted to operate and conduct under the provisions hereof, except while the premises are untenable by reason of fire or other casualty, and that it will at all times keep and maintain within and upon the premises an adequate stock of merchandise and trade fixtures to service and supply the usual and ordinary demands and requirements of its customers and that it will keep its premises in a neat, clean and orderly condition. Tenant agrees that all trash and rubbish of the said Tenant shall only be deposited within receptacles as provided by Landlord and that there shall be no other trash receptacles permitted to remain outside of the premises. Landlord agrees to cause such receptacles to be emptied and trash removed at Tenant's cost and expense as part of the common area expenses.

B. Recognizing that it is in the interests of both the Tenant and the Landlord to have regulated hours of business for all of the Shopping Center, Tenant agrees that commencing with the opening for business by Tenant in the premises and for the remainder of the term of this Lease, Tenant shall be open for business daily, Sundays and National Holidays excepted, and shall, in addition, continuously so remain open for business at least those days and hours as is customary for a business of like character in the City or County in which the premises are situated, but in any event during those days and hours reasonably established by Landlord. It is agreed, however, that the foregoing provisions shall be subject, as respects any


INITIALS

business controlled by governmental regulations or labor union contracts in its hours of operation, to the hours of operation so prescribed by such governmental regulations or labor union contracts, as the case may be.

C. Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate and/or modify. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules and regulations by any other tenants or occupants. All such rules and regulations shall be non-discriminatory and shall be applicable to all users and tenants of the Shopping Center.

D. Tenant agrees that it will not, during the first five (5) years after Tenant opens for business, directly or indirectly, operate nor own any similar type of business (not so operated or owned on the date of this Lease) within a radius of five (5) miles from the location of the premises. Without limiting Landlord's remedies, in the event Tenant should violate this covenant, Landlord may, at its option and for so long as Tenant is operating said other business, include "net sales" of such other business in the "net sales" transacted from the premises for the purpose of computing a percentage rental due hereunder. After the aforementioned five-year period, Tenant may operate another business within the aforementioned radius, provided: (i) Tenant gives Landlord written notice of its intention to operate such business and the location and anticipated opening date of such business; and (ii) within thirty (30) days of the date of said written notice, Landlord and Tenant shall enter into a written Lease Amendment Agreement adjusting the minimum annual rental payable under Article 5 hereof. Said minimum annual rental shall be adjusted as follows: From the Statements of Net Sales as submitted by Tenant under Article 5D hereof, Landlord shall compute a sum which represents the annual percentage rental paid or payable by Tenant under Article 5C hereof for the highest twelve (12) month calendar year of the immediately preceding sixty (60) month period, and this sum, if any, shall be added to the sum specified in Article 1 as minimum annual rental, and this resulting sum shall thereafter be the minimum annual rental payable hereunder. The effective date for payment of the adjusted minimum annual rental shall be the first day of the calendar month following the opening of Tenant's other business.

Article 17

REPAIRS AND MAINTENANCE

A. Tenant agrees at all times, from and after substantial completion of the premises, and at its own cost and expense, to repair, replace and maintain a good and tenantable condition the premises and every part thereof, excluding the roof, exterior walls, structural parts of the premises and structural floor (floor covering, including carpeting, terrazzo or other special flooring installed by or at the request of Tenant, to be maintained by the Tenant), and including without limitation the utility meters, pipes and conduits, all fixtures, air conditioning and heating equipment serving the premises and other equipment therein, the store front or store fronts, all Tenant's signs, locks and closing devices, and all window sash, casement or frames, door and door frames, and all such items of repair, maintenance and improvement or reconstruction as may at any time or from time to time be required by a government agency having jurisdiction thereof. Tenant shall contract with a service company for the monthly maintenance of the heating and air conditioning equipment, with a copy of the service contract to be furnished to the Landlord within ten (10) days after opening for business, and a copy of any subsequent contracts to be furnished from time to time during the term. All glass, both exterior and interior, is at the sole risk of Tenant, and any glass broken shall be promptly replaced by Tenant with glass of the same kind, size and quality.

B. Subject to the foregoing provisions hereof, the Landlord shall keep and maintain in good and tenantable condition and repair, the roof, exterior walls, structural parts of the premises and structural floor, pipes and conduits outside the premises for the furnishing to the premises of various utilities (except to the extent that the same are the obligation of the appropriate public utility company); provided, however, that Landlord shall not be required to make repairs necessitated by reason of the negligence of Tenant or anyone claiming under Tenant, or by reason of the failure of Tenant to perform or observe any conditions or agreements in this Lease contained, or caused by alterations, additions, or improvements made by Tenant or anyone claiming under Tenant. Anything to the contrary notwithstanding contained

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INITIALS

in this Lease, Landlord shall not in any way be liable to Tenant for failure to make repairs as herein specifically required of it unless Tenant has previously notified Landlord, in writing, of the need for such repairs and Landlord has failed to commence making repairs within 30 days after receipt of such notice and to complete said repairs within a reasonable period of time following receipt of Tenant's written notification. Any costs Landlord incurs from time to time in connection with the maintenance and repair of the premises as above provided shall be billed by Landlord to Tenant and upon receipt of such billings Tenant shall immediately reimburse Landlord for said costs.

C. If Tenant refuses or neglects to make repairs and/or maintain the premises, or any part thereof, in a manner reasonable satisfactory to Landlord, Landlord shall have the right, upon giving Tenant reasonable written notice of its election to do so, to make such repairs or perform such maintenance on behalf of and for the account of Tenant. In such event such work shall be paid for by Tenant as additional rent promptly upon receipt of a bill therefor.

D. As used in this Article the expression "exterior walls" shall not be deemed to include store front or store fronts, plate glass, window cases or window frames, doors or door frames, security grilles or similar enclosures. It is understood and agreed that Landlord shall be under no obligation to make any repairs, alterations, renewals, replacements or improvements to and upon the premises or the mechanical equipment exclusively serving the premises at any time except as in this Lease expressly provided.

E. Upon any surrender of the premises, Tenant shall redeliver the premises to Landlord in good order, condition and state of repair, ordinary wear and tear excepted, and excepting such items of repair as may be Landlord's obligation hereunder.

Article 18

RECONSTRUCTION

A. In the event the premises be damaged by fire or other perils covered by Landlord's fire and extended coverage insurance, Landlord shall:

(i) Within a period of ninety (90) days thereafter, commence repair, reconstruction and restoration of said premises and prosecute the same diligently to completion, in which event this Lease shall continue in full force and effect; or

(ii) In the event of a partial or total destruction of the premises during the last three (3) years of the term hereof, Landlord and Tenant shall each have the option to terminate this Lease upon giving written notice to the other of exercise thereof within thirty (30) days after such destruction. For purposes of this paragraph (ii), "partial destruction" shall be deemed a destruction to an extent of at least thirty-three and one-third percent ($33\frac{1}{3}\%$) of the then full replacement cost of the premises as of the date of destruction.

B. In the event the premises shall be damaged as a result of any flood, earthquake, act of war, nuclear reaction, nuclear radiation or radioactive contamination, or from any other casualty not covered by Landlord's fire and extended coverage insurance, to any extent whatsoever, Landlord may within ninety (90) days following the date of such damage, commence repair, reconstruction or restoration of said premises and prosecute the same diligently to completion, in which event this Lease shall continue in full force and effect, or within said ninety-day period elect not to so repair, reconstruct or restore said premises in which event this Lease shall cease and terminate. In either such event Landlord shall give Tenant written notice of its intention within said ninety-day period.

C. In the event of any reconstruction of the premises under this Article 18, said reconstruction shall be in strict conformity with the provisions of Exhibit "C" hereof and to the extent of the work as therein set forth as "Description of Landlord's Work" and "Description of Tenant's Work". Notwithstanding that all reconstruction work shall be performed by Landlord's contractor unless Landlord shall otherwise agree in writing, Landlord's obligation to reconstruct the premises

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INITIALS

shall be only to the extent of the work as described in "Description of Landlord's Work" in Exhibit "C" hereof; Tenant, at its sole cost and expense, shall be responsible for the repair and restoration of all items set forth as Tenant's Work in said Exhibit "C" and the replacement of its stock in trade, trade fixtures, furniture, furnishings and equipment. Tenant shall commence the installation of fixtures, equipment and merchandise hereof promptly upon delivery to it of possession of the premises and shall diligently prosecute such installation to completion.

D. Upon any termination of the Lease under any of the provisions of this Article, the parties shall be released thereby without further obligations to the other party coincident with the surrender of possession of the premises to the Landlord, except for items which have theretofore accrued and be then unpaid. In the event of termination for reason of damage by fire or other perils and such damage is covered by Tenant's fire and extended coverage insurance under Article 9C (iv), all such proceeds covering the items specified as "Tenant's Work" in Exhibit "C", and Tenant's leasehold improvements, but excluding proceeds for trade fixtures, merchandise, signs and other personal property, shall be disbursed and paid to the Landlord.

E. In the event of repair, reconstruction and restoration as herein provided, the minimum annual rental provided to be paid under Article 1 hereof shall be abated proportionately with the degree in which the Tenant's use of the premises is impaired commencing from the date of destruction and continuing during the period of such repair, reconstruction or restoration. Tenant shall continue the operation of its business on the premises during any such period to the extent reasonably practicable from the standpoint of prudent business management; and the obligation of Tenant hereunder to pay percentage rental and additional rental shall remain in full force and effect. Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the premises, or the building of which the premises are a part, Tenant's personal property or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

F. With respect to any partial or total destruction which Landlord is obligated to restore or may restore under any of the provisions of this Lease, Tenant hereby waives any statutory rights of termination which may arise by reason of such destruction.

G. In the event of any damage to the premises, Tenant shall give to Landlord written notice of such damages within 5 days after its occurrence.

Article 19

COMMON AREAS AND AUTOMOBILE PARKING

A. The term "common areas" refers to all areas within the boundaries of the Shopping Center as identified on Exhibit "A" which are now or hereafter made available for general use, convenience and benefit of Landlord and other persons entitled to occupy Floor Area in the Shopping Center, including, without limiting the generality of the foregoing, automobile parking areas, driveways, sidewalks, open and enclosed courts and malls, landscaped and planted areas.

B. Tenant and its employees and invitees are, except as otherwise specifically provided in this Lease, authorized, empowered and privileged to use the common areas in common with other persons during the term of this Lease. Landlord agrees, without cost or expense to Tenant, to construct or cause to be constructed, the common areas generally upon the area shown on the site plan attached hereto and marked Exhibit "A", and to maintain and operate, or cause to be maintained and operated (except as hereinafter provided with reference to cost of maintenance), said common areas at all times following completion thereof, for the benefit and use of the customers and patrons of Tenant, and of other tenants, owners and occupants of the land constituting the Shopping Center of which the premises are a part.

C. Landlord shall keep or cause to be kept said common areas in a neat, clean and orderly condition, properly lighted and landscaped, and shall repair any damage to the facilities thereof, but all expenses in connection with said common

areas shall be charged and prorated in the manner hereinafter set forth. It is understood and agreed that the phrase "expenses in connection with said common areas" as used herein shall be construed to include, but not be limited to, all sums expended in connection with said common areas for property management and all general maintenance and repairs, resurfacing, or painting, restriping, cleaning, trash removal, sweeping and janitorial services; maintenance and repair of sidewalks, curbs, and Shopping Center signs; sprinkler systems, planting and landscaping; lighting and other utilities; directional signs and other markers and bumpers; maintenance and repair of any fire protection systems, lighting systems, storm drainage systems and any other utility systems; personnel to implement such services including, if Landlord deems necessary, the cost of security guards; real and personal property taxes, possessory interest taxes, and assessments on the improvements and land comprising said common areas; and governmental imposition or surcharge imposed against Landlord or assessed against the automobile parking area or any other portion of the common area; depreciation on maintenance and operating machinery and equipment (if owned) and rental paid for such machinery and equipment (if rented), adequate public liability and property damage insurance on the common areas (under which Tenant shall be named as an additional assured). Landlord may cause any or all of said services to be provided by an independent contractor or contractors. Anything to the contrary notwithstanding contained hereinabove, all expenses in connection with the original construction and installment of the common areas shall be at the sole cost and expense of Landlord and shall not in any event be charged to the Tenant.

D. Should Landlord acquire or make available additional land not shown as part of the Shopping Center on Exhibit "A" and make the same available for parking or other common area purposes, then said expenses in connection with said common areas shall also include all of the aforementioned expenses incurred and paid in connection with said additional land. Landlord shall be entitled to vary the layout of the Shopping Center and common areas as shown on Exhibit "A" so long as the access and parking for the premises are not materially adversely affected.

E. Tenant shall pay to Landlord Tenant's pro rata share of such common area expenses in the following manner:

(i) From and after the date the term of this lease as provided for in Article 1 hereof has commenced, but subject to adjustment as hereinafter in this subparagraph (i) provided, Tenant shall pay Landlord on the first day of each calendar month of the term of this Lease an amount estimated by Landlord to be Tenant's pro rata share of such common area expenses. Landlord may adjust the estimated monthly charge at the end of any calendar quarter on the basis of Landlord's experience and reasonably anticipated costs.

(ii) Within thirty (30) days following the end of each calendar quarter or, at Landlord's option, each calendar year, Landlord shall furnish Tenant a statement covering the calendar quarter or year just expired, certified as correct by a certified public accountant or an authorized representative of Landlord, showing the total operating cost, the amount of Tenant's pro rata share of such common area expenses for such calendar quarter or year and the payments made by Tenant with respect to such period as set forth in subparagraph (i). If Tenant's pro rata share of such common area expenses exceeds Tenant's payment so made, Tenant shall pay Landlord the deficiency within ten (10) days after receipt of such statement. If said payments exceed Tenant's pro rata share of such common area expenses, Tenant shall be entitled to offset the excess against payments next thereafter to become due Landlord as set forth in said subparagraph (i).

(iii) Tenant's pro rata share of the total common area expenses for the previous calendar quarter or year shall be that portion of all of such expenses which is equal to the proportion thereof which the number of square feet of Floor Area in the premises bears to the total number of square feet of Floor Area of buildings in the entire Shopping Center which are from time to time occupied and open for business as of the commencement of each calendar quarter. There shall be appropriate adjustment of Tenant's share of the common area expenses as of the commencement and expiration of the term of this Lease.

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INITIALS

F. Landlord shall at all times have the right and privilege of determining the nature and extent of the common areas, and of making such changes therein and thereto from time to time which in its opinion are deemed to be desirable and for the best interests of all persons using said common areas, including the location and relocation of driveways, entrances, exits, automobile parking spaces, the direction and flow of traffic, installation of prohibited areas, landscaped areas, and all other facilities thereof.

G. Nothing contained herein shall be deemed to create any liability upon Landlord for any damage to motor vehicle of customers or employees or for loss of property from within such motor vehicles, unless caused by the negligence of Landlord, its agents, servants or employees.

H. Landlord shall also have the right to establish, and from time to time change, alter and amend, and to enforce against Tenant and the other users of said common areas such reasonable rules and regulations (including the exclusion of employees' parking therefrom) as may be deemed necessary or advisable for the proper and efficient operation and maintenance of said common areas. The rules and regulations herein provided may include, without limitation, the hours during which the common areas shall be open for use. Landlord may, if in its opinion the same be advisable, establish a system or systems of validation or other type operation, including a system of charges against non-validated parking checks of users, and Tenant agrees to conform to and abide by all such rules and regulations in its use and the use of its customers and patrons with respect to said automobile parking area, provided, however, that all such rules and regulations and such types of operation or validation of parking checks and other matters affecting the customers and patrons of Tenant shall apply equally and without discrimination to all persons entitled to the use of said automobile parking facilities.

I. Landlord shall at all times during the term of this Lease have the sole and exclusive control of the common areas, and may at any time and from time to time during the term hereof exclude and restrain any person from use or occupancy thereof, excepting, however, bona fide customers, patrons and service-suppliers of Tenant, and other tenants of Landlord who make use of said areas in accordance with the rules and regulations established by Landlord from time to time with respect thereto. The rights of Tenant in the common areas shall at all times be subject to the rights of Landlord, the other tenants of Landlord and the other owners of the Shopping Center to use the same in common with Tenant, and it shall be the duty of Tenant to keep all of said areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation and to permit the use of any of said areas only for normal parking and ingress and egress by the said customers, patrons and service-suppliers to and from the building occupied by the Tenant and other tenants of Landlord.

J. If in the opinion of Landlord unauthorized persons are using any of said areas by reason of the presence of Tenant in the premises, Tenant, upon demand of Landlord, shall enforce such rights against all such unauthorized persons by appropriate proceedings. Nothing herein shall affect the rights of Landlord at any time to remove any such unauthorized persons from said areas or to restrain the use of any of said areas by unauthorized persons.

K. It is understood that the employees of Tenant and other tenants of Landlord within the Shopping Center shall not be permitted to park their automobiles in the common areas which may from time to time be designated for patrons of the Shopping Center. Landlord agrees to furnish and/or cause to be furnished either within the Shopping Center common areas, or reasonably close thereto, space for employee parking. Landlord at all times shall have the right to designate the particular parking area to be used by any or all of such employees and any such designation may be changed from time to time. Tenant and its employees shall park their cars only in those portions of the common areas, if any, designated for that purpose by Landlord. Tenant shall furnish Landlord with its and its employees' license numbers within fifteen (15) days after requested by Landlord and Tenant shall thereafter notify Landlord of any changes within five (5) days after such change occurs. If Tenant or its employees fail to park their cars in designated parking areas, then Landlord may

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INITIALS

may charge Tenant Ten Dollars (\$10.00) per day for each day or partial day per car parked in any areas other than those designated; provided, however, Landlord agrees to give Tenant written notice of the first violation of this provision and Tenant shall have two (2) days thereafter within which to cause the violation to be discontinued; and if not discontinued within said two-day period then the \$10.00 per day fine shall commence. After notice of such first violation, no prior notice of any subsequent violation shall be required. All amounts due under the provisions of this paragraph shall be payable by Tenant within ten (10) days after demand therefor as additional rent hereunder.

ARTICLE 20

BANKRUPTCY - INSOLVENCY

Tenant agrees that in the event all or substantially all of Tenant's assets be placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of thirty (30) days, or should Tenant make an assignment for the benefit of creditors or be finally adjudicated a bankrupt, or should Tenant institute any proceedings under the Bankruptcy Act as the same now exists or under any amendment thereof which may hereafter be enacted, or under any other act relating to the subject of bankruptcy wherein Tenant seeks to be adjudicated a bankrupt, or to be discharged of its debts, or to effect a plan of liquidation, composition or reorganization, or should any involuntary proceeding be filed against Tenant under any such bankruptcy laws and such proceeding not be removed within ninety (90) days thereafter, then Tenant shall be in default under this Lease, and this Lease or any interest in and to the premises shall not become an asset in any of such proceedings and, in any such events and in addition to any and all rights or remedies of Landlord hereunder or by law provided, it shall be lawful for Landlord to declare the term hereof ended and to reenter the premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder. The provisions of this Article 20 shall also apply to any Guarantor of this Lease.

ARTICLE 21

DEFAULTS BY TENANT

A. Should Tenant at any time be in default hereunder with respect to any rental payments or other charges payable by Tenant hereunder, and should such default continue for a period of five (5) days after written notice from Landlord to Tenant; or should the Tenant be in default in the prompt and full performance of any other of its promises, covenants or agreements herein contained and should such default or breach of performance continue for more than a reasonable time (in no event to exceed thirty (30) days) after written notice thereof from Landlord to Tenant specifying the particulars of such default or breach of performance; or should Tenant vacate or abandon the premises; then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and in addition to any or all other rights or remedies of Landlord hereunder and by the law provided, it shall be at the option of Landlord, without further notice or demand of any kind to Tenant or any other person:

(a) The right of Landlord to declare the term hereof and to re-enter the premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or thereunder; or

(b) The right of Landlord without declaring this Lease ended to re-enter the premises and occupy the whole or any part thereof for and on account of Tenant and to collect said rent and any other rent that may thereafter become payable.

(c) The right of Landlord, even though it may have re-entered the premises, to thereafter elect to terminate this Lease and all of the rights of Tenant in or to the premises.


INITIALS

B. Should Landlord have re-entered the premises under the provisions of subparagraph (b) above, Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay rent thereafter to accrue, or its liability for damages under any of the provisions hereof, by any such re-entry or by any action in unlawful detainer, or otherwise, to obtain possession of the premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease, and Tenant further covenants that the service by Landlord of any notice pursuant to the unlawful detainer statutes of the State where the Shopping Center is situated and the surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary at the time of or at any time subsequent to the serving of such notices and such election be evidenced by a written notice to Tenant) be deemed to be a termination of this Lease. In the event of any entry or taking possession of the premises as aforesaid, Landlord shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located therein and may place the same in storage at a public warehouse at the expense and risk of the owner or owners thereof.

C. Should Landlord elect to terminate this Lease under the provisions of subparagraphs (a) or (c) above, Landlord may recover from Tenant as damages:

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

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

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

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to any costs or expenses incurred by Landlord in maintaining or preserving the premises after such default, preparing the premises for reletting to a new tenant, any repairs or alterations to the premises for such reletting, leasing commissions, or any other costs necessary or appropriate to relet the premises.

(v) at Landlord's election such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State where the Shopping Center is situated.

D. As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in subparagraph (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank nearest to the location of the Shopping Center at the time of award plus one percent (1%).

E. For all purposes of this Article 21, the term "rent" shall be deemed to be the minimum annual rental and all other sums required to be paid by Tenant pursuant to the terms of this Lease. All such sums, other than the minimum annual rental, shall be computed on the basis of the average monthly amount thereof accruing during the immediately preceding sixty (60) month period, except that if it becomes necessary to compute such rental before such a sixty (60) month period has occurred then on the basis of the average monthly amount thereof accruing during such shorter period.

F. In the event of default, all of Tenant's fixtures, furniture, equipment, improvements, additions, alterations, and other personal property, shall remain on the premises and in that event, and continuing during the length of said default, Landlord shall have the right to take the exclusive possession of same and to use same, rent or charge free, until all defaults are cured or, at its option, at any time during the term of this Lease, to require Tenant to forthwith remove same.

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INITIALS

G. Notwithstanding any other provisions of this Article, Landlord agrees that if the default complained of, other than for the payment of monies, is of such a nature that the same cannot be rectified or cured within the thirty (30) day period requiring such rectification or curing as specified in the written notice relating thereto, then such default shall be deemed to be rectified or cured if Tenant within such period of thirty (30) days shall have commenced the rectification and curing thereof and shall continue thereafter with all due diligence to cause such rectification and curing and does so complete the same with the use of such diligence as aforesaid.

H. The remedies given to Landlord in this Article shall be in addition and supplemental to all other rights or remedies which Landlord may have under the laws then in force.

I. The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term, or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver be in writing by Landlord.

J. Landlord shall have a first and prior lien for the rents and charges herein reserved upon the furniture, fixtures, merchandise, and other personal property owned by Tenant (excluding leased equipment) situated upon the premises, and said items of personal property shall not be removed from the premises until said rent and charges are fully paid. Tenant agrees to execute such security agreements or financing statements as Landlord may require to properly record its lien in the public records, and in the event of default by Tenant in the payment of any sum hereunder, Landlord shall have the right to enforce said lien in the manner provided for foreclosure of security interests under the Uniform Commercial Code. Tenant hereby appoints Landlord as Tenant's attorney-in-fact to file such financing statements.

Article 22

DEFAULT BY LANDLORD

In the event Landlord shall neglect or fail to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed within thirty (30) days after written notice of default (or if more than thirty (30) days shall be required because of the nature of the default, if Landlord shall fail to proceed diligently to cure such default after notice), then in that event Landlord shall be responsible to Tenant for any and all damages sustained by Tenant as a result of Landlord's breach; further, after such notice Tenant shall have the right to cure any such default at Landlord's expense including in such expenditure all costs and attorneys' fees incurred to cure such default or breach of Lease. Tenant shall have no right to terminate this Lease except as herein otherwise specifically provided. Should Tenant give written notice to the Landlord to correct the default of Landlord, Landlord, or the lessor of a ground lease with Landlord, and prior to any Lease cancellation, said holder of the first mortgage or deed of trust, and for lessor, shall be given a reasonable period of time to correct or remedy such default. If and when such holder of the first mortgage or deed of trust and/or lessor has made performance on behalf of Landlord, the default of Landlord shall be deemed cured. Tenant shall have no right to terminate this Lease, except as expressly provided herein.

Article 23

EMINENT DOMAIN


INITIALS

A. In the event the entire premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and Tenant shall thereupon be released from any liability thereafter accruing hereunder.

B. In the event more than twenty-five percent (25%) of the square footage of Floor Area of the premises is taken under the power of eminent domain by any public or quasi-public authority, or if by reason of any appropriation or taking, regardless of the amount so taken, the remainder of the premises is not one undivided parcel of property, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate a portion of the premises upon giving notice in writing of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said premises have been so appropriated or taken. In the event of such termination, both Landlord and Tenant shall thereupon be released from any liability thereafter accruing hereunder. Landlord agrees immediately after learning of any appropriation or taking to give to Tenant notice in writing thereof.

C. If this Lease is not so terminated as set forth above, Tenant shall remain in that portion of the premises which shall not have been appropriated or taken, and Landlord agrees, at Landlord's cost and expense, to as soon as reasonably possible restore the premises on the land remaining to a complete unit of like quality and character as existed prior to such appropriation or taking (except that the premises will be reduced in size as affected by the condemnation); and thereafter the minimum annual rental provided for in Article 1 hereof shall be reduced on an equitable basis, taking into account the relative value of the portion taken as compared to the portion remaining.

D. Landlord shall be entitled to the entire award or compensation in such proceedings, but the rent and other charges for the last month of Tenant's occupancy shall be prorated and Landlord agrees to refund to Tenant any rent or other charges paid in advance. Tenant's right to receive compensation for damages for its fixtures and personal property shall not be affected in any manner hereby. Tenant shall be entitled to pursue any remedy it may have against the condemning authority for a "displaced person" pursuant to California Government Code Section 7262 or for loss of business goodwill pursuant to California Code of Civil Procedure Section 1263.510.

E. For the purposes of this Article 23, a voluntary sale or conveyance in lieu of condemnation, but under the threat of condemnation, shall be deemed an appropriation or taking under the power of eminent domain.

Article 24

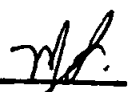
ATTORNEYS' FEES

In the event that at any time during the term of this Lease either Landlord or Tenant shall institute any action or proceeding against the other relating to the provisions of this Lease, or any default hereunder, then, and in that event, the unsuccessful party in such action or proceeding agrees to reimburse the successful party for the reasonable expenses of attorney's fees and disbursements incurred therein by the successful party. Further, in the event Landlord is made a party to any litigation by reason of the use or occupancy of the premises by Tenant or Tenant's employees, agents or guests, without fault by Landlord, Tenant shall reimburse Landlord for all of Landlord's attorneys fees and costs of litigation incurred therein.

Article 25

SALE OF PREMISES BY LANDLORD

In the event of any sale or exchange of the premises by Landlord and assignment by Landlord of this Lease, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the premises or this Lease occurring after the consummation of such sale or exchange and assignment.


INITIALS

Article 26

SUBORDINATION, ATTORNMENT

A. Upon written request of Landlord, or any first mortgagee or beneficiary of a first deed of trust of Landlord, Tenant will in writing subordinate its rights hereunder to the interest of any ground lessor of the land upon which the premises are situated, as well as to the lien of any first mortgage or first deed of trust, now or hereafter in force against the land and building of which the premises are a part, and upon any buildings hereafter placed upon the land of which the premises are a part, and to all advances made or hereafter to be made upon the security thereof. Notwithstanding the foregoing, in the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the premises, Tenant shall at the request of any purchaser at any such sale attorn to the purchaser and recognize such purchaser as the Landlord under this Lease.

B. Within ten (10) days after written request therefor by Landlord, or in the event that upon any sale, assignment or hypothecation of the premises or the land thereunder by Landlord, an offset statement shall be required from Tenant, Tenant agrees to deliver in recordable form a certificate addressed to any such proposed mortgagee or purchaser or to the Landlord certifying that this Lease is in full force and effect (if such be the case), there are no defenses or offsets thereto or stating those claimed by Tenant, and setting forth such other matters as reasonably requested by Landlord or such proposed mortgagee or purchaser, including but not limited to those items set forth on Exhibit "E" hereto.

C. Upon Landlord's request, Tenant shall modify this Lease in accordance with the requirements of a mortgagee or beneficiary of a first deed of trust of Landlord provided such modification does not (i) increase the net rent or additional rent, (ii) alter the term of any renewal term or (iii) materially adversely affect Tenant's leasehold estate or (iv) change, alter or preclude Tenant's continued uses, utilization and operations of the premises, the right to such use being expressly granted to Tenant as set forth in this Lease.

D. The lessor under any ground lease for the land underlying the premises shall be a third party beneficiary of this Lease, with a right to enforce this Lease against Tenant. If at any time said lessor shall acquire the rights of Landlord under this Lease, Tenant shall attorn to said lessor or its nominee as Landlord under this Lease.

Article 27

QUIET POSSESSION

Landlord agrees that Tenant upon paying the rent and performing the covenants and conditions of this Lease may quietly have, hold and enjoy the premises during the term hereof or any extension thereof.

Article 28

LANDLORD'S RIGHT OF ENTRY

Tenant agrees to permit Landlord and its authorized representatives to enter the premises at all times during usual business hours for the purpose of inspecting the same. Tenant further covenants and agrees that Landlord may go upon the premises and make any necessary repairs to the premises and perform any work therein which may be necessary to comply with any laws, ordinances, rules or regulations of any public authority or of the Insurance Services Office or of any similar body or that Landlord may deem necessary to prevent waste or deterioration in connection with the premises if the Tenant does not make or cause such repairs to be made or performed or cause such work to be performed promptly after receipt of written demand from Landlord. Nothing herein contained shall imply any duty on the part of Landlord to do any such work which under any provision of this Lease Tenant may be required to do, nor shall it constitute


INITIALS

a waiver of Tenant's default in failing to do the same. No exercise by the Landlord of any rights herein reserved shall entitle Tenant to any damage for any injury or inconvenience occasioned thereby nor to any abatement of rent. In the event Landlord makes or causes any such repairs to be made or performed, as provided for herein, Tenant shall pay the cost thereof to Landlord, forthwith, as additional rent upon receipt of a bill therefor.

Article 29

CAPTIONS AND TERMS

A. The captions of Articles of this Lease are for convenience only, are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease. Except as otherwise specifically stated in this Lease, "the term" shall include the original term and any extension, renewal or holdover thereof.

B. If more than one person or corporation is named as Landlord or Tenant in this Lease and executes the same as such, then and in such event, the words "Landlord" or "Tenant" wherever used in this Lease are intended to refer to all such persons or corporations, and the liability of such persons or corporations for compliance with and performance of all the terms, covenants and provisions of this Lease shall be joint and several. The masculine pronoun used herein shall include the feminine or the neuter as the case may be, and the use of the singular shall include the plural.

Article 30

NOTICES

Wherever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served, and shall not be deemed to have been duly given or served unless, in writing and forwarded by personal delivery or by certified or registered mail, addressed to the addresses of the parties specified in Article 1 hereof. Either party may change such address by written notice by certified or registered mail to the other. Said notice shall be deemed given when received at the specified address or 72 hours after deposited in the U. S. Mails in California, postage prepaid and properly addressed.

Article 31

OBLIGATIONS OF SUCCESSORS

The parties hereto agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof, and that all of the provisions hereof shall bind and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and assigns.

Article 32

CONSENT OF LANDLORD AND TENANT

Wherever in this Lease the Landlord or Tenant is required to give its consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld. In the event of failure to give any such consent, the other party hereto shall be entitled to specific performance at law and shall have such other remedies as are reserved to it under this Lease, but in no event shall Landlord or Tenant be responsible in monetary damages for such failure to give consent unless said consent is withheld maliciously or in bad faith.

Article 33

SECURITY DEPOSIT

A. Tenant has deposited with Landlord the sum specified in Article 1 hereof as "Security Deposit," receipt of which is hereby acknowledged. Said deposit shall be held by Landlord without liability for interest as security

M.A.
INITIALS

for the faithful performance by Tenant of all of the terms of this Lease by said Tenant to be observed and performed. The security deposit shall not be mortgaged, assigned, transferred or encumbered by Tenant without the written consent of Landlord and any such act on the part of Tenant shall be without force and effect and shall not be binding upon Landlord.

B. If any of the rents herein reserved or any other sum payable by Tenant to Landlord shall be overdue and unpaid or should Landlord make payments on behalf of the Tenant, or Tenant shall fail to perform any of the terms of this Lease, then Landlord may, at its option and without prejudice to any other remedy which Landlord may have on account thereof, appropriate and apply said entire deposit or so much thereof as may be necessary to compensate Landlord toward the payment of rent or additional rent or loss or damage sustained by Landlord due to such breach on the part of Tenant; and Tenant shall forthwith upon demand restore said security to the original sum deposited. Should Tenant comply with all of said terms and promptly pay all of the rentals as they fall due and all other sums payable by Tenant to Landlord, said deposit shall be returned in full to Tenant at the end of the term.

C. In the event of bankruptcy or other debtor-creditor proceedings against Tenant, such security deposit shall be deemed to be applied first to the payment of rent and other charges due Landlord for all periods prior to filing of such proceedings.

D. Landlord may deliver the funds deposited hereunder by Tenant to the purchaser of Landlord's interest in the premises in the event that such interest be sold and thereupon Landlord shall be discharged from any further liability with respect to such deposit, and this provision shall also apply to any subsequent transferees.

Article 34

MISCELLANEOUS

A. It is agreed that nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be responsible in any way for the debts or obligations of Tenant, or any other party.

B. It is agreed that if any provision of this Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provisions valid, then the provision shall have the meaning which renders it valid.

C. In the event Tenant hereunder shall be a corporation, the parties executing this Lease on behalf of Tenant hereby covenant and warrant that Tenant is a duly qualified corporation and all steps have been taken prior to the date hereof to qualify Tenant to do business in the State where the Shopping Center is situated; all franchise and corporate taxes have been paid to date; and all future forms, reports fees and other documents necessary to comply with applicable laws will be filed when due.

D. It is understood that there are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease.

E. Landlord reserves the absolute right to effect such other tenancies in the Shopping Center as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interests of the Shopping Center. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or number of tenants shall during the term of this Lease occupy any space in the Shopping Center. This Lease is and shall be considered to be the only agreement between the parties hereto and their representatives and agents. All

Initials
INITIALS

negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties and all reliance with respect to representations is solely upon the representations and agreements contained in this document.

F. The laws of the State where the Shopping Center is situated shall govern the validity, performance and enforcement of this Lease. Although the printed provisions of this Lease were drawn by Landlord, this Lease shall not be construed either for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of the language in an effort to reach an equitable result.

G. A waiver of any breach or default shall not be a waiver of any other breach or default. Landlord's consent to, or approval of, any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

H. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage, except the obligations imposed with regard to rental and other charges to be paid by Tenant pursuant to this Lease.

I. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise. The rights given to Landlord herein are in addition to any rights that may be given to Landlord by any statute or otherwise.

J. The voluntary or other surrender or termination of this Lease by Tenant, or the acquisition by Landlord of Tenant's rights under this Lease, shall not work a merger without Landlord's express written agreement to such a merger; and at Landlord's option, any such events shall operate as an assignment to Landlord of any and all subleases or subtenancies of Tenant for the premises.

K. If Tenant remains in possession of the premises or any part thereof after the expiration of the term hereof, such occupancy shall be a tenancy from month to month at a rental in the amount, unless otherwise expressly specified in writing by Landlord, equal to 150% of the rent for the last month of the term of this Lease, plus all other charges payable hereunder, and upon all terms hereof applicable to a month to month tenancy.

L. Time is of the essence in the performance of all obligations under this Lease.

IN WITNESS WHEREOF, the Landlord and Tenant have duly executed this Lease on the day and year first above written.

If Tenant shall be a corporation, the authorized officers must sign on behalf of the corporation. The Lease must be executed by the president or vice-president and the secretary or assistant secretary, unless the by-laws or a resolution of the board of directors shall otherwise provide, in which event, the by-laws or a certified copy of the resolution, as the case may be, must be furnished. Also, the appropriate corporate seal must be affixed.

MONTGOMERY FIELD LIMITED

By: Sammis Properties, General Partner
Ed A. Sammis
LANDLORD Asst. Secretary

MARV GOLDEN DISCOUNT SALES, INC. N.H.

By: Marv Golden, President
By: Marv Golden, Secretary
TENANT
By: _____

EXHIBIT "B"

Marv Golden DISCOUNT SALES, INC. *ys.*

Tenant

DESCRIPTION OF PREMISES

That certain store space in the Montgomery Plaza
Shopping Center, located at NWC Aero Drive and Montgomery Drive,
in the City of San Diego, County of San Diego,
State of California containing approximately 1,158 square feet of
Floor Area, with a frontage of approximately _____ feet and a depth
of approximately _____ feet. The approximate location of the
premises is outlined in red on Exhibit "A".

USE OF PREMISES

Office/retail space.

TRADE NAME OF TENANT

Tenant shall operate the premises under the trade name of
Marv Golden Discount Sales, Inc.

ys.
INITIALS

EXHIBIT "C"

DESCRIPTION OF LANDLORD'S WORK AND TENANT'S WORK

1. LANDLORD'S WORK

Landlord shall erect and construct the leased premises at Landlord's sole cost and expense to the extent shown below:

- a) Interior Wall Covering - Painted any basic color.
- b) Ceiling - 2' x 4' acoustical tile suspended ceiling.
- c) Doors - One (1) store front door 3'0" x 7'. ~~One (1) back door, hollow metal 3'0" x 6'8".~~ gal
- d) Store Front - ~~Wood frame plate glass front~~ as specified in plans. gal
- e) Interior Lighting - Seventy (70) foot candles of intensity.
- f) Interior Electrical Outlets - Three (3) double plug electrical outlets along each common demising partition (total 6 DP) and (1) DP outlet along rear wall (total 1 DP).
- g) Air Conditioning and Heating System - As per Landlord's plans.
- h) ~~Plumbing - One toilet to be located at the rear wall in an area designated by Landlord, with water closet, lavatory, ceiling light and exhaust fan.~~ gal
- i) Extra Work - As shown on plans and specifications approved in writing by Landlord as being work to be completed by Landlord.
- j) Shell Building - As per Landlord's plans, ready for Tenant improvements.
- k) Common Areas - Paving and lighting, as per Landlord's plans, abutting the leased premises. gal

2. TENANT'S WORK

L) Landlord to construct dividing wall between office space and storage area - with a 3'x6' door.
M) Landlord to incur half cost of office 10'x10' (approx) in front of space. gal
Tenant at Tenant's sole cost and expense, shall furnish all signs (which will include all electrical to operate signs, shall be subject to Landlord's approval), all trade fixtures, all equipment and all other matters not specified above in Part 1 which are necessary for the conduct of Tenant's business in the leased premises. gal

LANDLORD'S INITIALS

gal

TENANT'S INITIALS

gal

EXHIBIT "D"

GUARANTEE OF LEASE

WHEREAS, a certain Lease of even date herewith has been, or will be, executed by and between MONTGOMERY FIELD LIMITED, therein and herein referred to as "Landlord", and Marv Golden, therein referred to as "Tenant", covering certain premises in the City of San Diego, County of San Diego, State of California; and

WHEREAS, Landlord under said Lease requires as a condition to its execution of said Lease that the undersigned guarantee the full performance of the obligations of Tenant under said Lease; and

WHEREAS, the undersigned is desirous that Landlord enter into said Lease with Tenant,

NOW, THEREFORE, in consideration of the execution of said Lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said Lease to be kept and performed by Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Guarantee shall continue in favor of Landlord notwithstanding any extension, modification, or alteration of said Lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said Lease, with or without the consent of said Landlord, and no extension, modification, alteration or assignment of said Lease shall in any manner release or discharge the undersigned and the undersigned does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice assign this Guarantee in whole or in part and no assignment or transfer of said Lease shall operate to extinguish or diminish the liability of the undersigned hereunder.

4. The liability of the undersigned under this Guarantee shall be primary; and in any right of action which shall accrue to Landlord under said Lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed or enforcing this Guarantee.

6. The undersigned does hereby waive notice of any demand by Landlord, as well as any notice of default in the payment of rent or any other amounts contained or reserved in said Lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of this Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed as of the date set forth on page 1 of this Lease.

If Guarantor shall be a corporation, the authorized officers must sign on behalf of the corporation. This Guarantee must be executed by the president or vice-president and the secretary or assistant secretary, unless the by-laws or a resolution of the board of directors shall otherwise provide, in which event, the by-laws or a certified copy of the resolution, as the case may be, must be furnished. Also, the appropriate corporate seal must be affixed.

Marv Golden

Marv Golden

Address:

3686 Landfair Court

San Diego, CA 92130

[Handwritten signature]

EXHIBIT "E"

TENANT'S ESTOPPEL CERTIFICATE

Date: _____

Attention:

Re: _____

The undersigned, as Tenant under that certain Lease (the "Lease") for the above-referenced premises (the "Premises") dated _____, 19____, made with _____ as Landlord, hereby certifies that:

a. All work to the Premises has been completed and the work and the Premises are accepted as satisfactory;

b. Tenant is in full and complete possession of the Premises and is fully occupying the same and conducting its business therefrom;

c. Rent under the Lease commenced to accrue on _____, 19____, and has been paid through the date of _____, 19____, and no rent credits or other offsets have been given by Landlord or taken by Tenant;

d. The current rent due under the Lease is equal to _____ Dollars (\$_____) per month;

e. The Lease is in full force and effect and has not been amended, modified or suspended other than by amendments dated _____, and the present term of the Lease expires _____, 19____;

f. Tenant has not advanced any amounts to or on behalf of Landlord under the Lease, for which advance it has not been reimbursed;

g. Tenant holds no claim against Landlord which might be set off against accruing rentals;

h. Tenant has not sublet the Premises or any portion thereof nor has Tenant assigned the Lease or any portion thereof; and

j. Tenant understands that _____ will materially rely on the statements made herein. The undersigned acknowledges and agrees that the statements made herein are true and complete and may be relied upon by _____ and its successors and assigns.

(Attach Notary Acknowledgment)

INITIALS

ADDENDUM NUMBER FOUR

To that certain lease by and between Montgomery Field, Ltd., as Landlord and Air-Evac International, Inc., as Tenant.

Witnesseth:

Whereas,

By Lease, dated the 14th day of March, 1985, Lessor leased to Lessee the premises in what is commonly referred to as the Montgomery Field Building "A" office building, located at 8665 Gibbs Drive Suite 202, San Diego, California, all as more particularly described in said lease.

Lessor and Lessee are desirous of modifying and amending the aforesaid lease.

Now, therefore, in consideration of the mutual covenants herein contained, and other good and valuable consideration, it is covenanted and agreed between the parties that the aforesaid lease be further modified and amended to read as follows:

Lease Expiration:

The above referenced lease shall remain in full force and effect until October 31, 1995 which shall serve as the amended expiration date.

Additional Space:

Tenant does hereby lease approximately 309 square feet of contiguous space located directly to the east of Tenant's existing space.

Rent:

Tenant's rent shall be \$.92 per square foot per month, net of utilities. This rate shall be applicable to all of tenant's space, the additional space and the original space and shall become effective, November 1, 1990.

Tenant Improvements:

Landlord shall at Landlord's sole cost and expense, perform appropriate construction to add the additional space. In addition to the actual construction, Landlord shall at it's sole cost and expense re-carpet and paint the additional space to match Tenant's original space. Landlord shall also at it's sole cost and expense re-carpet and paint, one (1) of tenant's existing offices.

Montgomery Field, Ltd., & Air Evac International, Inc.
Amendment Number Four
Page Two

Air Conditioning:

Landlord shall provide tenant with additional air conditioning each and every saturday from 10:00 a.m. to 4:00 p.m. at no cost to tenant.

It is also understood between the parties that the main, central air conditioning plant for the building is in need of an upgrade. Said upgrade is a recognized as capital expenditure and shall be performed by the Landlord within a reasonable period of time.

All other terms and conditions of the above referenced lease shall remain in full force and effect, including the modifications, amendments, attachments, and addenda thereto.

The above terms and conditions are hereby agreed to and acknowledged by affixing signatures below.

Landlord:

Tenant:

Montgomery Field, Ltd.

Air Evac International, Inc.



By: Donald F. Sammis
General Partner

By: Richard T. Williams
President

Date: 4/5/80

Date: _____

EXTENSION OF LEASE

This extension of lease is made on March 22, 1989, between MONTGOMERY FIELD ONE PARTNERSHIP, ("LANDLORD"), whose address is 2650 Camino del Rio North, Suite 100, San Diego, California and AIR-EVAC INTERNATIONAL, INC., ("TENANT"), whose address is 8665 Gibbs Drive, Suite 202, San Diego, California, who agree as follows:

1. Recitals. This extension of lease is made with reference to the following facts and objectives:

a. Landlord and tenant entered into a written lease dated May 14, 1985 ("the lease"), in which Landlord leased to Tenant, and Tenant leased from Landlord, premises located in the City of San Diego, County of San Diego, California commonly known as 8665 Gibbs Drive, Suite 202.

b. The term of the lease expired on June 30, 1988. Tenant is currently on a month-to-month lease agreement.

c. The parties desire to extend the term of the lease for an additional period of ONE (1) YEAR commencing April 1, 1989 and terminating on March 31, 1990.

3. Minimum monthly rent. Commencing April 1, 1989, minimum monthly rent for the extended term shall be increased to ONE THOUSAND NINE HUNDRED FIVE AND NO/100ths (\$1,905.00) DOLLARS from \$1,891.00 and shall be payable pursuant to the provisions of the lease.

4. Tenant improvements. Landlord will install new carpet in the leased premises at no cost to Tenant. Carpet will be selected by Landlord.

5. Effectiveness of lease. Except as set forth in this extension of lease, all the provisions of the lease shall remain unchanged and in full force and effect.

TENANT:

AIR-EVAC INTERNATIONAL, INC.

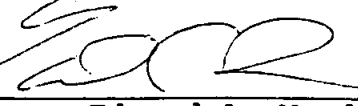
By: 

Richard T. Williams
President

LANDLORD:

MONTGOMERY FIELD ONE, A
LIMITED PARTNERSHIP

By: Sammis Properties, Inc.
General Partner

By: 

Edward A. Mendis
Chief Financial Officer

ADDENDUM NO. THREE

To that certain lease dated May 14, 1985, between Montgomery Field I Partnership as Landlord and Air-Evac International Inc., as Tenant for the premises located at 8665 Gibbs Drive, Suite 202, San Diego, California.

By this Addendum No. Three, Landlord and Tenant wish to amend the lease as follows.

TERMS:

Additional Space: Tenant does hereby lease approximately 1120 square feet of contiguous space located directly to the south of Tenants existing space.

Term: The term of tenants "Additional Space" shall coincide with Tenants existing lease which ends on June 30, 1988. Commencement shall begin upon occupancy.

Rent: The rent for the expansion space shall be \$1.10 per square foot per month net of tenants utilities. Tenants rent shall be increased by \$1232.00 per month.

Tenant Improvements: Tenant and Landlord agree to split the cost of the tenant improvements evenly on a 50-50 basis. The tenant improvement cost is approximately \$1000.00 equating to a \$500.00 contribution by tenant.

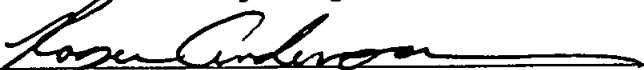
Release of Suite #208: Upon execution of this agreement Tenant shall be released of the lease obligation for suite #208 consisting of approximately 602 square feet.

Percentage for Allocation of Utility Meter: Tenants new square footage for allocation of utilities shall be 2,522 square feet increasing tenants percentage of the building to 7%.

All other terms and conditions of the existing lease shall remain in full force and effect.

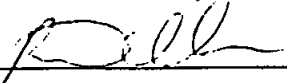
In witness whereof, Landlord and Tenant hereby agree to the foregoing as evidenced by affixing their signatures below.

Landlord: Montgomery Field I Partnership



Dated: 10/12/87

Tenant: Air-Evac, International, Inc.

 Pres.

Dated: 10/12/87

ADDENDUM NO. TWO

ORIGINAL

TO THAT CERTAIN LEASE dated May 14, 1985, between Montgomery Field, I Partnership as Landlord and Air-Evac International, Inc. as Tenant for the premises located at 8665 Gibbs Drive, Suite 202, San Diego, California.

By this Addendum No. Two, Landlord and Tenant wish to amend the Lease as follows:

TERMS

- (1) Additional Space: Tenant does hereby lease approximately 602 square feet hereinafter referred to as "expansion space" and designated as Suite 208.
- (2) Term: The term for the leased expansion space shall commence on October 15, 1986 and terminate to coincide with the existing lease on June 30, 1988.
- (3) The rent on the expansion space shall be at \$1.06 per square foot, or an additional \$638.12 per month, net of utilities. The rent start date shall be October 15, 1986, and the rent shall be adjusted on the expansion space to coincide with the existing lease based on the same terms and conditions.
- (4) Additional Security Deposit: Tenant shall pay an additional \$638.12 to Landlord as a Security Deposit on the additional leased space.
- (5) Percentage for allocation of operating expenses for Air-Evac International shall be 2,004 square feet divided by the total building square footage of 38,040 equals 5.27%. This will be billed to Tenant commencing October 1, 1986.

All other terms and conditions of the existing lease remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant hereby agree to the foregoing as evidenced by affixing their signatures below:

LANDLORD: MONTGOMERY FIELD I
PARTNERSHIP

TENANT: AIR-EVAC INTERNATIONAL,
INC.

By: William H. Kohler
William H. Kohler, CPM

By: Bill President

Date: 9-30-86

Date: 9/30/86

ADDENDUM NO. ONE

To that certain Lease, dated May 14, 1985, between Montgomery Field I as Landlord and Air-Vac International, Inc. as Tenant, for the premises at Suite 202, 8665 Gibbs Drive, San Diego.

By this Addendum No. One, Landlord and Tenant wish to amend the Lease as follows:

1. Parking: Tenant shall be given one reserved and marked parking space near the entrance of the building.
2. Special Tenant Expenses: Any "special tenant expense" incurred by Landlord and charged directly against Tenant exceeding \$100.00, must be in writing and signed by both Tenant and Landlord.
3. Non-Liability: Tenant will not be held liable for any accidents or breakage caused by the willful act or neglect of Landlord or his agents.
4. Repairs, Maintenance, and Alterations: Tenant will not be required to paint the interior of the premises during the Lease term. In the event Landlord makes any alteration or addition to the premises for any reason other than tenants request and passes the amortized costs to Tenant, Tenant shall have the option to pay the amortized cost. In the event tenant chooses not to pay any amortized costs, Landlord may terminate Lease at the time of such modification.
5. Indemnity and Risk of Injury: Tenant will not be held liable for any accidents or breakage caused by the willful act or neglect by Landlord or his agents.
6. Re-entry: Landlord will be held liable for any accidents or breakage caused by the willful act or neglect of Landlord or his agents.

ORIGINAL

OFFICE LEASE

BASIC TERMS AND INDEX

This section is a summary of the basic terms set forth in subsequent sections of this Lease, and made a part hereof. All of these basic terms are subject to the more detailed provisions set forth subsequently in this Lease, including the attached Exhibits.

- | | | |
|----|---|-------------|
| | | <u>Page</u> |
| 1. | a) Landlord: <u>MONTGOMERY FIELD I PARTNERSHIP</u> | |
| | b) Tenant: <u>AIR-EVAC INTERNATIONAL, INC.</u> | |
| | c) Tenant's Trade Name: _____ | |
| 2. | Premises: _____ | 4 |
| | a) Building Name: <u>MONTGOMERY FIELD BUILDING A</u> | |
| | b) Building Address: <u>8665 Gibbs Drive</u> | |
| | c) Floor on which Premises are Located: <u>Second</u> | |
| | d) Suite Number: <u>202</u> | |
| | e) Approximate Area of Premises: | |
| | (i) Rentable area: <u>1,402</u> sq. ft. | |
| | (ii) Premises: Percentage for allocation of operating expenses: | |
| | <u>1,402 square feet divided by total building square</u> | |
| | <u>footage of 38,040 square feet = 4%</u> | |
| 3. | Tenant Improvements: | 4 |
| | Cash reimbursement by Tenant to Landlord for Special | |
| | Improvements: <u>None</u> | |
| 4. | Term and Possession: | 4 |
| | a. <u>Three</u> years and <u>-0-</u> months | |
| | b. Commencing on <u>July 1,</u> 19 <u>85</u> , | |
| | and ending on <u>June 30,</u> 19 <u>88</u> . | |

	<u>Page</u>
25. Surrender of Premises:	17
26. Waiver:	18
27. Addresses:	18
a. Landlord:	
MONTGOMERY FIELD I PARTNERSHIP	
c/o SAMMIS PROPERTIES	
2650 Camino del Rio North	
Suite 100	
San Diego, California 92108	
b. Tenant:	
At the Premises, xxxxx _____	
28. Holding Over:	18
29. Public Safety Alterations:	18
30. General Miscellaneous Provisions:	19
31. Exhibits and Special Conditions: The following drawings and special provisions are attached hereto and made a part of this Lease:	
Exhibit A: Floor plan showing the Premises.	
Exhibit B: Option Agreement.	
Exhibit C: Leasehold Improvements and Specifications for Tenant Improvements. Carpet, Paint, Chair Rail	
Exhibit D: Rules and Regulations.	

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED AND DELIVERED THE LEASE AS OF THE DATE SET FORTH BELOW:

Landlord: MONTGOMERY FIELD I PARTNERSHIP Tenant: AIR-EVAC INTERNATIONAL, INC.

By William H. Kohler
 William H. Kohler

Date 5-14-85

By Dill

Date 6/4/85

7. Defaults by Landlord: Upon request by Tenant, Landlord will notify tenant of names and addresses of all mortgagee and trust deed holders to be notified in the event of defaults by Landlord.

8. Public Safety Alterations: Tenant shall have the option to participate in the payment of any alterations, modifications or additions to the building required by any governmental authority. In the event tenant does not wish to participate in the payment of any of the above, Landlord may terminate Lease at the time of such modification.

Notwithstanding the foregoing, all other terms and conditions of the Lease shall remain the same.

Landlord and Tenant hereby agree to the terms and conditions of this Addendum No. One by affixing their signatures below.

MONTGOMERY FIELD I PARTNERSHIP

AIR-VAC INTERNATIONAL, INC.

By: William D. Kohler By: [Signature]

Date: 6-10-85

Date: 6/4/85

2. Premises. Landlord does hereby Lease to Tenant and Tenant hereby rents from Landlord those certain interior premises designated on the Plan attached hereto as Exhibit "A" (hereinafter "Premises") and by this reference made a part hereof, said Premises being as described in Section 1. Said letting and renting is upon and subject to the terms, covenants and conditions set forth herein and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. The Building in which the Premises are located, and the adjoining parking areas and other common areas are sometimes hereinafter referred to as the "Project."

See Exhibit C

3. ~~Tenant Improvements.~~ ~~The obligations of Landlord to perform the work and supply the necessary materials and labor to prepare the Premises for initial occupancy by Tenant are set forth in detail in Exhibit "C". Landlord shall expend all funds to do all acts required of it in Exhibit "C" and shall have the work performed promptly and diligently in a first-class workman-like manner. If the Premises have been previously occupied, then there shall be no Exhibit "C" and Landlord shall have no obligation to alter or remodel the Premises for occupancy unless otherwise specifically agreed in writing.~~

~~It is agreed that Tenant shall pay the amount which is indicated on in Section 3 of Page 1 of the Lease as a cash payment to Landlord in consideration of portions of Exhibit "C" improvements that are to be installed by Landlord. The said cash payment shall be made by Tenant, fifty percent (50%) upon Lease execution, and the remaining fifty percent (50%) immediately upon occupancy of the Premises by Tenant.~~

4. Term and Possession.

A. The term of this Lease and the commencement date shall be as specified in Section 4 of page 1 of this Lease.

B. In the event of Landlord's inability to deliver possession of the Premises at the commencement of the Lease term, Landlord shall not be liable for any damage caused thereby nor shall this Lease become void or voidable, but in such event no rental shall be payable by Tenant to Landlord for any portion of the Lease term prior to delivery of possession of the Premises and the date of termination of this Lease shall be extended by a period of time equal to the nearest number of full calendar months during which Landlord was unable to deliver possession of the Premises to Tenant. If Tenant, with Landlord's permission, enters into possession of the Premises prior to commencement of the Lease term, all of the terms and conditions of this Lease, including the payment of rent, shall apply during such prior period. If the

termination date is extended as herein provided, the parties agree to enter into a supplemental agreement amending and fixing the term of the Lease as herein agreed.

C. For the purposes of this section possession shall be deemed to be delivered on the date specified by Landlord that the Premises are ready for occupancy. Such specification shall be by written notice to Tenant by Landlord.

D. If Landlord has not been able to deliver possession within six (6) months after the scheduled commencement date specified in Section 4 on page 1 of this Lease, either party may terminate this Lease upon written notice without further liability.

5. Parking. Tenant and its employees shall have the right to use a total of Five (5) parking spaces of which None (0) are covered and the remainder of which are not covered, provided on the property described on Exhibit "A" attached hereto. Tenant agrees to pay N/A (N/A) in advance as monthly rental for said spaces, payable concurrently with the basic monthly rental provided above. Said parking fee shall be subject to increase from time to time, reflecting current parking fees generally applicable to all Tenants as established by Landlord for the parking areas. Landlord will also provide visitor parking to be used on a first-come, first-served basis by visitors of all Tenants of the building. Tenant, its employees and visitors agree to obey and abide by all rules and regulations established, modified and amended from time to time by Landlord for the safety, protection, cleanliness and preservation of order in connection with such parking, ingress and egress and other automobile and pedestrian use of said property. Landlord reserves the right to specifically assign and reassign from time to time the location of any or all of said parking spaces among the Tenants of the building, in any manner in which Landlord deems reasonable in Landlord's sole judgment. Landlord shall not be responsible to Tenant, its employees or visitors, for the non-performance by any other Tenant, visitor or user of said parking facilities of said rules and regulations or assignment of spaces. Landlord shall use its best efforts to fairly allocate the parking spaces for the building, but Landlord shall not have any liability for policing non-compliance by Tenants who may attempt to utilize more than their allocable share of parking spaces. If a Tenant is utilizing more than their allocable share of parking spaces, they will be subject to assessments equal to the then monthly assessments being charged for parking spaces in the Project.

6. Security Deposit.

A. Concurrently with the execution of this Lease, Tenant shall deliver to Landlord a security deposit as specified on Page 2, as security for the performance by Tenant of every

covenant and condition of this Lease. Said deposit may be commingled with other funds of Landlord and shall bear no interest.

B. If Tenant shall default with respect to any covenant or condition of this Lease, including but not limited to the payment of rent, Landlord may apply the whole or any part of such security deposit to the payment of any sum in default or any other sum which Landlord may be required to spend by reason of Tenant's default. In the event Landlord should so apply all or any part of said deposit, Tenant shall within fifteen (15) days after receipt of notice from Landlord, pay the sum expended in order to replenish such deposit. Failure to do so shall be a default under this Lease. Should Landlord assign its Leasehold interest in the Building, Landlord shall assign any security deposit hereunder to the purchaser who shall become Landlord under the terms of this Lease and Landlord shall thereby be released from any obligations or liabilities to Tenant therefor. Should Tenant comply with all of the covenants and conditions of this Lease, the security deposit or any balance thereof shall be returned to Tenant at the expiration of the term hereof, within one (1) week following Tenant's moving out of Premises.

7. Base Rent.

A. Tenant shall pay to Landlord monthly in advance on the first day of each month throughout the term of the minimum base monthly rent as specified on Page 2, in United States currency, over and above all other charges herein set forth. The installment of rent payable for any portion less than all of a calendar month shall be a pro rata portion of the rent payable for a full calendar month. Tenant shall pay to Landlord upon signing this Lease the rental deposit specified on Page 2 which shall apply to the first to become due rent accruing under this Lease.

B. Every installment of rent and every other payment due hereunder from Tenant to Landlord which shall not be paid within five (5) days after the same shall have become due and payable shall bear interest at the rate of one and one half percent (1.5%) per month from the date that the same became due and payable until paid, whether or not demand be made therefor. It is also agreed that since collection of any amount past due imposes an administrative cost on Landlord, in addition to any fees of collection agents or attorneys or other out-of-pocket costs, Tenant will pay to Landlord a sum to reimburse Landlord for such administrative costs equal to five cents (\$.05) for every dollar which is five (5) days past due as set forth in each billing or other written demand rendered or made by Landlord, computed on the total amount of each billing or demand but not to exceed one such billing or demand per month. All rent shall be payable without demand, and without any deductions, offsets, or other credits.

8. Cost of Living Adjustment to Rent. The amount of the Base Monthly rental set forth on Page 2 shall be adjusted annually as of the expiration of each year of the term hereof to reflect any change in the cost of living.

A. The adjustment, if any, shall be based upon any increase that may have occurred in the Bureau of Labor Statistics Consumer Price Index, Subgroup "Urban Consumers (Revised)" (the "Index") as published by the United States Department of Labor for the Los Angeles-Long Beach-Anaheim Metropolitan Area (1967 = 100 Base). The adjustments shall be computed by adding to the Base Monthly Rental the sum obtained by multiplying the Base Monthly Rental by a factor equal to the percentage increase in the Index as published two months prior to the Commencement Date and the Index for the same month preceding the date of adjustment. Landlord shall give written notice to Tenant indicating the amount of the adjustment and manner of computation of same as soon as the information becomes available to Landlord.

B. In no event shall the Base Monthly Rental for any subsequent year be reduced below the Base Monthly Rental for the year immediately preceding the date of adjustment.

C. In the event that the Index does not exist in the same format as described in this section, the parties shall substitute any official Index published by the Bureau of Labor Statistics, or successor or similar governmental agency, as may then be in existence and shall be most nearly equivalent thereto. If the parties are unable to agree upon a substitute Index, the parties shall refer the choice of successor Index to binding arbitration in accordance with the rules of the American Arbitration Association.

9. Property Taxes.

A. Landlord shall pay all real property taxes which may be levied against the land and improvements which comprise the Building and adjoining parking of common areas.

B. Property taxes shall include all existing types of property taxes and assessments, plus any similar taxes which may be imposed in the future, including without limitation, taxes on gross receipts or rental, taxes on leases, and taxes on any other type of property related to the Building, parking area, real estate, Lease, employees or rental, excluding, however, all income taxes.

C. Tenant shall pay all personal property taxes on Tenant's own personal property located in the Premises.

10. Special Tenant's Expenses. Where any expense over and above normal operating expenses is incurred or paid by Landlord

specifically for the benefit of a particular Tenant, at the request of a particular Tenant, or as a result of the use or occupancy of a particular Tenant, such expense shall be charged directly against such particular Tenant and shall not be included in operating expenses for the purposes of this section.

11. Use. The Premises may be used and occupied only for the purposes set forth on Page 2 and for no other purpose or purposes, except as permitted in writing by Landlord. No use shall be made of Premises nor act done in or about Premises, which is illegal, unlawful, or which will increase the existing rate of insurance upon the Building, nor shall any use be made of the Premises which would cause Landlord to be in violation of any regulation, law, order or obligation. Tenant shall not commit or allow to be committed any waste upon Premises, or any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other Tenant in the Project nor shall Tenant use any apparatus, machinery or device in or about the Premises which shall cause any substantial noise or vibration, nor shall Tenant overload the floor of said Premises. If any of the Tenant's office machines and equipment should disturb the quiet enjoyment of any other Tenant in the Project, then Tenant shall provide adequate insulation, or take such other action as may be necessary to eliminate the disturbance.

12. Services and Utilities.

A. Landlord's Obligations.

Subject to the Rules and Regulations of the Building, Landlord agrees to furnish, at its cost, to the Premises during reasonable hours of generally recognized business days to be determined by Landlord, water suitable for the intended use of the Premises, heat and air conditioning required in Landlord's judgement for the comfortable use and occupancy of the Premises, janitorial and window-washing service, elevator service, and security customary in similar buildings in the competing geographical area. Landlord shall also maintain and keep lighted the common stairs, entries and toilet rooms in the building.

B. Electrical Service to the Premises.

Tenant shall pay his pro rate share of electricity costs directly to Landlord, such costs to be determined by an electrical meter installed for the building. Tenant will pay directly to Landlord these pro rata costs at least ten (10) days before the same become delinquent. Where such services are supplied by common meter or other method of billing and no allocation by the utility supplying services made among Tenants of the project, or any portion thereof, such charges to be paid by the Tenant for the use of such utilities within the demised Premises shall be determined by Landlord in accordance with a reasonable scheme of allocation taking into account the extent of

use of the same by Tenant in comparison with all others using such service and any other factor which Landlord believes will result in an overall fair allocation of the cost of such service, and any such determination made by Landlord in good faith shall be final and binding on Tenant and not be subject to arbitration. All charges so allocated shall be payable upon demand.

~~A separate meter will be installed to monitor the service required for the parking lot lighting, the elevators, and the mechanical equipment installed on the roof, such services to be paid for by Landlord.~~

C. Tenant's Obligation.

Tenant shall pay for, prior to delinquency, all telephone and all other materials and services, not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease.

D. Tenant's Additional Requirements.

(i) Tenant shall not, without the prior written consent of Landlord, use any apparatus or device in the Premises, including, without limitation, electronic data processing machines, computers and reproduction equipment, which will in any way increase the amount of electricity or water usually furnished or supplied for use of the Premises as general office space; nor connect with electric current, except through existing electrical outlets in the Premises, or water pipes, any apparatus or device, for the purposes of using electric current or water.

(ii) Wherever heat generating machines or equipment are used in the Premises which affect the temperature otherwise maintained by the air conditioning system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

E. Non-Liability.

Landlord shall not be liable for, and Tenant shall not be entitled to any abatement or reduction of rent by reason of Landlord's failure to furnish any of the foregoing when such failure is caused by accidents, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character, or by any other cause similar or dissimilar, beyond the reasonable control of Landlord. Landlord shall not be liable under any circumstances for loss of or injury to property, however occurring, through or in connection with or incidental to failure to furnish any of the foregoing.

13. Repairs, Maintenance and Alterations. Tenant agrees by taking possession of the Premises that the Premises are then in

a tenantable and good condition; that Tenant will keep and maintain the Premises in good and clean condition and repair and the same will not be altered, improved or changed without the written consent of Landlord. When applying for any such consent Tenant shall furnish complete plans and specifications and a building permit covering the desired additions or alterations unless the cost thereof shall be less than one thousand dollars (\$1,000.00). All construction, additions and alterations by Tenant shall conform to all applicable governmental laws, rules and regulations and to specifications for Tenant improvements. Before commencing construction of any improvements in the Premises, Tenant will deposit with Landlord a bond in a sum not less than the cost of such construction and in form and with surety satisfactory to Landlord guaranteeing the completion of such construction, free and clear of all mechanics' and materialmen's liens, together with the information and evidence as Landlord may reasonably require to assure that Tenant is able to and will make all payments required by contract to be made as and when Tenant is required to do so. Tenant will pay to Landlord a reasonable fee for review and approval of said plans and specifications, including any fees charged by an architect or engineer employed by Landlord for such review. Tenant hereby waives any right to make repairs at Landlord's expense. Tenant shall not make changes to locks on doors or add, disturb or in any way change any plumbing, air conditioning system or wiring without first obtaining written consent of Landlord. All damage or injury done to the Premises by Tenant or by any persons who may be in or upon the Premises shall be paid for by Tenant and Tenant shall pay for all damage to the Building caused by Tenant's misuse of the Premises or the appurtenances thereto. All repairs to the structure of the Building, to the central systems serving the Building and to the common areas in the Building and Project necessary to maintain the same in good condition shall be done by or under the direction of Landlord and at Landlord's expense except as otherwise specifically provided herein, and Landlord or its designees may enter the Premises at all reasonable times to make such repair. Tenant shall pay for the maintenance, repair or replacement of any component or portion of the Project which is damaged or broken by Tenant, its employees, agents or invitees. Tenant shall not put any curtains, draperies or other hangings on or beside the windows in the Premises without first obtaining Landlord's consent. Tenant will paint the interior surfaces of the Premises at least once during each five (5) year period of the term hereof with a color approved by Landlord. Landlord may make any alterations or additions which Landlord may deem necessary for the preservation, safety or improvement of the Premises or the Building or to comply with any laws, codes, regulations or ordinances now or hereafter in effect; and if such is done to comply with a requirement of such law, code, regulation or ordinance hereafter enacted, the amortized costs thereof shall be paid by Tenant over the depreciable life of such alteration or addition as specified in Section 29 hereof.

14. Inspection of Premises. Landlord and Landlord's employees, agents, brokers, janitors, workmen and engineers may retain and use a passkey to the Premises described herein to enable them to, and they may, inspect and examine the Premises from time to time with reference to any emergency or to the general maintenance of the Premises, or, during the last six (6) months of the term, for the purpose of exhibiting the same.

15. Damages to Premises.

A. In case the Premises or the Building shall be destroyed or damaged by fire or other casualty making the Premises or the Building untenable, Landlord may at Landlord's option ~~exercised by written notice to Tenant within ninety (90) days from the happening of the casualty, elect to repair said damages.~~ Fifteen (15) If Landlord does not so elect to repair said damages, this Lease may be terminated by either party as of the date of delivery of a written notice of termination to the other. If Landlord elects to repair said damages, Landlord shall at its own expense promptly repair said damages to the Premises. Tenant shall be entitled to an abatement of the rent, or a fair and just proportion thereof, according to the extent that the damages preclude Tenant's use of the Premises, until the Premises have been made fit for occupancy and use.

B. If Landlord elects to repair or reconstruct the Premises or the Building, Landlord shall be relieved of such obligation and Landlord may terminate this Lease if Landlord is unable to obtain the necessary labor or materials, or if Landlord is unable to perform such obligation due to any cause beyond its reasonable control, including, but not limited to strikes, lockouts, labor disturbances, acts of civil or military authorities, restrictions by municipal authorities, restrictions by municipal ordinances or federal or state statutes and military activity, riots or civil commotions.

16. Indemnity and Risk of Injury. Tenant will and does hereby assume all risk of personal injury or wrongful death or property damage occurring in or about the Premises. Tenant hereby agrees to indemnify and save harmless Landlord from and against any and all claims for personal injury, wrongful death or property damage brought by or on behalf of third persons (including without limiting the generality of the term "third person," officers, employees or agents of Tenant or Landlord) arising out of, caused by, occasioned by or resulting from any accident, fire, nuisance, or failure to maintain the Premises, except where such injury or death or property damage is caused by the willful act or ~~gross~~ neglect of Landlord, or the failure of Landlord, after reasonable written notice of a structural defect to repair the same. Without limitation, Tenant will indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or

persons, firm or firms, corporation or corporations, arising from the conduct of management of any work or thing whatsoever done by Tenant in or about, or from transactions of Tenant concerning the Premises, and will further indemnify and save Landlord harmless against and from any and all claims arising from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, servants, employees, or licensees and from and against the costs, attorneys' fees, expenses and liabilities incurred in or about any such claim of any action or proceeding brought thereon.

17. Insurance.

A. Property. Tenant shall procure and maintain at its cost primary insurance coverage for all of Tenant's leasehold improvements and personal property in or about the Premises or Building, in an amount not less than ninety percent (90%) of the replacement cost thereof, providing broad form fire and extended coverage, sprinkler leakage, vandalism and malicious mischief. Landlord shall be named as an additional insured and shall be entitled to recover thereunder for any loss occasioned to Landlord by reason of the perils covered by such insurance. Any proceeds shall be used for the repair or replacement of leasehold improvements damaged or destroyed during the term of this Lease.

B. Liability. Tenant shall procure and maintain at its cost comprehensive public liability insurance, naming Landlord as an additional insured, in amounts not less than \$300,000/500,000 with \$100,000 property damage coverage and workmen's compensation insurance as required by law to protect Tenant's employees.

C. Subrogation. Landlord and Tenant hereby grant to each other, on behalf of any insurance carrier providing insurance to either of them with respect to the Premises, a waiver of any right of subrogation which any such insurer of one party may have or acquire against the other party by virtue of payment of any loss under such insurance.

D. Certificates; Primary Coverage. Tenant shall deliver certificates evidencing all insurance to Landlord, which certificates shall provide that the insurance shall not be cancelled or reduced without at least thirty (30) days' prior written notice to Landlord. All insurance maintained by Landlord shall be the excess coverage.

18. Assignment and Subletting.

A. Assignment and Subletting. Tenant shall not assign nor encumber this Lease, or any interest therein, and shall

not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the agents and employees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without the written consent of Landlord first had and obtained, and a consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting occupation or use by another person. Any such assignment or subletting without such consent shall be void, and shall at the option of Landlord terminate this Lease. This Lease shall not, nor shall any interest therein be assignable, as to the interest of Tenant, by operation of law, without the written consent of Landlord. This consent of Landlord is not to be unreasonably withheld.

Fifteen (15) B. Change of Control. If at any time during the term hereof the ownership or control of Tenant's business shall be changed as a result of any sale of assets, sale of stock, merger, consolidation or otherwise so as to result in a change in the present ownership of or controlling interest in said business, Tenant shall give immediate notice thereof to Landlord. Landlord Fifteen (15) may terminate this Lease upon ~~sixty (60)~~ days' notice within ~~sixty (60)~~ days to Tenant after receipt by Landlord of Tenant's notice or, if such notice shall not have been given, within (60) days after discovery by Landlord of such change in ownership or controlling interest. The foregoing sentence notwithstanding, Landlord shall not unreasonably withhold consent to the continuation of this Lease by a successor of Tenant if Tenant can furnish to Landlord in a timely manner reasonable evidence that such successor is at least as financially capable as Tenant and that such successor shall have acknowledged and agreed with Landlord to accept the obligations of Tenant under this Lease.

19. Subordination, Estoppel Certificate, Attornment.

A. Subordination to First Mortgage and/or Deed of Trust. This Lease is subject and subordinate to any present or future first mortgage and/or deed of trust which now or hereafter may affect the real property of which the leased premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof. Tenant agrees to sign and deliver any written statement required by or on behalf of a lender to acknowledge and evidence this subordination.

B. Estoppel Certificate. Tenant shall at any time and 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 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) and the dates to which

rental and other charges are paid in advance, if any, and acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder or specifying such defaults if any are claimed. It is expressly understood and agreed that any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant that this Lease is in full force and effect, without modification except as may be represented by Landlord, that there are no uncured defaults in Landlord's performance and that not more than two (2) months' rental has been paid in advance.

C. Attornment. In the event any proceedings are brought for default under any ground Lease or under any underlying Lease or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, or in the event of any other transfer of the Premises by Landlord, the Tenant shall attorn to Landlord's successor in interest and recognize such successor as the Landlord under this Lease.

20. Default and Remedies.

A. Default. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(i) Any failure by Tenant to pay the rent or any other monetary sums required to be paid within five (5) days after same are due hereunder;

(ii) The abandonment or vacation of the Premises by Tenant;

(iii) A failure by Tenant to observe any other provision of this Lease to be observed or performed by Tenant, including Tenant's persistent overuse of the parking area beyond the allocable number of spaces specified in Section 5, where such failure continues for ten (10) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said ten-day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion;

(iv) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition 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; or 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.

B. Reentry. In the event of any such material default and breach of this Lease by Tenant, then Landlord, besides other rights or remedies may have, shall have the immediate right of reentry without notice and may remove all persons and property from the Premises; such property may be removed and stored in any other place in the Building in which the Premises are situated, or in any other place, for the account of and at the expense and at the risk of Tenant. Tenant hereby waives all claims for damages which may be caused by the reentry of Landlord and taking possession of the Premises or removing or storing the furniture and property as herein provided, and will save Landlord harmless from any loss, costs or damages occasioned by Landlord thereby, and no such reentry shall be considered or construed to be a forcible entry.

C. Remedies.

(1) In the event of any material default and breach of this Lease, Landlord may, at Landlord's option, terminate this Lease and Tenant's right to possession. On such termination, Landlord may exercise any and all rights available to a Landlord under the laws of the State of California, including, without limitation, the right to recover from Tenant all damages authorized under the current provisions of the California Civil Code. The damages Landlord may recover include:

(i) The worth at the time of award of the unpaid rent which had been earned at the time of termination;

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

(iii) 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 for such period that Tenant proves could be reasonably avoided; and

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom.

(2) In the event of any material default and breach of this Lease, Landlord may, at Landlord's option, decline to

terminate Tenant's right to possession, in which event this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all of its rights and remedies under this Lease, including the right to recover the rent as it becomes due under this Lease. The following do not constitute a termination of Tenant's right to possession:

(i) Acts of maintenance or preservation or efforts to relet the property.

(ii) The appointment of a receiver on initiative of Landlord to protect its interest under this Lease.

(3) Any rent subsequent to the time of award to which Landlord is entitled under this Lease shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent.

D. Defaults by Landlord. Notwithstanding anything to the contrary in this Lease, Landlord shall not be deemed to be in default under any provision of this Lease unless written notice specifying such default is mailed to Landlord, and to all mortgagees and/or trust deed holders of which Tenant has, prior to such notice, been notified in writing. Tenant agrees that Landlord and any such mortgagee or trust deed holder shall have the right to cure such default on behalf of Landlord within ten (10) days after receipt of such notice, or within a reasonable time if default cannot be cured within ten (10) days. Tenant further agrees not to invoke any of its remedies under this Lease until said ten (10) days plus additional reasonable time have elapsed.

21. Condemnation.

A. Should the whole or any part of the Premises be condemned and taken by any competent authority for any public or quasi-public use or purpose, all awards payable on account of such condemnation, and taking shall be payable to Landlord, and Tenant hereby waives all interest in or claim to said awards, or any part thereof.

If the whole of the Premises shall be so condemned and taken, then this Lease shall terminate.

B. If a part only of the Premises is condemned and taken and the remaining portion thereof is not suitable for the purposes of which Tenant has Leased said Premises, Tenant shall have the right to terminate this Lease. If by such condemnation and taking a part only of the Premises is taken, and the remaining part thereof is suitable for the purposes for which Tenant has Leased said Premises, this Lease shall continue, but the rental shall be reduced in an amount proportionate to the value of the portion taken as it relates to the total value of the Premises.

22. Costs and Attorneys' Fees. If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of Premises, the losing party shall pay the successful party its actual cost for attorneys' fees which shall not exceed a reasonable sum for such attorneys' fees in such suit, and such attorneys' fees shall be deemed to have accrued on the commencement of such action.

23. Quite Enjoyment. Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under this Lease, performing its covenants and conditions under this Lease and upon recognizing purchaser as Landlord pursuant thereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term subject, however, to the terms of this Lease and of any of the mortgages or deeds of trust applicable to Project.

24. Rules and Regulations. Tenant shall observe and comply with the Rules and Regulations attached hereto which are made part hereof, and with such further reasonable rules and regulations as Landlord may prescribe, on written notice to Tenant, for the safety, care and cleanliness of the Building and the comfort, quiet and convenience of other occupants of the Building. Landlord shall not be responsible to Tenant for the non-performance by any other Tenant or occupant of the Building of any of said Rules and Regulations.

25. Surrender of Premises. At the expiration or sooner termination of this Lease, Tenant will surrender and deliver up to Landlord, possession of the Premises, including all improvements made or placed therein by Tenant, in as good condition as Tenant received the Premises at the commencement of the term, ordinary use and wear excepted; PROVIDED, HOWEVER, that if there be no default on the part of Tenant at the termination of this Lease, Tenant may, or if Landlord shall so require by notice thereof to be given prior to the end of the term hereof, Tenant shall remove prior to the termination of this Lease all signs and trade fixtures erected or placed upon the Premises, and on such notice shall also remove any improvements made or placed by Tenant in the Premises, as specified in such notice by Landlord, and Tenant shall replace and repair all damage to the Premises caused by or resulting from such removal and leave the Premises in a clean and orderly condition. In the event Tenant shall fail to perform such removal and/or restoration in accordance with requirements hereof, Landlord may do so and Tenant, upon demand, will pay to Landlord the cost thereof, plus interest at the rate of one and one half percent (1.5%) per month from the date the same be demanded by Landlord until paid. This obligation shall survive the termination of this Lease. Any property left upon the Premises by Tenant at the termination of this Lease may, at the option of Landlord (a) be removed and stored by Landlord, at

the cost of and for the account of Tenant, or (b) be deemed and declared by Landlord to have been abandoned by Tenant, in which case Landlord may appropriate, destroy or dispose of the same without liability or accountability to Tenant.

26. Waiver. Landlord's failure to take advantage of any default or breach of covenant on the part of Tenant shall not be construed as a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant of any term, covenant or condition hereof, or to exercise any rights given to Landlord on account of any such default. A waiver by Landlord of a particular breach or default shall not be deemed to be a waiver of the same or any other subsequent breach or default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any breach of any term, covenant or condition of this Lease.

27. Notice and Addresses. Any notice from Landlord to the Tenant or from the Tenant to Landlord shall be deemed duly served if mailed by regular, registered or certified mail, addressed to the Tenant of said Premises, whether or not Tenant has departed from, vacated or abandoned the Premises, or to Landlord at the place from time to time established for the payment of rent, and the customary registered or certified mail receipt or declaration of mailing shall be conclusive evidence of such service. Personal delivery of any notice to the office of Landlord or Tenant shall also constitute proper service of notice. Notice shall be deemed given when received or 48 hours after mailing, whichever is earlier.

28. Holding Over. If Tenant shall remain in possession after the expiration or sooner termination of the term of this Lease, all the terms, covenants and agreements hereof shall continue to apply and bind Tenant so long as Tenant shall remain in possession, insofar as the same are applicable, except that if Tenant remains in possession without Landlord's written consent, the monthly rent shall be one and one-half (1.5) times the monthly rental payable for the last month of the term hereof, prorated on a daily basis for each day that Tenant remains in possession, and Tenant shall also be liable to Landlord for any damages resulting from failure to surrender possession. If Tenant remains in possession with Landlord's written consent, such tenancy shall be from month to month, terminable by either party by not less than twenty-eight (28) days' notice.

29. Public Safety Alterations. If Landlord is required to make any modifications, alterations or additions to the Building or its components by any governmental authority due to any changes in any building, fire or other code, law or ordinance respecting

public safety, then, beginning with the month following completion of such modifications and continuing during each month of this Lease and any renewal or extension thereof, Tenant's basic monthly rent shall be increased by 1/12 of Tenant's proportionate share of the annual cost of such modifications determined by amortizing such cost, including interest at the rate of twelve percent (12%) per annum, over their depreciable life for federal income tax purposes.

30. General Miscellaneous Provisions.

A. Definitions; Joint Obligation; Etc. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. Words used in masculine gender include the feminine and neuter. If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. The titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

B. Time of Essence. Time is of the essence in this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant.

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

D. Interest Charge. Any amount due from Tenant to Landlord hereunder which is not paid within five (5) days after same is due shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid.

E. Exhibits. Addendums, amendments, exhibits, clauses, plats and riders, if any, signed or initialed by Landlord and Tenant or an authorized representative of Tenant and endorsed on or affixed to this Lease are a part hereof, and in the event of variation or discrepancy, the duplicate original hereof, including such addendums, amendments, exhibits, clauses, plats and riders, if any, held by Landlord shall control.

F. Invalidity. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

G. California Law. This Lease shall be governed by and construed pursuant to the laws of the State of California.

H. Recording. Neither this Lease nor a memorandum of this Lease shall be recorded.

I. Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation and that this Lease is binding upon said corporation in accordance with its terms.

J. Successor. All of the covenants, agreements, terms and conditions contained in this Lease shall apply to, accrue to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns, subject to the provisions set forth above concerning assigning and subletting by Tenant.

K. Liens. Tenant shall keep the Premises free from any liens or encumbrances arising out of any work performed by Tenant materials furnished by Tenant or obligation incurred by Tenant.

L. Limited Liability. If Landlord or any successor in interest be an individual, corporation, joint venture, tenancy in common, co-partnership or other unincorporated aggregate of individuals or a mortgagee (all of which are referred to below, individually and collectively as "Landlord"), then anything elsewhere to the contrary notwithstanding, Tenant shall look solely to the estate and property of Landlord in the Project and Building for the satisfaction of Tenant's remedies for the collection of judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of the Lease to be observed and/or performed by Landlord, and no other property or assets of Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies.

M. Signs. Tenant shall not install any signs or displays visible from the common areas, exterior of the Building, windows or streets, unless approved in writing by Landlord.

N. Entirety. This Lease (with its Exhibits) contains the entire agreement between the parties with respect to the Premises. The Lease supersedes all prior negotiations, understandings, representations, and agreements.

O. Attachments. The following are attachments to this Lease: Exhibit "A," "B," "C" and "D."

IN WITNESS WHEREOF, the parties have executed and delivered the Lease as of the date set forth.

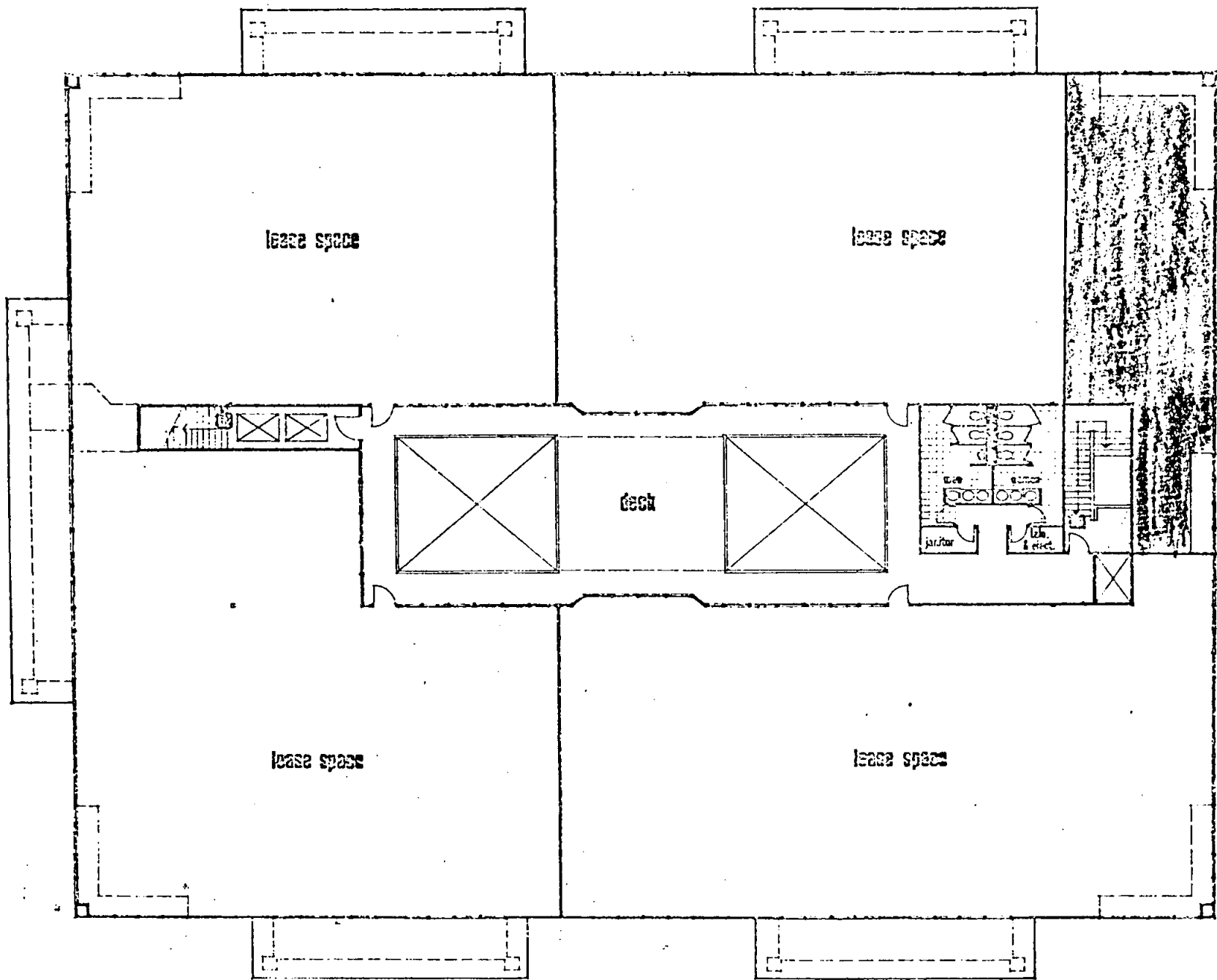
LANDLORD: MONTGOMERY FIELD I PARTNERSHIP TENANT: AIR-EVAC INTERNATIONAL, INC.

William H. Kohler
William H. Kohler

Dill

By: 5-14-85

By: 6-4-85



A DEVELOPMENT OF LION PROPERTY CO.
BUILDING A - MONTGOMERY FIELD SECOND FLOOR PLAN



EXHIBIT B

OPTION TO EXTEND TERM

Option to Extend Lease.

A. Tenant is hereby granted successive options to extend the term of this Lease, on all of the provisions contained herein, for one periods of five years each (each such period hereinafter referred to as "extended term") following the expiration of the initial term or of the immediately preceding extended term, as the case may be. Each such option is to be exercised by giving written notice of exercise of the option ("Option Notice") to Landlord by giving written notice of exercise of the option ("Option Notice") to Landlord at least six months, but not more than one year, before the expiration of the initial term or of the immediately preceding extended term, as the case may be; provided, however, that in any of the following events, the extended term shall not commence and this Lease shall expire at the end of the initial term or at the end of the immediately preceding extended term, as the case may be: (i) if Tenant is in default on the date of giving the Option Notice, the Option Notice shall be totally ineffective; (ii) if Tenant is in default on the date the respective extended term is to commence; (iii) if any assignee or sublessee other than a successor of Tenant as defined in Section 18.B. is in possession of the premises on the date of giving the Option Notice, the Option Notice shall be totally ineffective; or (iv) if any assignee or sublessee other than a successor of Tenant as defined in Section 18.B. is in possession of the premises on the date the respective extended term is to commence. Tenant shall have no other right to extend the term of this Lease.

B. The Amount of the Base Monthly Rental for each extended term shall be the greater of (i) the amount of Base Monthly Rental for the year immediately preceding the commencement of the respective extended term, adjusted as of the commencement of said extended term and adjusted annually during the extended term to reflect change in the cost of living as is set forth in Section 8, or (ii) the then prevailing rate of Base Monthly Rental being charged by Landlord as of the commencement of the respective extended term for comparable space in the Building of which the premises are a part, which Base Monthly rental shall thereafter be adjusted annually to reflect change in the cost of living as is set forth in Section 8.

EXHIBIT C

Construction of Leasehold Improvements

The following terms, conditions and procedures shall govern the construction of Leasehold improvements. It is agreed that all plans and specifications referred to herein are subject to Landlord's written approval, which shall not be unreasonably withheld. Lessee shall furnish to Landlord information in detail, including selection of Building Standard options, necessary for the preparation of plans and specifications for the work to be performed in the Premises. Lessee will cooperate with Landlord in preparing the required information.

Upon final approval by Landlord and Lessee of plans and specifications, Landlord shall commence construction of improvements utilizing its own Construction Company as the contractor for the construction of leasehold improvements within the premises.

Lessee understands and agrees that to maintain safety and quality throughout the building, and to expedite timely completion of leasehold improvements, certain materials and types of construction are specified by Landlord. Building Standard items to be paid for by Lessee include, but are not limited to, interior:

- (1) Carpet
- (2) Paint
- (3) Chair Rail

EXHIBIT "D"

GUARANTEE OF LEASE

WHEREAS, a certain Lease of even date herewith has been, or will be, executed by and between MONTGOMERY FIELD ONE PART., therein and herein referred to as "Landlord", and ATR-EVAC INTERNATIONAL, INC., therein referred to as "Tenant", covering certain premises in the City of San Diego, County of San Diego, State of California; and

WHEREAS, Landlord under said Lease requires as a condition to its execution of said Lease that the undersigned guarantee the full performance of the obligations of Tenant under said Lease; and

WHEREAS, the undersigned is desirous that Landlord enter into said Lease with Tenant,

NOW, THEREFORE, in consideration of the execution of said Lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said Lease to be kept and performed by Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Guarantee shall continue in favor of Landlord notwithstanding any extension, modification, or alteration of said Lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said Lease, with or without the consent of said Landlord, and no extension, modification, alteration or assignment of said Lease shall in any manner release or discharge the undersigned and the undersigned does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice assign this Guarantee in whole or in part and no assignment or transfer of said Lease shall operate to extinguish or diminish the liability of the undersigned hereunder.

4. The liability of the undersigned under this Guarantee shall be primary; and in any right of action which shall accrue to Landlord under said Lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against Tenant.

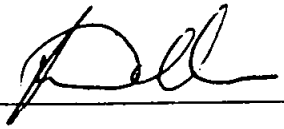
5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed or enforcing this Guarantee.

6. The undersigned does hereby waive notice of any demand by Landlord, as well as any notice of default in the payment of rent or any other amounts contained or reserved in said Lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of this Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed as of the date set forth on page 1 of this Lease.

If Guarantor shall be a corporation, the authorized officers must sign on behalf of the corporation. This Guarantee must be executed by the president or vice-president and the secretary or assistant secretary, unless the by-laws or a resolution of the board of directors shall otherwise provide, in which event, the by-laws or a certified copy of the resolution, as the case may be, must be furnished. Also, the appropriate corporate seal must be affixed.

 President

Address:

EXHIBIT D

RULES AND REGULATIONS

1. The purpose of these Rules and Regulations is to adopt a workable code of regulations protecting the Landlord and Tenants of the Building toward the goal of creating a harmonious atmosphere of high professional competence in the Building.
2. No Tenant will install blinds, shades, awnings or other form of inside or outside window covering, or window ventilators or similar devices without the prior written consent of Landlord.
3. Tenant and its authorized representatives and invitees shall not loiter in the parking or other common areas that Tenant has the right to use. They shall in no way obstruct the sidewalks, entry passages, pedestrian passageways, driveways, entrances or exits.
4. The common halls, passages, exits and entrances in the Building in which the Premises are located shall not be obstructed by any of the Tenants in the Building or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits and entrances are not for the use of the general public, and Landlord shall retain the right to control and prevent access to them by all persons whose presence in the judgement of Landlord shall be prejudicial to the safety, character, reputation and interest of the Building and its Tenants. However, nothing in these Rules and regulations shall be construed to prevent access by persons with whom the Tenant usually deals in the ordinary course of its business, unless those persons are engaged in illegal activities.
5. Tenant and its authorized representatives and invitees shall not make or permit any noise in the Building that is annoying unpleasant or offensive to Landlord or the other Tenants or those having business with them, nor bring into or keep within the Building or common areas any animal, bird, bicycle or other vehicle, except such vehicles as they are permitted to park in the parking areas, in accordance with these Rules and Regulations.
6. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odor or vibration, or interfere in any way with other Tenants or those having business therein.

7. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
8. Tenant shall not install or use any machinery in the Premises which may cause any unusual noise, jar, or tremor to the floors or walls or which by its weight injure the floors of the Building.
9. No furniture, freight or equipment of any kind shall be brought into the Building in which the Premises are located without Landlord's consent, which consent shall not unreasonably be withheld. All moving of articles into or out of the Building shall be done at the time and in the manner that Landlord designates. Landlord will not be responsible for loss of or damage to any furniture, equipment, or freight from any cause.
10. Tenant shall not overload the floor of the Premises. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and the time and manner of moving them into or out of the Building. If it is considered necessary by Landlord, safes or other heavy objects shall stand on wood strips of whatever thickness is necessary to properly distribute the weight. All damage done to the Building by moving or maintaining any such safe or other property shall be repaired at Tenant's costs.
11. Tenant shall not mark, drive nails, screw or drill into the walls, ceilings, floors, stonework, partitions, woodwork or plaster or in any way deface the Premises or any part thereof.
12. No boring, cutting or stringing of wires shall be permitted except with the prior written consent of Landlord as as Landlord may direct.
13. Landlord shall direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires shall be allowed without Landlord's consent. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to Landlord's approval.
14. Tenant shall not lay linoleum, tile, carpet or other floor covering so that it is affixed to the floor or the Premises without Landlord's approval.

15. Tenant and its authorized representatives or invitees shall not throw cigar or cigarette butts or other substances or litter of any kind in or about the Building, except in receptacles placed in it for that purpose.
16. The toilet rooms, toilets, urinals, washbowls and other apparatus available to Tenant shall not be used for any purpose other than that for which they were constructed. No foreign substance of any kind shall be thrown into them and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be paid by the Tenant (or its authorized representative or invitee) that has caused it.
17. Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus or any other service equipment.
18. No cooking shall be done or permitted by Tenant on the Premises except in areas specifically designed for the purpose, with the consent of Landlord.
20. The Premises shall not be used for manufacturing or for the storage of goods or merchandise except as such storage may be incidental to the use of the Premises for general office purposes. No Tenant shall occupy or permit any portion of his Premises to be occupied as an office for a public stenographer or typist or for the manufacture or sale of liquor, narcotics or tobacco in any form or as a medical office or as a barber shop or manicure shop without the prior written consent of Landlord. No Tenant shall advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purpose. Tenant shall not conduct any auction or otherwise sell goods or merchandise on the Premises without the prior written consent of Landlord.
21. If Tenant desires to have janitorial service in addition to the services furnished by Landlord under the Lease, Tenant shall not employ any person other than Landlord's janitor for that purpose unless otherwise agreed to by Landlord.
22. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is undesirable, or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the Rules and Regulations of the Building.
23. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during the hours

Landlord may deem advisable for the adequate protection of the property. Use of the Building and the leased Premises before 8:00 a.m. or after 6:00 p.m., or at any time during Sundays or legal holidays shall be permissive and subject to the Rules and Regulations Landlord may proscribe.

24. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Premises and must observe strict care and caution that all water faucets or water apparatus are shut off before Tenant or Tenant's employees leave and that all electricity shall likewise be carefully shut off so as to prevent waste or damage and for any default of carelessness Tenant shall make good all injuries sustained by other Tenants or occupants of the Building or Landlord.
25. Tenants shall not disturb, solicit or canvass any occupant of the Building and shall cooperate to prevent same.
26. The directory board in the entrance lobby of the Building is provided for exclusive display of the name and location in the Building of each Tenant and Landlord reserves the right to exclude any other name therefrom, and to make a charge for each and every name in addition to the name of the Tenant placed on the directory board.
27. Landlord shall have the right to prohibit any advertising by any Tenant which in Landlord's opinion tends to impair the reputation of the Building or its desirability as a Building for offices and upon written notice from Landlord such Tenant shall refrain from or discontinue such advertising.
28. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Building of which the Premises are a part.
29. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as the Tenant's address.
30. Tenant shall not alter any lock or install a new or additional lock or bolt on any door of the Premises.
31. All keys shall be obtained from Landlord, and all keys shall be returned to Landlord upon the termination of Tenant's Lease, including all keys to offices and toilet rooms. In case of loss of any keys furnished by Landlord, Tenant shall pay Landlord for them.

32. Rooms used in common by Tenant and others shall be subject to such additional Regulations as are posted therein.
33. The requirements of Tenant will be attended to only upon application at the office of the Building. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee will admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.
34. Tenant agrees that it shall comply with all fire and security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire or security regulations.
35. Landlord reserves the right by written notice to Tenant to rescind, alter or waive any rule or regulation at any time prescribed for the Building when, in Landlord's judgment, it is necessary or proper for the best interest of the Building and its Tenants.
36. Landlord shall not be responsible to Tenant or to any other person for the non-observance or violation of these Rules and Regulations by any other Tenant or other person. Tenant shall be deemed to have read these Rules and to have agreed to abide by them as a condition to its occupancy of the space Leased.
37. No Tenant shall alter the standard building lighting or air-conditioning system or install any special wiring or abnormal power consuming equipment without approval of Landlord. If air-conditioning and/or power is used out of normal hours or there is abnormal consumption thereof, the Tenant involved shall pay on demand a reasonable charge. The air-conditioning system will operate between the hours of 7:00 a.m. to 6:00 p.m. weekdays.