

**CITY OF SAN DIEGO
CONSENT TO ASSIGNMENT OF SUBLEASE**

THIS CITY OF SAN DIEGO CONSENT TO ASSIGNMENT OF SUBLEASE AGREEMENT, (Consent) is made by the City of San Diego, a California municipal corporation ("CITY"), to be effective as of the later date that this Consent is signed by the CITY and approved by the San Diego City Attorney ("Effective Date"), as follows:

RECITALS

This Consent is made with regard to the following facts:

- A. CITY as lessor and SCPT Marina Village, LLC, a Delaware limited liability company doing business as "Marina Village" ("LESSEE"), as successor in interest to High Fliers, LTD., a California limited partnership, are parties to that certain Lease Agreement, as amended, filed on May 11, 1977, as Document No. 759240 in the Office of the City Clerk (the "Lease"). The Lease pertains to that certain CITY-owned property in Mission Bay consisting of approximately 19.426 acres of land and 16.963 acres of water ("Premises").
- B. LESSEE and Ranch Events Inc, a California Corporation ("SUBLESSEE/ASSIGNOR") entered into that certain Retail (Gross) Sublease dated September 20, 2011, related to the subleasing of a portion of the Premises ("Sublease Premises") as consented to by the CITY by that certain City of San Diego Consent to Sublease on October 18, 2011 ("Sublease").
- C. SUBLESSEE/ASSIGNOR desires to assign its interest in and to the Sublease to MDP Catering & Events, Inc., a California corporation ("ASSIGNEE"), pursuant to that certain Assignment dated July 28, 2017, ("Assignment") for which LESSEE, SUBLESSEE/ASSIGNOR and ASSIGNEE now seek CITY's Consent as required in Section (D)21. Assignment and Subletting, of the Lease. A copy of the Assignment is attached hereto as Exhibit "A."
- D. LESSEE, SUBLESSEE/ASSIGNOR and ASSIGNEE acknowledge that the City's act of consenting to the Assignment will not relieve LESSEE, SUBLESSEE/ASSIGNOR or ASSIGNEE from any requirements under the Lease and Sublease including but not limited to rent.

NOW, THEREFORE, CITY provides its consent subject to the following:

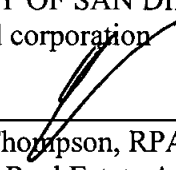
- 1. CONSENT: In reliance upon ASSIGNEE's assumption of all terms, obligations, covenants, and conditions of the Sublease and ASSIGNEE's agreement to comply with the terms and conditions of this Consent and the Lease, CITY consents to LESSEE and SUBLESSEE/ASSIGNOR's request to assign SUBLESSEE/ASSIGNOR's right, title, and interest in and to the Sublease to ASSIGNEE. Failure to ensure compliance with these obligations shall be considered a material default and may subject the Sublease to termination.

2. NO RELEASE: By this Consent, CITY does not release LESSEE, SUBLESSEE/ASSIGNOR from the Lease and Sublease obligations for, and LESSEE, LESSEE/ASSIGNOR shall remain liable for, the payment of all rents and for the performance of all obligations of under the Lease arising prior to and after the Effective Date of this Consent should ASSIGNEE fail to perform under the Lease and Sublease.
3. ASSUMPTION BY ASSIGNEE: Pursuant to the terms of the Sublease and Assignment, ASSIGNEE has agreed to assume the rights and obligations assigned to it by SUBLESSEE/ASSIGNOR and will keep and perform all covenants, conditions, and provisions of the Sublease and Lease, including, without limitation, Lease provisions pertaining to indemnification of the CITY and insurance requirements.
4. USE: The Premises shall be used solely and exclusively for the uses set forth in the Lease.
5. SUBSEQUENT ASSIGNMENTS; RECAPTURE: This Consent does not constitute consent to any other subsequent subletting or assignment and does not relieve LESSEE or ASSIGNEE or any persons claiming under or through LESSEE or ASSIGNEE of the obligation to obtain the prior written consent of CITY prior to any subleases or assignments.
6. MASTER LEASE CONTROLS: The Lease shall control with regard to the rights of CITY and obligations of LESSEE, SUBLESSEE/ASSIGNOR and ASSIGNEE. CITY shall not be bound by any term or condition in the Assignment or Sublease. By giving this Consent, CITY is merely consenting to the requested assignment.
7. CAPTIONS: Captions in this Consent are included for convenience only and do not modify any of the terms of this Consent.
8. NO WAIVER: Except as explicitly stated in this Consent, nothing contained in this Consent will be deemed or construed to modify, waive, impair, or affect any of the covenants, agreements, terms, provisions, or conditions contained in the Lease. In addition, the acceptance of rents by CITY from ASSIGNEE or anyone else liable under the Lease will not be deemed a waiver by CITY of any provisions of the Lease.
9. CAPITALIZED TERMS: All terms spelled with initial-capital letters in this Consent that are not expressly defined in this Consent will have the respective meanings given such terms in the Lease.
10. NO BROKERAGE COMMISSION: CITY shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the Assignment. Further, LESSEE agrees to protect, defend, indemnify, and hold CITY, its elected officials, officers, representatives, agents, and employees harmless from and against any claim for any brokerage commission or finder's fee related to the consummation of this Consent, and from and against any cost or expense (including without limitation attorney fees) incurred by CITY in resisting any claim for any such brokerage commission or finder's fee.

IN WITNESS WHEREOF, this Consent is executed by CITY acting by and through its Mayor, or his designee.

CITY:

THE CITY OF SAN DIEGO, a California
municipal corporation

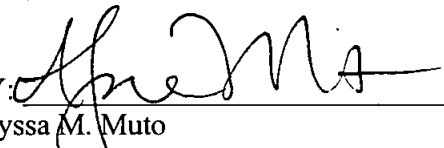
By: 
Cybele Thompson, RPA, FMA, CCIM, LEED AP
Director, Real Estate Assets Department

Date: 2/8/18

Planning Department - Environmental Clearance:

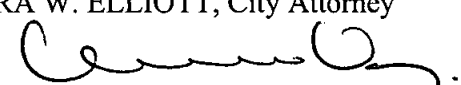
This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities).

Date: 2/8/18

BY: 
Alyssa M. Muto
Deputy Director, Environmental and Policy Analysis,
Planning Department

APPROVED as to form this
9th day of February, 2018

MARA W. ELLIOTT, City Attorney

By: 
Name: Marco A. Verdugo
Title: Deputy City Attorney

SCPT MARINA VILLAGE - CONSENT TO ASSIGNMENT OF SUBLEASE - RANCH EVENTS. 2018

EXHIBIT “A”

ASSIGNMENT

[to follow behind this page]

ASSIGNMENT

THIS ASSIGNMENT OF SUBLEASE is made as of July 28, 2017 (this "**Assignment**"), by and between RANCH EVENTS INC., a California corporation ("**Assignor**"), and MDP CATERING & EVENTS, INC., a California corporation ("**Assignee**"), with reference to the following facts and circumstances:

A. Pursuant to subleases described on Schedule 1 attached hereto (collectively, the "**Sublease**"), Assignor has leased from SCPT Marina Village, LLC, a Delaware limited liability company ("**Landlord**") certain premises (the "**Premises**") more particularly described in the Sublease.

B. Landlord is the ground lessee of the project in which the Premises are located (the "**Project**") pursuant to that certain Agreement dated February 16, 1977 (the "**Master Lease**") by and between the City of San Diego, a municipal corporation (the "**City**") and High Fliers, Ltd., a California limited partnership and Landlord's predecessor-in-interest under the Master Lease. The Project is commonly known as Marina Village.

C. Assignor desires to assign the Sublease to Assignee, and Assignee desires to accept the assignment of the Sublease from Assignor and assume all of Assignor's obligations under the Sublease.

D. The parties desire to enter into this Assignment, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Effective as of the date that the City's written consent to the Assignment is obtained (the "**Effective Date**"), Assignor does hereby assign and transfer to Assignee all of Assignor's right, title and interest in and to the Sublease and Assignee does hereby accept from Assignor all such right, title and interest, subject to the terms and conditions set forth in this Assignment.

2. Assignee hereby assumes and agrees to perform and fulfill all of the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignor after the date hereof as Subtenant under the Sublease.

3. Assignor hereby represents, warrants and covenants that (a) the copy of the Sublease attached hereto as Exhibit A is a true and accurate copy of the Sublease currently in effect between Landlord and Assignor and that no other agreement whatsoever exists which affects Assignor's rights or obligations as Subtenant of the Premises, (b) the Sublease is in full force and effect and neither Landlord nor Assignor is currently in default under the Sublease, and (c) Assignor is not aware of any acts or events which, with the passage of time or the giving of notice or both, could become a default under the Sublease by Landlord or Assignor.

ASSIGNMENT

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4. Assignor shall indemnify, defend and hold harmless Assignee from and against any and all obligations, claims, damages, losses, costs or expenses, including attorneys' fees and court costs, arising in connection with Assignor's failure to fulfill Assignor's obligations under the Sublease and accruing with respect to the period on or prior to the date of this Assignment.

5. Assignee shall indemnify, defend and hold harmless Assignor from and against any and all obligations, claims, damages, losses, costs or expenses, including attorneys' fees and court costs, arising in connection with Assignee's failure to fulfill Assignee's obligations under the Sublease and accruing with respect to the period subsequent to the date of this Assignment.

6. In any action or proceeding between Assignor and Assignee to enforce the obligations of the parties under this Assignment or concerning the meaning or interpretation of this Assignment, the prevailing party shall be entitled to recover its reasonable costs and expenses of such proceeding, including, without limitation, reasonable attorneys' fees.

7. Subject to the limitations on Assignee's further assignment contained in the Sublease, this Assignment shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

8. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

9. This Assignment is hereby made expressly contingent upon receipt of the written consent of the City under the Master Lease. If the City does consent, Assignee agrees to comply with the terms and conditions of such consent and all of the terms and conditions of the Master Lease which apply to the Premises.

[SIGNATURE PAGE FOLLOWS]

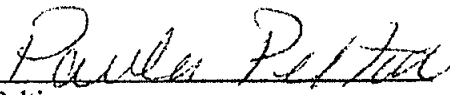
ASSIGNMENT

-2-

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first-
above written.

ASSIGNOR:

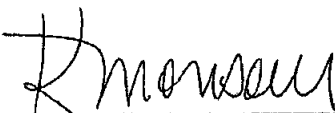
RANCH EVENTS INC.,
a California corporation

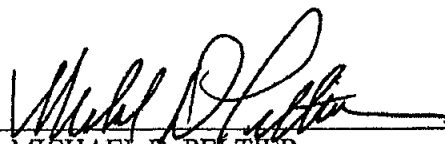
By: 
Name: Paula Peltier
Its: Authorized Signatory

Date: 07/31/2017
Taxpayer ID No.: 27-3036275

ASSIGNEE:

MDP CATERING & EVENTS, INC.,
a California corporation

By: 
Name: KATHLEEN A. MONSOUR
Its: Authorized Signatory

By: 
Name: MICHAEL D. PELTIER
Its: Authorized Signatory

Date: 07/31/2017
Taxpayer ID No.: 46-4296240

ASSIGNMENT

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CONSENT TO ASSIGNMENT

THIS CONSENT TO ASSIGNMENT dated as of July 28, 2017 (this "**Consent**"), is entered into by and among SCPT MARINA VILLAGE, LLC, a Delaware limited liability company ("**Landlord**"), RANCH EVENTS INC., a California corporation ("**Subtenant**"), and MDP CATERING & EVENTS, INC., a California corporation ("**Assignee**"; Assignee, Landlord and Subtenant are each, individually, referred to herein as a "**Party**" and, collectively, as the "**Parties**"), with reference to the following facts and circumstances:

A. Landlord and Subtenant are parties to the subleases described on Schedule 1 attached hereto (collectively, the "**Sublease**").

B. Landlord is the ground lessee of the project in which the subleased premises are located (the "**Project**") pursuant to that certain Agreement dated February 16, 1977 (the "**Master Lease**") by and between the City of San Diego, a municipal corporation (the "**City**") and High Fliers, Ltd., a California limited partnership and Landlord's predecessor-in-interest under the Master Lease. The Project is commonly known as Marina Village.

C. Subtenant desires to assign to Assignee, and Assignee desires to assume from Subtenant, all of Subtenant's right, title, interest and estate in, to and under the Sublease pursuant to the terms and conditions of that certain Assignment of Sublease (the "**Assignment**"), the form of which is attached hereto.

D. Subtenant desires to obtain Landlord's consent to the Assignment.

E. The Parties desire to enter into this Consent, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing facts and circumstances, the mutual covenants and promises contained herein and after good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the Parties, Landlord hereby consents to the Assignment, such consent being subject to and conditioned upon the following terms and conditions to which the Parties do hereby agree:

1. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Sublease. In the event of any conflict between the terms of the Assignment and the terms of this Consent, the terms of this Consent shall control.

2. Notwithstanding anything to the contrary contained in this Consent, this Consent shall not be effective and the Assignment shall not be valid or binding on Landlord unless and until (a) an original of this Consent executed by Subtenant and Assignee is delivered to Landlord for Landlord's execution (and executed by Landlord), and (b) a fully-executed original of the Assignment is delivered to Landlord. Additionally, as consideration for Landlord's execution of this Consent and as an additional condition to the effectiveness of this Consent, concurrently with the execution and delivery of this Consent, Assignee shall cause Michael D. Peltier and Kathleen A. Monsour to execute and deliver to Landlord a Guaranty in the form attached to this Consent.

3. Assignee does hereby expressly assume and agree to be bound by and to perform and comply with, for the benefit of Landlord, each and every obligation of Subtenant under the Sublease. Notwithstanding the Assignment or Landlord's consent thereto pursuant to this Consent, Subtenant shall be and remain fully and primarily liable for the payment of rent and all other amounts required to be paid by Subtenant in connection with the Sublease, whether past, present or future, and for the performance of all other obligations of Subtenant in connection with the Sublease, whether past, present or future. The Parties hereby ratify and confirm their respective rights and obligations under the Sublease. Without negating the foregoing provisions of this Section 3, the Parties acknowledge and agree that, as of the Effective Date (as defined in the Assignment), all references in the Sublease, as amended herein, to "**Subtenant**" shall mean and refer to Assignee.

4. The acceptance of rent and other amounts by Landlord from Assignee or anyone else liable under the Sublease shall not be deemed a waiver by Landlord of any of the terms of the Sublease.

5. The execution of this Consent by Landlord shall in no way constitute any representation or warranty whatsoever by Landlord, express or implied, relating to the Sublease, the Premises, the Assignment or any other matter relating to Subtenant's or Assignee's tenancy, including, without limitation, the physical condition or square footage of the Premises, and Subtenant and Assignee acknowledge and agree that they are not relying on any such representation or warranty in entering into the Assignment or this Consent or in consummating the transactions contemplated by the Assignment and each of them hereby waives any Claim (as hereinafter defined) against Landlord with respect to any such matters. Without limiting the generality of the foregoing, Subtenant and Assignee specifically acknowledge and agree that Landlord is not a party to the Assignment and, notwithstanding anything to the contrary contained in the Assignment, Landlord is not bound by any of the terms contained in the Assignment, including, without limitation, any of the covenants, representations, warranties, duties and obligations contained therein; provided, that, notwithstanding anything to the contrary contained in this Consent, to the extent the Assignment (a) grants fewer rights to Subtenant or Assignee, (b) imposes greater obligations on Subtenant or Assignee, (c) affords greater rights to Landlord, or (d) imposes fewer obligations on Landlord than would, in any of the foregoing cases, otherwise apply to Subtenant, Assignee or Landlord, as applicable, under the Sublease, Landlord may, in its sole and absolute discretion, elect to apply and obtain the benefit of such terms of the Assignment instead of the terms of the Sublease.

6. This Consent shall not constitute a consent to any subsequent assignment, sublease, other transfer or modification of the Assignment, and shall not relieve Subtenant, Assignee or any party claiming under or through Subtenant or Assignee of the obligation to, in connection with any subsequent assignment, sublease, other transfer or modification of the Assignment, obtain the consent of Landlord in accordance with the terms of the Sublease.

7. Landlord may consent to subsequent assignments, subleases and other transfers of the Sublease and to any amendments and other modifications of the Sublease without notifying Subtenant, Assignee or anyone else liable under the Sublease and without obtaining any of their consent, and any such action shall not relieve any such parties from liability and Subtenant hereby expressly consents to all or any of the foregoing.

8. Any act or omission of Assignee or anyone else claiming under or through Assignee that violates any of the terms of the Sublease (as may be subsequently amended or otherwise modified) shall be deemed a violation of the Sublease by Subtenant.

9. In the event of any default of Subtenant or Assignee under the Sublease, Landlord may elect to proceed directly against Subtenant, Assignee or any guarantors or anyone else liable under the Sublease without first exhausting Landlord's remedies against any other person or entity liable thereon to Landlord.

10. Nothing contained herein shall be deemed or construed to modify, waive, impair or affect any of the covenants, agreements, terms, provisions and conditions contained in the Sublease or to waive any breach or default by Subtenant in the due keeping, performance and observance thereof. Subtenant and Assignee acknowledge and agree that the following rights afforded to Subtenant under the Sublease are personal to Subtenant and, notwithstanding anything to the contrary contained in the Assignment, are not exercisable by Assignee and may not be assigned or otherwise transferred to, or by, Assignee: any right to extend or otherwise renew the term of the Sublease, including, without limitation, pursuant to Section 5 of the Third Amendment to Multiple Space Sublease; and Addendum #1 attached to the Sunset Room Sublease.

11. Subtenant hereby acknowledges the transfer and assignment to Assignee of all of Subtenant's right, title, interest and estate in, to and under any unapplied security deposit (the "**Security Deposit**") held by Landlord pursuant to the Sublease. Subtenant waives any and all Claims against Landlord with respect to the Security Deposit, and Assignee hereby agrees to protect, defend, indemnify and hold Landlord harmless from and against any and all actions, adjudications, awards, causes of action, claims, costs, damages, demands, expenses (including, without limitation, attorneys' fees and costs and court costs), fees, fines, forfeitures, injuries, judgments, liabilities, liens, losses, obligations, orders, penalties, proceedings, stop notices and suits (collectively, "**Claims**") in any way arising or resulting from or in connection with or related to any attempt by Subtenant to recover any portion of the Security Deposit.

12. It is expressly understood and agreed that notwithstanding anything in this Consent, the Assignment or the Sublease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Landlord (including any successor landlord) under the Sublease and hereunder and any recourse by Assignee or Subtenant against Landlord shall be limited solely and exclusively to the interest of Landlord in and to the Project, and neither Landlord, nor any of its constituent partners, shall have any personal liability therefor, and Subtenant and Assignee hereby expressly waive and release such personal liability on behalf of themselves and all persons claiming by, through or under Subtenant or Assignee. Under no circumstances shall Landlord be liable for consequential damages, including, without limitation, injury to Subtenant's or Assignee's business or for any loss of income or profit therefrom.

13. Subtenant and Assignee agree to be jointly and severally liable for any and all amounts payable to Landlord in connection with the Assignment, including without limitation any and all amounts payable to Landlord under Sections 12.7 and 12.8 of the Multiple Space Sublease and Section 14.2 and 14.5 of the Sunset Room Sublease.

14. Any notice required or desired to be given under this Consent shall be given in writing and shall be deemed sufficiently given and served for all purposes when personally delivered or delivered by expedited courier, Federal Express, or any other similar form of airborne/overnight delivery service, or mail service in the United States (certified and return receipt requested) addressed to the appropriate address shown below:

Landlord's Notice Address: SCPT Marina Village, LLC
c/o American Realty Advisors
515 South Flower Street, 49th Floor
Los Angeles, California 90071
Attn: Stanley L. Iezman

Subtenant's Notice Address: Ranch Events Inc.
3433 Jamul Highland
Jamul, California 91935
Attn: Paula Peltier
Telephone: (619)708-5675
Email: paula@ranchevents.com

Assignee's Notice Address: MDP Catering & Events, Inc.
6951 Petit Street
San Diego, California 92111
Attn: Kathleen Monsour or Sid Garadi
Telephone: (619) 398-4840
Email: sales@ranchevents.com

Notices sent hereon by overnight courier shall be deemed to have been given on the first business day after having been deposited with the courier service. Notices sent by certified mail (return receipt requested) shall be deemed to have been given on the third business day after deposit with the U.S. Postal Service, postage prepaid. Any Party may change the address at which it desires to receive notice upon giving written notice of such request to the other Parties.

15. The waiver by a Party of any breach of any term, covenant, or condition of this Consent shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. No delay or omission in the exercise of any right or remedy of a Party shall impair such right or remedy or be construed as a waiver of any default of another Party. Consent to or approval of any act by a Party requiring consent or approval of the other Party(ies) shall not be deemed to waive or render unnecessary such consent to or approval of any subsequent act. Any waiver must be in writing and shall not be a waiver of any other matter concerning the same or any other provision of this Consent.

16. Subtenant and Assignee each hereby certifies and acknowledges that, as of the date of the full execution of this Consent, (a) Landlord is not in any respect in default in the performance of the terms of the Sublease, (b) Subtenant has not assigned, transferred or hypothecated the Sublease or any interest therein or subleased all or any portion of the Premises, except as to the proposed assignment to Assignee, (c) there are no offsets or credits against rentals payable under the Sublease, no defenses to any of Subtenant's obligations under the

Sublease, and no existing free period or rental concessions have been granted to Subtenant. Subtenant and Assignee each acknowledges and agrees that: (i) the representations herein set forth constitute a material consideration to Landlord in entering into this Consent; (ii) such representations are being made by Subtenant and Landlord for purposes of inducing Landlord to enter into this Consent; and (iii) Landlord is relying on such representations in entering into this Consent.

17. This Consent sets forth the entire agreement and understanding of the Parties with respect to the matters set forth herein and supersedes all previous written or oral understandings, agreements, contracts, correspondence and documentation with respect thereto. Any oral representations or modifications concerning this Consent shall be of no force or effect. No provisions of this Consent may be amended or added to except by an agreement in writing signed by the Parties or their respective successors in interest.

18. In the event any portion of this Consent shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Consent, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Consent.

19. Should a Party institute any action or proceeding to enforce or interpret this Consent or any provision hereof, for damages by reason of any alleged breach of this Consent or of any provision hereof, or for a declaration of rights hereunder, the prevailing Party(ies) in any such action or proceeding shall be awarded from the other Party(ies) all costs and expenses, including, without limitation, attorneys' and other fees (inclusive of fees for Landlord's and its real estate investment advisor's in-house attorneys), reasonably incurred in good faith by the prevailing Party in connection with such action or proceeding. The term "attorneys' and other fees" shall mean and include reasonable attorneys' fees, accountants fees, expert witness fees and any and all consultants and other similar fees incurred in connection with the action or proceeding and preparations therefor.

20. Subtenant and Assignee hereby represent and warrant to Landlord that neither has entered into any agreement or taken any other action that might result in any obligation on the part of Landlord to pay any brokerage commission, finder's fee or other compensation with respect to the Assignment or this Consent, and Subtenant and Assignee jointly and severally agree to protect, defend, indemnify and hold Landlord harmless from and against any and all Claims in any way arising or resulting from or in connection with or related to any breach or inaccuracy of such representation and warranty.

21. This Consent shall be governed by and construed in accordance with the laws of the State of California.

22. 22.1 Subtenant and Assignee each hereby represents and warrants to Landlord that it and its directors, officers, employees, agents and affiliates are not, and during the term of the Sublease shall not be, Sanctioned Persons. "**Sanctioned Person**" means: (a) an entity or individual named on the Consolidated Sanctions List maintained by the U.S. Office of Foreign Assets Control, or any successor list, or targeted by the U.S. Department of State under economic or financial sanctions or trade embargoes of the United States ("**Sanctions Laws**");

(b) any other entity or individual with which an entity incorporated in the United States is prohibited from dealing pursuant to Sanctions Laws; or (c) any entity or individual acting on behalf of anyone described in the foregoing clauses of this definition.

22.2 Subtenant and Assignee each represents and warrants that it is in compliance, and, during the term of the Sublease, shall remain in compliance, with Sanctions Laws and Anti-Money Laundering Laws and shall not, directly or indirectly, take any action that would cause Subtenant, Assignee or Landlord to be in violation of Sanctions Laws or Anti-Money Laundering Laws. "**Anti-Money Laundering Laws**" means: the U.S. Bank Secrecy Act, the USA PATRIOT Act, and all other laws of the United States that prohibit money laundering or other use of funds derived from illegal activity.

22.3 Subtenant and Assignee each covenant to provide any information deemed necessary by Landlord to comply with Landlord's obligations under Sanctions Laws or Anti-Money Laundering Laws, and this obligation shall survive the termination of the Sublease. Breach of any of the foregoing representations, warranties and covenants shall be considered a default under the Sublease and shall entitle Landlord to pursue all rights and remedies available to Landlord under the Sublease and/or applicable laws.

23. This Consent may be executed in any number of duplicate originals, all of which shall be of equal legal force and effect. Additionally, this Consent may be executed in counterparts, but shall become effective only after each Party has executed a counterpart hereof; all said counterparts, when taken together, shall constitute the entire single agreement between the Parties. Signatures sent hereon by facsimile or electronic PDF shall be deemed originals for all relevant purposes.

24. This Consent is hereby made expressly contingent upon Landlord's receipt of the written consent of the City under the Master Lease. If the City does consent, Assignee agrees to comply with the terms and conditions of such consent and all of the terms and conditions of the Master Lease which apply to the subleased premises. In the event such written consent is not, for any reason, obtained, this Consent shall, upon written notice delivered by Landlord to Subtenant and Assignee at any time that Landlord may determine, in its sole discretion, that the written consent will not be obtained, terminate and be of no further force or effect. Nothing contained in this Consent shall be interpreted to (a) require Landlord to agree to any terms and conditions which the City may require in exchange for its consent, and such terms and conditions may be negotiated, if at all, in the sole and absolute discretion of Landlord, or (b) give Subtenant or Assignee any claim, right or remedy against Landlord if, for any reason, the written consent of the City is not consummated.

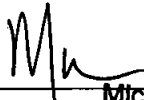
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Consent as of the date first-above written.

LANDLORD:

SCPT MARINA VILLAGE, LLC,
a Delaware limited liability company

By: FIRST FIDUCIARY REALTY ADVISORS, INC.,
a California corporation, its Manager

By: 
Name: Michael Gelber
Its: Executive Vice President,
Asset Management
Date: 3/1/18

134 8/4/17

TENANT:

RANCH EVENTS INC.,
a California corporation

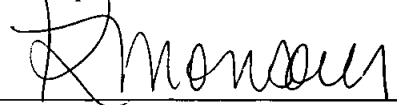
By: 
Name: Paula Peltier
Its: Authorized Signatory

Date: 07/31/2017

Taxpayer ID No.: 27-3036275

ASSIGNEE:

MDP CATERING & EVENTS, INC.,
a California corporation

By: 
Name: KATHLEEN A. MONSOUR
Its: Authorized Signatory

By: 
Name: MICHAEL D. PELTIER
Its: Authorized Signatory

Date: 07/31/2017

Taxpayer ID No.: 46-4296240

SCHEDULE 1

DESCRIPTION OF SUBLEASES

“Multiple Space Sublease” refers to the Marina Village Sublease dated May 1, 1997 by and between Original Landlord and Ranch Catering, Inc., a California corporation and Subtenant’s predecessor-in-interest under Multiple Space Sublease (**“Original Subtenant”**), as amended by (i) that certain Amendment to Sublease dated August 1, 1999, between Original Landlord and Original Subtenant, (ii) that certain Second Amendment to Sublease dated May 1, 2000, between Original Landlord and Original Subtenant, and (iii) that certain Assignment of Sublease and Third Amendment to Sublease dated as of September 20, 2011 (the **“Third Amendment to Multiple Space Sublease”**), by and among Landlord, Original Subtenant and Subtenant, for the sublease of certain premises in the Project, consisting of (A) 10,837 square feet known as the “Seaside Room”, (B) 4,584 square feet known as the “Catalina Room” (formerly known as the “Shanghai Restaurant”), and (C) 2,120 square feet known as the “Deli Space.”

“Sunset Room Sublease” refers to the Retail (Gross) Sublease dated September 20, 2011, by and between Landlord and Subtenant, for the sublease of certain premises in the Project, consisting of approximately 3,024 square feet known as the “Sunset Room.”

ASSIGNMENT

THIS ASSIGNMENT OF SUBLEASE is made as of July 28, 2017 (this "**Assignment**"), by and between RANCH EVENTS INC., a California corporation ("**Assignor**"), and MDP CATERING & EVENTS, INC., a California corporation ("**Assignee**"), with reference to the following facts and circumstances:

A. Pursuant to subleases described on Schedule 1 attached hereto (collectively, the "**Sublease**"), Assignor has leased from SCPT Marina Village, LLC, a Delaware limited liability company ("**Landlord**") certain premises (the "**Premises**") more particularly described in the Sublease.

B. Landlord is the ground lessee of the project in which the Premises are located (the "**Project**") pursuant to that certain Agreement dated February 16, 1977 (the "**Master Lease**") by and between the City of San Diego, a municipal corporation (the "**City**") and High Fliers, Ltd., a California limited partnership and Landlord's predecessor-in-interest under the Master Lease. The Project is commonly known as Marina Village.

C. Assignor desires to assign the Sublease to Assignee, and Assignee desires to accept the assignment of the Sublease from Assignor and assume all of Assignor's obligations under the Sublease.

D. The parties desire to enter into this Assignment, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Effective as of the date that the City's written consent to the Assignment is obtained (the "**Effective Date**"), Assignor does hereby assign and transfer to Assignee all of Assignor's right, title and interest in and to the Sublease and Assignee does hereby accept from Assignor all such right, title and interest, subject to the terms and conditions set forth in this Assignment.

2. Assignee hereby assumes and agrees to perform and fulfill all of the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignor after the date hereof as Subtenant under the Sublease.

3. Assignor hereby represents, warrants and covenants that (a) the copy of the Sublease attached hereto as Exhibit A is a true and accurate copy of the Sublease currently in effect between Landlord and Assignor and that no other agreement whatsoever exists which affects Assignor's rights or obligations as Subtenant of the Premises, (b) the Sublease is in full force and effect and neither Landlord nor Assignor is currently in default under the Sublease, and (c) Assignor is not aware of any acts or events which, with the passage of time or the giving of notice or both, could become a default under the Sublease by Landlord or Assignor.

ASSIGNMENT

4. Assignor shall indemnify, defend and hold harmless Assignee from and against any and all obligations, claims, damages, losses, costs or expenses, including attorneys' fees and court costs, arising in connection with Assignor's failure to fulfill Assignor's obligations under the Sublease and accruing with respect to the period on or prior to the date of this Assignment.

5. Assignee shall indemnify, defend and hold harmless Assignor from and against any and all obligations, claims, damages, losses, costs or expenses, including attorneys' fees and court costs, arising in connection with Assignee's failure to fulfill Assignee's obligations under the Sublease and accruing with respect to the period subsequent to the date of this Assignment.

6. In any action or proceeding between Assignor and Assignee to enforce the obligations of the parties under this Assignment or concerning the meaning or interpretation of this Assignment, the prevailing party shall be entitled to recover its reasonable costs and expenses of such proceeding, including, without limitation, reasonable attorneys' fees.

7. Subject to the limitations on Assignee's further assignment contained in the Sublease, this Assignment shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

8. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

9. This Assignment is hereby made expressly contingent upon receipt of the written consent of the City under the Master Lease. If the City does consent, Assignee agrees to comply with the terms and conditions of such consent and all of the terms and conditions of the Master Lease which apply to the Premises.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first-above written.

ASSIGNOR:

RANCH EVENTS INC.,
a California corporation

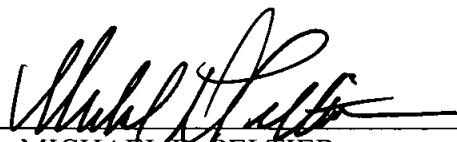
By: 
Name: Paula Peltier
Its: Authorized Signatory

Date: 07/31/2017
Taxpayer ID No.: 27-3036275

ASSIGNEE:

MDP CATERING & EVENTS, INC.,
a California corporation

By: 
Name: KATHLEEN A. MONSOUR
Its: Authorized Signatory

By: 
Name: MICHAEL D. PELTIER
Its: Authorized Signatory

Date: 07/31/2017
Taxpayer ID No.: 46-4296240

ASSIGNMENT

GUARANTY

THIS GUARANTY ("**Guaranty**") is made this 28th day of July, 2017, by MICHAEL D. PELTIER and PATRICIA E. PELTIER, a married couple, and KATHLEEN A. MONSOUR, having their principal place of business at 1840 Quivira Way, San Diego, California (individually and collectively, the "**Guarantor**"), in favor of SCPT MARINA VILLAGE, LLC, a Delaware limited liability company, having its principal place of business at c/o American Realty Advisors, 515 South Flower Street, 49th Floor, Los Angeles, California 90071, Attention: Stanley Iezman (the "**Landlord**"), with reference to the following facts and circumstances:

RECITALS

A. Guarantor desires to induce Landlord to enter into a Consent to Assignment (the "**Consent**") among Landlord, Ranch Events Inc., a California corporation ("**Assignor**"), and MDP Catering & Events, Inc., a California corporation ("**Assignee**"), with respect to the Sublease (as defined in the Consent) for certain premises, as more particularly described therein.

B. The entering into of the Lease by Landlord and Tenant will be of direct pecuniary advantage to Guarantor.

C. All references herein to "Tenant" shall mean and refer to Assignee, as "Tenant" under the Lease.

D. Guarantor desires to enter into this Guaranty, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing facts and circumstances, the mutual covenants and promises contained herein and after good and valuable consideration, the receipt and sufficiency of which are acknowledged, Guarantor hereby agrees to the following:

AGREEMENT

1. Guarantor, as primary obligor, hereby (a) unconditionally and irrevocably guarantees the prompt, punctual and full payment of the rent and all other sums due under the Lease in accordance with the terms and tenor thereof as completely and effectually as if such guarantee had been made by Guarantor on the face of the Lease; (b) unconditionally guarantees the prompt, punctual and full performance by Tenant of any and all of the agreements, covenants, terms and conditions agreed to be performed by Tenant under the Lease; and (c) covenants and agrees that in the event of default in payments or any default in the performance of any of the terms, covenants or conditions thereof, Guarantor will promptly make or cause such payment to be made or will perform or cause to be performed all such terms, covenants and conditions, irrespective of any invalidity therein, the unenforceability thereof or the insufficiency, invalidity or unenforceability of any security therefor.

2. Guarantor does hereby further agree that Guarantor's liability hereunder as Guarantor shall not be prejudiced, impaired or affected by any of the following, whether with or without its knowledge or consent: (a) any renewal or extension of the time of payment of the rent or other sums due under the Lease or of the time for performance by any party obligated

GUARANTY

under the Lease; (b) by any forbearance or delay in enforcing the payment of the rent or other sums due under the Lease or enforcing the obligations of any party to the Lease; (c) by any modification, addition or alteration of the terms, tenor or provisions of the Lease (and Guarantor hereby consents to all or any of the foregoing), (d) by the release of any other collateral Landlord may hold for the obligations of Tenant, or (e) the release, substitution, addition or discharge of any other guarantor or any tenant under the Lease.

3. (a) On or before the 15th day of each calendar quarter during the term hereof, Guarantor shall submit to Landlord a current financial statement in form and content satisfactory to Landlord indicating Guarantor's current tangible net worth, certified as true, correct and complete by Guarantor. Guarantor shall submit reasonable substantiating documentation to Landlord upon request, certified as true, correct and complete by Guarantor. In addition, within thirty (30) days following the expiration of Guarantor's fiscal year, and no less frequently than once every twelve (12) calendar months, Guarantor shall submit to Landlord an annual audited financial statement prepared in accordance with generally accepted accounting principles consistently applied and certified as true, correct and complete by Guarantor. Without limitation as to Landlord's rights and remedies as provided under Section 3(b) below, Guarantor specifically acknowledges that Landlord may require Tenant to post additional collateral for its obligations under the Lease in the event of a decline in the financial condition of Guarantor and that it shall be a default under the Lease entitling Landlord to call upon this Guaranty if Tenant shall fail to post such additional collateral or if Guarantor files a petition in bankruptcy, is adjudged a bankrupt, has a receiver appointed for its assets, makes an assignment for the benefit of creditors, or otherwise takes advantage of any debtor relief proceedings available under federal, state or local law. Guarantor specifically acknowledges that Landlord and its actual and prospective lenders and purchasers have relied and will rely on any and all financial information provided by Guarantor (whether provided in the past, present or future) as being true, correct and complete at all times.

(b) Guarantor shall at all times maintain a tangible net worth of not less than Guarantor's tangible net worth as of the date of this Guaranty (the "**Tangible Net Worth Requirement**") and Guarantor represents and warrants that, as of the date of this Guaranty, Guarantor's tangible net worth is at least equal to the Tangible Net Worth Requirement. If any financial statement delivered under this Guaranty or other information obtained by Landlord indicates a failure of Guarantor to satisfy the Tangible Net Worth Requirement, such failure shall constitute a default under the Lease, this Guaranty and any other guaranty delivered in connection with the Lease, and Landlord shall be entitled to (i) exercise any and all rights and remedies under the Lease, this Guaranty, any other guaranty delivered in connection with the Lease, at law and in equity in connection with such default, and (ii) require Tenant and/or Guarantor (on behalf of Tenant) to provide new or additional security acceptable to Landlord for Tenant's obligations under the Lease (including letters of credit, security deposits and/or any other security that is acceptable to Landlord). In addition, in the event of such a default, Guarantor shall not make any distributions of income, profit or proceeds of its business until such time, if ever, that the Tangible Net Worth Requirement is satisfied (and would still be satisfied after any such distributions), nor shall Guarantor receive any distributions from another guarantor of the Lease if such distribution would violate any tangible net worth requirement applicable to that guarantor. If Guarantor nevertheless makes or receives any such distribution in breach of this Guaranty, Guarantor specifically acknowledges and agrees that such distribution

GUARANTY

shall be held in trust for the benefit of Landlord and Landlord shall have the right to clawback any and all amounts so distributed in breach of this Guaranty, together with interest thereon as provided herein.

4. This Guaranty is and shall be construed to be an irrevocable, absolute, unlimited and continuing guaranty of payment and performance, and the liability of Guarantor hereunder and Landlord's right to pursue Guarantor shall not be affected, delayed, limited, impaired or discharged, in whole or in part, by reason of an extension or discharge that may be granted to Tenant by any court in proceedings under the Bankruptcy Code, or any amendments thereof, or under any other state or other federal statutes. Guarantor expressly waives the benefits of any extension or discharge granted to Tenant. This Guaranty shall survive notwithstanding the expiration or termination of the Lease with respect to any sums previously received from Tenant or from Guarantor that Landlord may be required to repay in such proceeding.

5. Landlord shall have the right to proceed against Guarantor immediately upon any default by Tenant in payment or performance of any obligation under the Lease, and Landlord shall not be required to take any action or proceedings of any kind against Tenant or any other party liable for Tenant's debts or obligations or to look to any other collateral Landlord may have for the obligations of Tenant under the Lease. Should Landlord desire to proceed against Guarantor and Tenant in the same action, Guarantor agrees that Guarantor may be joined in any such action against Tenant and that recovery may be had against Guarantor to the extent of Guarantor's liability in such action. Guarantor hereby expressly waives any and all benefits, defenses and rights under California Civil Code Sections 2845, 2848, 2849 and 2850 or otherwise to require Lessor to (i) proceed against Tenant or any other guarantor, pledgor or person liable under the Lease, (ii) proceed against or exhaust any security for the Lease or this Guaranty; or (iii) pursue any other remedy in Landlord's power or enforce any other right whatsoever.

6. Guarantor hereby waives and agrees not to assert or take advantage of: (a) any right to require Landlord to proceed against Tenant, or any other guarantor or person or to pursue any other security or remedy before proceeding against Guarantor; (b) any defense based on the genuineness, validity, regularity or enforceability of the Lease; (c) any right or defense that may arise by reason of the incapacity, lack of authority, death or disability of Tenant or any other person; and (d) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election of remedies, or otherwise) of the liability of Tenant, of the subrogation rights of Guarantor or of the right of Guarantor to proceed against Tenant for reimbursement. Guarantor waives any right statutory or otherwise for itself to require or for Tenant to require Landlord to apply rents received toward the guaranty obligations or to otherwise prioritize the receipt of rents as against the guaranty obligations. Guarantor furthermore hereby waives and agrees not to assert or take advantage of (a) any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of any adverse change in the financial status of Tenant, notices of any other facts which increase the risk to Guarantor, notices of non-performance and notices of acceptance of this guaranty) and protests of each and every kind; (b) the defense of any statute of limitations in any action under or related to this Guaranty or the Lease; (c) any right or defense based on a lack of diligence or failure or delay by Landlord in enforcing its rights under this Guaranty or the Lease.

GUARANTY

7. If Landlord calls upon Guarantor to honor, pay or perform all or part of any obligation of Tenant, and Guarantor fails to honor such demand, the debt or obligation owed Landlord pursuant to this Guaranty shall bear interest at the lesser of eighteen percent (18%) per annum or the highest rate permitted under applicable law. In case Guarantor fails or refuses to honor this Guaranty, Landlord is hereby authorized to utilize such legal means as Landlord deems proper to enforce this Guaranty, through the efforts of its employees, agents, or attorneys, and Guarantor shall pay all costs of enforcement and collection, including but not limited to court costs, reasonable attorneys' fees, depositions and expert witnesses. All references in this Guaranty to Landlord's "attorneys' fees" shall mean and refer to all of Landlord's fees and costs incurred for attorneys, including in-house attorneys.

8. If a corporation is executing this Guaranty, Guarantor and the individual executing this Guaranty on behalf of Guarantor personally warrant that execution and delivery hereof and the assumption of liability hereunder have been in all respects authorized and approved by proper action on the part of Guarantor, that Guarantor has full authority and power to execute this Guaranty, that Guarantor is duly formed and in good standing in the state of its formation and that Guarantor is authorized to do business in the state in which the premises subject to the Lease are located.

9. This Guaranty shall be binding upon and inure to the benefit of the heirs, personal and legal representatives, successors and assigns of Guarantor and Landlord. Landlord shall have the right to assign and transfer this Guaranty to any assignee of the Lease. Landlord's successors and assigns shall have the rights, elections, remedies, and privileges, discretions and powers granted hereunder to Landlord and shall have the right to rely upon this Guaranty and to enter into and continue other and additional transactions with Tenant in reliance hereon, in the same manner and with the same force and effect as if they were specifically named as Landlord herein.

10. This Guaranty shall constitute a California contract, and be governed by the laws of the State of California. The undersigned hereby voluntarily submits to the jurisdiction of any court in the State of California having jurisdiction over the subject matter of this instrument.

11. Failure of Landlord to insist in any one or more instances upon strict performance of any one or more of the provisions of this Guaranty or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights, but the same shall continue and remain in full force and effect.

12. Landlord shall have the right, without affecting Guarantor's obligations hereunder, and without demand or notice, to collect first from Tenant, and to exercise its rights of setoff against any asset of Tenant, and to otherwise pursue and collect from Tenant any other indebtedness of Tenant to Landlord not covered by this Guaranty, and any sums received from Tenant, whether by voluntary payment, offset, or collection efforts, may be applied by Landlord as it sees fit, including, without limitation, the application of all such amounts to other debts not guaranteed by Guarantor. Subrogation rights or any other rights of any kind of Guarantor against Tenant, if any, shall not become available until all indebtednesses and obligations of Tenant to Landlord are paid in full. This Guaranty shall survive the expiration or termination of the Lease to the extent the obligations of Tenant thereunder likewise survive.

GUARANTY

13. Landlord may proceed against any collateral securing the obligations of Tenant and against parties liable therefor in such order as it may elect, and Guarantor shall not be entitled to require Landlord to marshal assets. The benefit of any rule of law or equity to the contrary is hereby expressly waived.

14. Landlord may, in its sole discretion and with or without consideration, release any collateral securing the obligations of Tenant or release any party liable therefor. The defenses of impairment of collateral and impairment of recourse and any requirement of diligence on Landlord's part in perfecting or enforcing any lien granted in the Lease or in collecting the obligations under the Lease are hereby waived.

15. Guarantor hereby waives any requirement of presentment, protest, notice of dishonor, notice of default, demand, and all other actions or notices that may be required on Landlord's part in connection with the obligations guaranteed hereby.

16. GUARANTOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY ACTION, PROCEEDING OR COUNTERCLAIM WITH RESPECT TO THIS GUARANTY.

17. Guarantor hereby waives any and all rights, benefits and defenses under California Civil Code Sections 2809 (which provides that the liability of a surety may be no larger nor more burdensome than that of the principal), 2810 (which provides the surety is not liable if the principal is disabled at the time of the execution of the obligation), 2819 (which provides that a surety is exonerated by modification of the underlying obligation without the guarantor's consent), 2822 (which provides that a surety is exonerated by part performance of the underlying obligation), 2839 (which provides that a surety is exonerated by the performance or the offer of performance of the principal obligation), 2899 (which provides for the order of resort to different funds held by the creditor) and 3433 (which provides for the right of a creditor to require that another creditor entitled to resort to several sources of payments first resort to sources not available to the first creditor), and all similar laws now or hereafter in effect.

18. In the event any portion of this Guaranty shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Guaranty, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Guaranty.

19. Time is of the essence of this Guaranty and each and every term and provision hereof.

20. If there is more than one Guarantor, the obligations of each Guarantor under this Guaranty are and will be joint and several. Landlord may release any one or more Guarantors at any time without notice to or consent by the remaining Guarantors and without affecting the continuing liability of the remaining Guarantors. Landlord shall not be required to pursue any remedy against any other person or party that shall have executed any agreement of guaranty with Landlord. Landlord may elect, in its sole and absolute discretion, to seek to recover from

any one or more of such persons or parties and no such election shall constitute any defense or any other bar or limitation to the enforcement of Guarantors' obligations set forth herein.

21. (a) Guarantor hereby represents and warrants to Landlord that Guarantor and its directors, officers, employees, agents and affiliates are not, and during the term of this Guaranty shall not be, Sanctioned Persons. "Sanctioned Person" means: (a) an entity or individual named on the Consolidated Sanctions List maintained by the U.S. Office of Foreign Assets Control, or any successor list, or targeted by the U.S. Department of State under economic or financial sanctions or trade embargoes of the United States ("Sanctions Laws"); (b) any other entity or individual with which an entity incorporated in the United States is prohibited from dealing pursuant to Sanctions Laws; or (c) any entity or individual acting on behalf of anyone described in the foregoing clauses of this definition.

(a) Guarantor represents and warrants that Guarantor is in compliance, and, during the term of this Guaranty, shall remain in compliance, with Sanctions Laws and Anti-Money Laundering Laws and shall not, directly or indirectly, use the leased property in connection with, or draw upon any funds to pay Landlord from, transactions with a Sanctioned Person or in a manner that would cause Guarantor or Landlord to be in violation of Sanctions Laws or Anti-Money Laundering Laws. "Anti-Money Laundering Laws" means: the U.S. Bank Secrecy Act, the USA PATRIOT Act, and all other laws of the United States that prohibit money laundering or other use of funds derived from illegal activity.

(b) Guarantor covenants to provide any information deemed necessary by Landlord to comply with Landlord's obligations under Sanctions Laws or Anti-Money Laundering Laws, and this obligation shall survive the termination of this Guaranty. Breach of any of the foregoing representations, warranties and covenants shall be considered a default under this Guaranty and the Lease and shall entitle Landlord to pursue all rights and remedies available to Landlord under this Guaranty, the Lease and/or applicable laws.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first-above written.

Witness:



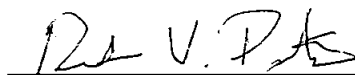
SID GARADI
Date: 07/31/2017

GUARANTOR:

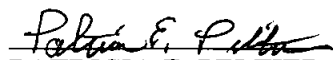


MICHAEL D. PELTIER
Social Security No.: 572-62-6626
Date: 07/31/2017

Witness:



ROBERT V PELTIER
Date: 07/31/2017

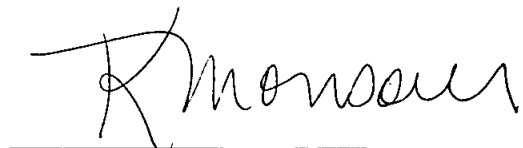


PATRICIA E. PELTIER
Social Security No.: 092-48-8013
Date: 07/31/2017

Witness:



Date: 7/31/17
Sid Garadi



KATHLEEN A. MONSOUR
Social Security No.: 568-23-4625
Date: 07/31/2017

GUARANTY



Date of Notice: January 17, 2018

NOTICE OF RIGHT TO APPEAL ENVIRONMENTAL DETERMINATION PLANNING DEPARTMENT

PROJECT NAME/NUMBER: Consent to Sublease Assignment, SCPT Marina Village, LLC, dba Marina Village

COMMUNITY PLAN AREA: Mission Bay Park

COUNCIL DISTRICT: 2 (Zapf)

LOCATION: 1935 Quivira Way, San Diego, CA 92109

PROJECT DESCRIPTION: Consent to sublease assignment between SCPT Marina Village, LLC, a Delaware limited liability company and MDP Catering & Events, Inc., a California corporation. The Sublease is being assigned from Ranch Events, Inc. to MDP Catering & Events, Inc., to provide catering and event services on the first floor of the "Sunset Room", containing approximately 3,024 leasable square feet.

ENTITY CONSIDERING PROJECT APPROVAL: City of San Diego

ENVIRONMENTAL DETERMINATION: Categorically Exempt from CEQA pursuant to CEQA Guidelines Section 15301 (Existing Facilities).

ENTITY MAKING ENVIRONMENTAL DETERMINATION: City of San Diego Mayor-Appointed Designee.

STATEMENT SUPPORTING REASON FOR ENVIRONMENTAL DETERMINATION:

The City of San Diego conducted an environmental review and determined that the project is exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Existing Facilities), which allows for the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures or facilities involving negligible or no expansion of use. The project does not trigger any of the exceptions to the exemptions listed in CEQA Guidelines Section 15300.2, as no cumulative impacts were identified; no significant effect(s) on the environment was identified; the project is not located adjacent to a scenic highway; the project is not located on a hazardous waste site; and no historical resources would be affected by the action.

CITY CONTACT: Pierre Saladin on behalf of Vladimir Balotsky,
Real Estate Assets Department

MAILING ADDRESS: 1200 Third Avenue, Suite 1700, MS 51A, San Diego, CA 92101

PHONE NUMBER: 619-236-6123

On January 17, 2018, the City of San Diego made the above-referenced environmental determination pursuant to CEQA. This determination is appealable to the City Council. If you have any questions about this determination, contact the City Contact listed above.

Applications to appeal CEQA determination to the City Council must be filed in the office of the City Clerk within 10 business days from the date of the posting of this Notice (**January 31, 2018**). The appeal application can be obtained from the City Clerk, 202 'C' Street, Second Floor, San Diego, CA 92101.

This information will be made available in alternative formats upon request.

POSTED IN THE OFFICE OF DSD

POSTED: 1/17/2018

REMOVED: 2/1/2018

POSTED: E. Pascual



August 14, 2017

Vladimir Balotsky
Supervising Property Agent
City of San Diego
Real Estate Assets Department
1200 Third Avenue, Suite 1700
San Diego, CA 92101

Dear Mr. Balotsky:

Subject: (Ranch Events, Inc. Sublease Reassignment) – Lease Agreement – The City of San Diego
– SCPT Marina Village, LLC – Document 759240 in the Office of the City Clerk

Pursuant to Section (D) 21, Assignment and Subletting, of the above referenced lease, the attached application for sublease and corresponding sublease assignment documents are provided for City review and approval.

A processing fee check of \$990.00 is also included in this package. Should you have any questions, I can be reached at (619) 921-9349.

Sincerely,

Gerard Charest
General Manager



ASSIGNMENT

THIS ASSIGNMENT OF SUBLEASE is made as of July 28, 2017 (this "**Assignment**"), by and between RANCH EVENTS INC., a California corporation ("**Assignor**"), and MDP CATERING & EVENTS, INC., a California corporation ("**Assignee**"), with reference to the following facts and circumstances:

A. Pursuant to subleases described on Schedule 1 attached hereto (collectively, the "**Sublease**"), Assignor has leased from SCPT Marina Village, LLC, a Delaware limited liability company ("**Landlord**") certain premises (the "**Premises**") more particularly described in the Sublease.

B. Landlord is the ground lessee of the project in which the Premises are located (the "**Project**") pursuant to that certain Agreement dated February 16, 1977 (the "**Master Lease**") by and between the City of San Diego, a municipal corporation (the "**City**") and High Fliers, Ltd., a California limited partnership and Landlord's predecessor-in-interest under the Master Lease. The Project is commonly known as Marina Village.

C. Assignor desires to assign the Sublease to Assignee, and Assignee desires to accept the assignment of the Sublease from Assignor and assume all of Assignor's obligations under the Sublease.

D. The parties desire to enter into this Assignment, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Effective as of the date that the City's written consent to the Assignment is obtained (the "**Effective Date**"), Assignor does hereby assign and transfer to Assignee all of Assignor's right, title and interest in and to the Sublease and Assignee does hereby accept from Assignor all such right, title and interest, subject to the terms and conditions set forth in this Assignment.

2. Assignee hereby assumes and agrees to perform and fulfill all of the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignor after the date hereof as Subtenant under the Sublease.

3. Assignor hereby represents, warrants and covenants that (a) the copy of the Sublease attached hereto as Exhibit A is a true and accurate copy of the Sublease currently in effect between Landlord and Assignor and that no other agreement whatsoever exists which affects Assignor's rights or obligations as Subtenant of the Premises, (b) the Sublease is in full force and effect and neither Landlord nor Assignor is currently in default under the Sublease, and (c) Assignor is not aware of any acts or events which, with the passage of time or the giving of notice or both, could become a default under the Sublease by Landlord or Assignor.

ASSIGNMENT

-1-

4. Assignor shall indemnify, defend and hold harmless Assignee from and against any and all obligations, claims, damages, losses, costs or expenses, including attorneys' fees and court costs, arising in connection with Assignor's failure to fulfill Assignor's obligations under the Sublease and accruing with respect to the period on or prior to the date of this Assignment.

5. Assignee shall indemnify, defend and hold harmless Assignor from and against any and all obligations, claims, damages, losses, costs or expenses, including attorneys' fees and court costs, arising in connection with Assignee's failure to fulfill Assignee's obligations under the Sublease and accruing with respect to the period subsequent to the date of this Assignment.

6. In any action or proceeding between Assignor and Assignee to enforce the obligations of the parties under this Assignment or concerning the meaning or interpretation of this Assignment, the prevailing party shall be entitled to recover its reasonable costs and expenses of such proceeding, including, without limitation, reasonable attorneys' fees.

7. Subject to the limitations on Assignee's further assignment contained in the Sublease, this Assignment shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

8. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

9. This Assignment is hereby made expressly contingent upon receipt of the written consent of the City under the Master Lease. If the City does consent, Assignee agrees to comply with the terms and conditions of such consent and all of the terms and conditions of the Master Lease which apply to the Premises.

[SIGNATURE PAGE FOLLOWS]

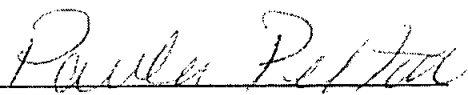
ASSIGNMENT

-2-

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first-
above written.

ASSIGNOR:

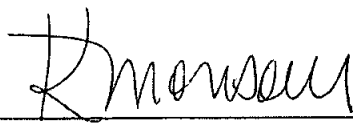
RANCH EVENTS INC.,
a California corporation

By: 
Name: Paula Peltier
Its: Authorized Signatory

Date: 07/31/2017
Taxpayer ID No.: 27-3036275

ASSIGNEE:

MDP CATERING & EVENTS, INC.,
a California corporation

By: 
Name: KATHLEEN A. MONSOUR
Its: Authorized Signatory

By: 
Name: MICHAEL D. PELTIER
Its: Authorized Signatory

Date: 07/31/2017
Taxpayer ID No.: 46-4296240

ASSIGNMENT

CITY OF SAN DIEGO

LESSEE'S AND SUBLESSEE'S QUESTIONNAIRE FOR ALL LEASES, ASSIGNMENTS AND SUBLEASES

Pursuant to the City of San Diego City Charter Section 225: "Mandatory Disclosure of Business Interests," before the City will process requests to (Sub)Lease, all information requested in this Questionnaire must be completed by the proposed (Sub)Lessee. Even though a proposed Sublessee may complete the Questionnaire, the Questionnaire must be delivered or mailed to the City with a cover letter signed by the City Lessee or proposed Lessee. **THE CITY WILL NOT ACCEPT THE QUESTIONNAIRE, DOCUMENTS, OR OTHER INFORMATION DIRECTLY FROM A SUBLESSEE.**

All information furnished in this Questionnaire must be complete and accurate. Omissions, inaccuracies, or misstatements may cause the rejection and/or subsequent revocation of the City's Lease, consent to Sublease, or consent to Assignment of (Sub)Lease.

In submitting this Questionnaire, the proposed (Sub)Lessee completing the Questionnaire authorizes the City to make any inquiry or investigation it believes necessary to substantiate or supplement the information furnished in the Questionnaire, and authorizes others to release such information to the City.

Exact name of existing Lessee (always complete):

SCPT MARINA VILLAGE LLC

Exact name of proposed Lessee (complete only if applicable):

N/A

Exact name of existing Sublessee (complete only if applicable):

RANCH EVENTS INC

Exact name of proposed Sublessee (complete only if applicable):

MDP CATERING & EVENTS INC

Date this Questionnaire completed: 08/11/2017, _____

The information furnished in and with this Questionnaire is true, complete, and correct to the best of my knowledge.

Signature: _____

Title: PRESIDENT

Thank you for taking the time to complete the Questionnaire. Lessees may contact Real Estate Assets if they have any questions. Please return the completed Questionnaire, with any additional information or documents to:

REAL ESTATE ASSETS DEPARTMENT
1200 THIRD AVENUE STE. 1700
SAN DIEGO, CA 92101
TEL.: (619) 236-6020 FAX: (619) 236-6706

This Questionnaire contains 15 pages.

PROPOSED (SUB)LESSEE

1. Name of proposed (Sub) Lessee exactly as it will appear on the actual tenancy document:

MDP CATERING & EVENTS INC

2. Mailing Address of proposed (Sub)Lessee for purposes of notice or other communication relating to the proposed tenancy:

6951 Petit St, San Diego, CA 92111

Telephone No.: (619) 398-4840

Fax. No.: (619) 398-4848

E-mail Address: SALES@RANCHEVENTS.COM

3. Billing Address (*only if different from Mailing Address*):

SAME AS ABOVE

Telephone No.: _____

Fax. No.: _____

4. Proposed (Sub)Lessee intends to operate as a:

Sole Proprietorship (); Partnership (); Corporation (X);

Limited Liability Company (); Other _____

Explain if necessary:

5. Effective date of assignment (complete only if applicable): N/A

PARTNERSHIP STATEMENT

If proposed (Sub)Lessee is a partnership, please answer the following:

1. Date of Organization: N/A

2. General Partnership ()
 Limited Partnership ()
 Other () Explain _____

3. Statement of Partnership recorded: Yes () No ()

Date	Book	Page	County

4. Has the partnership conducted business in San Diego County?
 Yes () No () If so, when? _____
 If so, where? _____

5. Name, address, and partnership share of each general and limited partner. If a general partner is another partnership, a corporation, or a limited liability company (LLC), please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). If a limited partner holding a 10% or greater interest is another partnership, a corporation, or an LLC, pages 3; or 4 and 5; or 6 must also be completed for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

General/Limited	Name	Address	Share %

6. Attach a complete copy of the Partnership Agreement. If a Partnership Agreement has been previously submitted, a new Partnership Agreement need be submitted only if the Partnership Agreement on file with the City is no longer current.

CORPORATION STATEMENT

If proposed (Sub)Lessee is a corporation, please answer the following:

1. Type of corporation: C (X) Subchapter S ()
2. When incorporated? 12/10/2013
3. Where incorporated? SAN DIEGO, CALIFORNIA.
4. Is the corporation authorized to do business in California? Yes (X) No ()
If so, as of what date? 12/10/2013
5. The corporation is held:
 - a. Publicly () Privately (X)
 - b. If publicly held, how and where is the stock traded?

- | | | | |
|-------------------------------------|-------------------|-------------------|--------------------|
| 6. Please list the following: | <u>Authorized</u> | <u>Issued</u> | <u>Outstanding</u> |
| a. Number of voting shares: | <u>100,000</u> | <u>10,000</u> | <u>10,000</u> |
| b. Number of nonvoting shares: | <u>0</u> | <u>0</u> | <u>0</u> |
| c. Number of shareholders: | | | <u>ONE</u> |
| d. Value per share of Common Stock: | | Par \$ <u></u> | |
| | | Book \$ <u></u> | |
| | | Market \$ <u></u> | |

7. Please furnish the name, title, address, and the number of voting and nonvoting shares of stock owned by each officer and, in addition, the same information for each stockholder owning more than 10% of any class of stock.

Name:	<u>Michael D Peltier</u>
Title:	<u>PRESIDENT</u>
Address:	<u>6951 Petit St, San Diego, CA 92111</u>
No. of Shares:	<u>10,000</u>

Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____

(Additional page(s) may be added if needed to complete list of stockholders [type proposed (Sub)Lessee name (from page 2) on the top of each page].)

8. Attach complete copies of the Articles of Incorporation (and any Certificate(s) of Amendment thereto, as the case may be) of the Corporation, and the Bylaws of the Corporation (and any Amended and Restated Bylaws, as the case may be), and any other applicable Corporate documents.

Any partnership, corporation, or LLC owning more than a 10% ownership interest must also complete separate pages 3; or 4 and 5; or 6, as appropriate for each entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). Also, furnish the financial data for such partnership, corporation, or LLC, as required on page 7. If there is an ownership chain of additional partnerships, corporations, or LLCs, the above requirements extend to each such entity having either: (1) a 10% or greater direct, indirect, beneficial ownership, or membership interest in the proposed (Sub)Lessee; or (2) effective control of the proposed (Sub)Lessee, regardless of the percentage of ownership or membership interest.

LIMITED LIABILITY COMPANY STATEMENT

If the proposed (Sub)Lessee is an LLC, please answer the following:

1. Date of Organization: _____
2. Where Organized: _____
3. Is the Company authorized to do business in California?
 - a. Yes () No ()
 - b. If so, as of what date? _____
4. Has the Company conducted business in San Diego County?
 - a. Yes () No ()
 - b. If so, when? _____
 - c. If so, where? _____
5. Please furnish the name, address, and membership share held by each manager and officer, and each member owning more than a 10% membership interest. If a member is a partnership, corporation, or another LLC, please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

Manager/Officer/ Member	Name	Address	Share %

6. Attach a complete copy of the Operating Agreement. If an Operating Agreement has been previously submitted, a new Operating Agreement need be submitted only if the Operating Agreement on file with the City is no longer current.

FINANCIAL AND OTHER BACKGROUND INFORMATION

FINANCIAL STATEMENT

(Sub)Lessee, general partners of (Sub)Lessee, owner-corporations of (Sub)Lessee, members of (Sub)Lessee owning more than a 10% membership interest, and any person or business entity guaranteeing the performance of (Sub)Lessee **must attach a complete report, prepared in accordance with good accounting practice, reflecting current financial condition.** The report **must** include a balance sheet **and** annual income statement. The person or entity covered by the report must be prepared to substantiate all information provided.

OTHER INFORMATION

Each (Sub)Lessee, each general partner of (Sub)Lessee, each owner-corporation of (Sub)Lessee, each member of (Sub)Lessee owning more than a 10% membership interest, any person or business entity guaranteeing the performance of (Sub)Lessee, any person or entity owning more than a 10% interest of (Sub)Lessee, and any guarantor of (Sub)Lessee must answer the following questions:

1. **Surety Information** - Has a surety or bonding company ever been required to perform on the default of any of the individuals or entities?
 - a. Yes () No (X)
 - b. If yes, please attach a statement naming the surety or bonding company, date, amount of bond, and the circumstances surrounding said default and performance.
2. **Bankruptcy Information** - Have any of the individuals or entities ever been adjudicated bankrupt or are any presently a debtor in a pending bankruptcy action?
 - a. Yes () No (X)
 - b. If yes, please give dates, court jurisdiction, and amount of liabilities and assets.
3. **Pending Litigation** - Are any of the individuals or entities presently a party to ANY pending litigation?
 - a. Yes () No (X)
 - b. If yes, please provide detailed information for each action.
4. **Claims, Liens, or Judgments** - Are any of the individuals or entities now subject to any outstanding claims, liens, or judgments?
 - a. Yes () No (X)
 - b. If yes, please provide detailed information for each claim, lien, or judgment.

REFERENCES FOR PROPOSED (SUB)LESSEE

Please list four persons or firms with whom you have conducted business transactions during the past three years. Two of the references must have knowledge of your debt payment history, with at least one being a financial institution. Two of the references must have knowledge of your business experience.

REFERENCE NO. 1

Name: Adam Barrow

Firm: WELLS FARGO BANK

Title: Premier Banker & Brokerage Associate

Address: 3505 Sports Arena Blvd |San Diego, CA 92110

Telephone: Tel 619-221-1140 | Fax 619-221-1144

Nature and magnitude of purchase, sale, loan, business, association, etc.:

BUSINESS BANKING & MERCHANT SERVICES

REFERENCE NO. 2

Name: Karla Rochin

Firm: Harvest Meat Company

Title: Credit & Account Specialist

Address: 1022 Bay Marina Dr. , Ste 106 , National City, CA 91950

Telephone: 619-477-0185

Nature and magnitude of purchase, sale, loan, business, association, etc.:

VENDOR | IN BUSINESS RELATIONSHIP SINCE OVER TEN YEARS.

REFERENCE NO. 3

Name: John A. Schneidmiller

Firm: Scottish Rites Center

Title: Officer of the Scottish Rite Bodies

Address: 1895 Camino Del Rio South San Diego, CA 92108

Telephone: (619) 293-4888

Nature and magnitude of purchase, sale, loan, business, association, etc.:

LANDLORD & IN BUSINESS RELATIONSHIP SINCE OVER TWENTY FIVE YEARS.

REFERENCE NO. 4

Name: John Owen

Firm: Sysco

Title: Sales Manager

Address: 12180 Kirkham Rd, Poway, CA 92064

Telephone: (619) 347-5937

Nature and magnitude of purchase, sale, loan, business, association, etc.:

VENDOR | IN BUSINESS RELATIONSHIP SINCE OVER TEN YEARS.

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name	Michael D Peltier
Date of Birth	11/16/1954
Place of Birth	FORT WORTH, TX
Social Security Number	572-62-6626
Driver's License Number/State	K0401400 CA
Home Address	2858 Panorama Crest, Escondido, CA 92029
Previous Address	
Home Telephone No.	760-739-9569
Employer	MDP CATERING & EVENTS INC
Occupation	BUSINESS
Business Address	1935 QUIVIRA WAY, SAN DIEGO, CA 92109
Business Telephone No.	(619) 398-4840
Business Fax No.	(619) 398-4848

The City is hereby authorized to request a credit report and other information covering my financial and business history.

Date 08/01/2017

Signed



Print or type exact name of proposed (Sub)Lessee from page 2 of Questionnaire:

MDP CATERING & EVENTS INC

METHOD OF OPERATION

Please describe your proposed business operation on the property to be (Sub)Leased. Discuss any optional services and uses which you propose to provide.

Ranch Events is a family owned company, established in 1988. Since then, the company flourished and is now the largest catering company in San Diego County. Ranch grew steadily over the years creating relationships and building greater demand for its services. Ranch has been a tenant at Marina Village since over 25 years, also probably the oldest tenant on the property.

Today, Ranch has grown into a full service event management and catering company. Ranch Events has been hired by all classes of clientele. We have provided services to everyone from emergency first responders to the President of the United States. Besides being known as one of the best wedding caterers in San Diego, we are also known for putting on diverse corporate and specialty events, including the Super Bowl, the Republican and Democratic national conventions, and many more. Additionally, our unique position on the busiest border in the world has made international food services a standard component of our business, and one that continues to expand today.

**PROPOSED METHOD OF FINANCING
DEVELOPMENT OR LEASEHOLD PURCHASE**

Describe the method of financing for the Leasehold purchase or any new or additional development on the Leasehold. Include a schedule of approximate dates when construction of each significant improvement is expected to be commenced and completed.

SELF FINANCED

ESTIMATE OF GROSS RECEIPTS

If this Questionnaire is being completed by a prospective Lessee, please show the best estimate of the average annual gross sales for each significant use or service, and for each significant optional use or service which the Lessee and its Sublessees (if any) plan to conduct on or from the property. (If the Questionnaire is being completed by a Sublessee, only the estimate of the Sublessee's gross sales is required.) This data will be used by the City to analyze the proposed Lease or Sublease Consent application. The time periods shown should not be assumed to necessarily represent the term of a (Sub)Lease that may be granted or consented to by the City.

Average annual gross sales for each proposed significant use during each of the first five operating years:

Year of Operation	Uses (Identify Each Use)				
1	\$	\$	\$	\$	\$
2					
3					
4					
5					

SEE ATTACHED SALES SPREADSHEET

Marina Village Sales

Year	Deli	Baja & All other Rooms	Seaside Room	Catalina Room	Annual Sales
2014	23,570.00	124,365.79	85,469.00	63,392.00	296,796.79
2015	23,720.00	121,893.50	129,010.25	90,803.50	365,427.57
2016	34,442.75	147,296.50	202,626.00	91,778.00	476,144.10
2017 Projected	50,641.87	181,684.86	326,769.61	111,869.54	670,966.76

EXPERIENCE STATEMENT

Please describe in detail the duration and extent of your business experience, with special emphasis upon experience with the type of business which you propose to conduct on City property. Also state in detail the pertinent experience of the persons who will be directly involved in development and management of the business.

Ranch Events is a family owned company, established in 1988. Since then, the company flourished and is now the largest catering company in San Diego County. Ranch grew steadily over the years creating relationships and building greater demand for its services. Ranch has been a tenant at Marina Village since over 25 years, also probably the oldest tenant on the property.

Today, Ranch has grown into a full service event management and catering company. Ranch Events has been hired by all classes of clientele. We have provided services to everyone from emergency first responders to the President of the United States. Besides being known as one of the best wedding caterers in San Diego, we are also known for putting on diverse corporate and specialty events, including the Super Bowl, the Republican and Democratic national conventions, and many more. Additionally, our unique position on the busiest border in the world has made international food services a standard component of our business, and one that continues to expand today.

**TERMS AND CONDITIONS OF PURCHASE, SALE,
OR TRANSFER OF (SUB)LEASEHOLD INTEREST**

(NOTE: Complete this page only if the transaction involves a Lease assignment.)

Please summarize the terms and conditions of the purchase, sale, or transfer of Leasehold interest(s) which requires City consent, as specified in the Assignment-Sublease provisions of the City Lease. Please attach copies of the applicable sales agreement(s), escrow instructions, assignment agreement(s), or other documents in conjunction with the sale, purchase, or transfer of the (Sub)Leasehold interest(s).

< PLEASE SEE ATTACHED AGREEMENTS >

BYLAWS
of
MDP CATERING & EVENTS, INC.
a California corporation

ARTICLE I

DIRECTORS: MANAGEMENT

Section 1.

a. Powers.

Subject to the provisions of the General Corporation Law of California, effective January 1, 1977 (to which the various Section numbers quoted herein relate) and subject to any limitation in the Articles of Incorporation and the Bylaws relating to action required to be approved by the Shareholders (§153) or by the outstanding shares (§152), the business and affairs of this corporation shall be managed by and all corporate powers shall be exercised by or under direction of the Board of Directors.

b. Standard of Care.

Each Director shall exercise such powers and otherwise perform such duties in good faith, in the manner such Director believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, using ordinary prudence, as a person in a like position would use under similar circumstances. (§309)

c. Exception for Close Corporation.

Notwithstanding the provisions of Section 1, in the event that this corporation shall elect to become a close corporation as defined in §158, its Shareholders may enter into a Shareholders' Agreement as provided in §300 (b). Said agreement may provide for the exercise of corporate powers and the management of the business and affairs of this corporation by the Shareholders, provided however such agreement shall, to the extent and so long as the discretion or the powers of the Board in its management of corporate affairs is controlled by such agreement, impose upon each Shareholder who is a party thereof, liability for managerial acts performed or omitted by such person pursuant thereto otherwise imposed upon Directors as provided in §300 (d).

Section 2. Number and Qualification.

The authorized number of Directors of the corporation shall be one (1).

This number may be changed by amendment to the Articles of Incorporation or by an amendment to this Section 2, ARTICLE I, of these Bylaws, adopted by the vote or written assent of the Shareholders entitled to exercise majority voting power as provided in §212.

Section 3. Election and Tenure of Office.

The Directors shall be elected by ballot at the annual meeting of the Shareholders, to serve for one year or until their successors are elected and have qualified. Their term of office shall begin immediately after election.

Section 4. Vacancies.

Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual meeting of Shareholders or at a special meeting called for that purpose.

The Shareholders may at any time elect a Director to fill any vacancy not filled by the Directors, and may elect the additional Directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of Directors.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, or if the shareholders shall increase the authorized number of Directors but shall fail at the meeting at which such increase is authorized, or at an adjournment thereof, to elect the additional Director so provided for, or in case the Shareholders fail at any time to elect the full number of authorized Directors.

If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board, or the Shareholders, shall have power to elect a successor to take office when the resignation shall become effective.

No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

Section 5. Removal of Directors.

The entire Board of Directors or any individual Director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California. In such case, the remaining Board members may elect a successor Director to fill such vacancy for the remaining unexpired term of the Director so removed.

Section 6. Notice, Place and Manner of Meetings.

Meetings of the Board of Directors may be called by the Chairman of the Board, or the President, or any Vice President, or the Secretary, or any two (2) Directors, or by one Director if only one is provided and shall be held at the principal executive office of the corporation in the State of California, unless some other place is designated in the notice of the meeting. Members

of the Board may participate in a meeting through use of a conference telephone or similar communications equipment so long as all members participating in such a meeting can hear one another. Accurate minutes of any meeting of the Board or any committee thereof, shall be maintained as required by §1500 of the Code by the Secretary or another Officer designated for that purpose.

Section 7. Organization Meetings.

The organization meetings of the Board of Directors shall be held immediately following the adjournment of the annual meetings of the Shareholders.

Section 8. Other Regular Meetings.

Regular meetings of the Board of Directors shall be held at the corporate offices, or other such place as may be designated by the Board of Directors, as follows:

Time of Regular Meeting: 10:00 a.m.

Date of Regular Meeting: April 1, annually

If said day shall fall upon a holiday, such meetings shall be held on the next succeeding business day thereafter. No notice need be given of such regular meetings.

Section 9. Special Meetings - Notices - Waivers.

Special meetings of the Board may be called at any time by the President or, if he is absent or unable or refuses to act, by any Vice President or the Secretary or by any two Directors, or by one Director if only one is provided.

At least forty-eight (48) hours notice of the time and place of special meetings shall be delivered personally to the Directors or personally communicated to them by a corporate Officer by telephone or telegraph. If the notice is sent to a Director by letter, it shall be addressed to him at his address as it is shown upon the records of the corporation, (or if it not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held). In case such notice is mailed, it shall be deposited in the United States mail, postage prepaid, in the place in which the principal executive office of the corporation is located at least four (4) days prior to the time of the holding of the meeting. Such mailing, telegraphing, telephoning or delivery as above provided shall be due, legal and personal notice to such Director.

When all of the Directors are present at any Directors' meeting, however called or noticed, and either (i) sign a written consent thereto on the records of such meeting, or, (ii) if a majority of the Directors are present and if those not present sign a waiver of notice of such meeting or a consent to holding the meeting or an approval of the minutes thereof, whether prior to or after the holding of such meeting, which said waiver, consent or approval shall be filed with the Secretary of the corporation or (iii) if a Director attends a meeting without notice but without protesting,

prior thereto or at its commencement, the lack of notice to him, then the transactions thereof are as valid as if had at a meeting regularly called and noticed.

Section 10. Sole Director Provided by Articles of Incorporation.

In the event only one Director is required by the Bylaws or Articles of Incorporation, then any reference herein to notices, waivers, consents, meetings or other actions by a majority or quorum of the Directors shall be deemed to refer to such notice, waiver, etc., by such sole Director, who shall have all the rights and duties and shall be entitled to exercise all of the powers and shall assume all the responsibilities otherwise herein described as given to a Board of Directors.

Section 11. Directors Acting By Unanimous Written Consent.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as if taken without a meeting and with the same force and effect as if taken by a unanimous vote of Directors, if authorized by a writing signed individually or collectively by all members of the Board. Such consent shall be filed with the regular minutes of the Board.

Section 12. Quorum.

A majority of the number of Directors as fixed by the Articles of Incorporation or Bylaws shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the Directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a minority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for such meeting.

Section 13. Notice of Adjournment.

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned and held within twenty-four (24) hours, but if adjourned more than twenty-four (24) hours, notice shall be given to all Directors not present at the time of the adjournment.

Section 14. Compensation of Directors.

Directors, as such, shall not receive any stated salary for their services, but by resolution of the Board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the Board; provided that nothing herein contained shall be construed to preclude any Director from serving the company in any other capacity and receiving compensation therefor.

Section 15. Committees.

Committees of the Board may be appointed by resolution passed by a majority of the whole Board. Committees shall be composed of two or more members of the Board, and shall have such powers of the Board as may be expressly delegated to it by resolution of the Board of Directors, except those powers expressly made non-delegable by §311.

Section 16. Advisory Directors.

The Board of Directors from time to time may elect one or more persons to be Advisory Directors who shall not by such appointment be members of the Board of Directors. Advisory Directors shall be available from time to time to perform special assignments specified by the President, to attend meetings of the Board of Directors upon invitation and to furnish consultation to the Board. The period during which the title shall be held may be prescribed by the Board of Directors. If no period is prescribed, the title shall be held at the pleasure of the Board.

Section 17. Resignations.

Any Director may resign effective upon giving written notice to the Chairman of the Board, the President, the Secretary or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

ARTICLE II

OFFICERS

Section 1. Officers.

The Officers of the corporation shall be a Chairman of the Board or a President or both, a Secretary and a Chief Financial Officer. The corporation may also have, at the discretion of the Board of Directors, one or more Vice Presidents, one or more Assistant Secretaries and such other Officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices.

Section 2. Election.

The Officers of the corporation, except such Officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. Subordinate Officers, Etc.

The Board of Directors may appoint such other Officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine.

Section 4. Removal and Resignation.

Any Officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board, or, except in case of an Officer chosen by the Board of Directors, by any Officer upon whom such power of removal may be conferred by the Board of Directors.

Any Officer may resign at any time by giving written notice to the Board of Directors, or to the President, or to the Secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 6. Chairman of the Board.

The Chairman of the Board, if there shall be such an Officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the Bylaws.

Section 7. President.

Subject to such supervisory powers, if any, as may be give by the Board of Directors to the Chairman of the Board, if there by such an Officer, the President shall be the Chief Executive Officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and Officers of the corporation. He shall preside at all meetings of the Shareholders and in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 8. Vice President.

In the absence or disability of the President, the Vice Presidents, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all duties of the President, and when so acting, shall have all the powers of, and be subject to, all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the Bylaws.

Section 9. Secretary.

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of Directors and Shareholders, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of shares present or represented at Shareholders' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the Shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all the meetings of the Shareholders and of the Board of Directors required by the Bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

Section 10. Chief Financial Officer.

This Officer shall keep and maintain, or cause to be kept and maintained in accordance with generally accepted accounting principles, adequate and correct amounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, earnings (or surplus) and shares. The books of account shall at all reasonable times be open to inspection by any Director.

This Officer shall deposit all monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all of his transactions and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

ARTICLE III

SHAREHOLDERS' MEETINGS

Section 1. Place of Meetings.

Meetings of the Shareholders shall be held at the principal executive office of the corporation, in the State of California, unless some other appropriate and convenient location be designated for that purpose from time to time by the Board of Directors.

Section 2. Annual Meetings.

The annual meetings of the Shareholders shall be held, each year, at the time and on the day following:

Time of Meeting:	9:00 a.m.
Date of Meeting:	April 1, annually

If this day shall be a legal holiday, then the meeting shall be held on the next succeeding business day, at the same hour. At the annual meeting, the Shareholders shall elect a Board of Directors, consider reports of the affairs of the corporation and transact such other business as may be properly brought before the meeting.

Section 3. Special Meetings.

Special Meetings of the Shareholders may be called at any time by the Board of Directors, the Chairman of the Board, the President, a Vice President, the Secretary, or by one or more Shareholders holding not less than one-tenth (1/10) of the voting power of the corporation. Except as next provided, notice shall be given as for the annual meeting.

Upon receipt of a written request addressed to the Chairman, President, Vice President, or Secretary, mailed or delivered personally to such Officer by any person (other than the Board) entitled to call a special meeting of Shareholders, such Officer shall cause notice to be given, to the Shareholders entitled to vote, that a meeting will be held at a time requested by the person or persons calling the meeting, not less than twenty-five nor more than sixty days after the receipt of such request, the persons calling the meeting may give notice thereof in the manner provided by these Bylaws or apply to the Superior Court as provided in §305 (c).

Section 4. Notice of Meetings - Reports.

Notice of meetings, annual or special, shall be given in writing not less than ten nor more than sixty days before the date of the meeting, to Shareholders entitled to vote thereat by the Secretary or the Assistant Secretary, or if there be no such Officer, or in the case of his neglect or refusal, by any Director or Shareholder.

Such notices or any reports shall be given personally or by mail or other means of written communication as provided in § 601 of the Code and shall be sent to the Shareholder's address appearing on the books of the corporation, or supplied by him to the corporation for the purpose of notice, and in the absence thereof, as provided in §601 of the Code.

Notice of any meeting of the Shareholders shall specify the place, the day and the hour meeting, and (1) in case of a special meeting, the general nature of the business to be transacted and no other business may be transacted, or (2) in the case of an annual meeting, those matters which the Board at date of mailing, intends to present for action by the Shareholders. At any meetings where Directors are to be elected, notice shall include the names of the nominees, if any, intended at the date of Notice to be presented by management for election.

If a Shareholder supplies no address, notice shall be deemed to have been given to him if mailed to the place where the principal executive office of the company, in California, is situated, or published at least once in some newspaper of general circulation in the County of said principal office.

Notice shall be deemed given at the time it is delivered personally or deposited in the mail or sent by other names of written communication. The Officer giving such notice or report shall prepare and file an affidavit or declaration thereof.

When a meeting is adjourned for forty-five days or more, notice of the adjourned meeting shall be given as in case of an original meeting. Save, as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

Section 5. Validation of Shareholders' Meetings.

The transactions of any meeting of Shareholders, however called and noticed, shall be valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Shareholders entitled to vote, not present in person or by proxy, sign a written waiver of notice, or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance shall constitute a waiver of notice, unless objection shall be made as provided in §601(e).

Section 6. Shareholders Acting Without a Meeting Directors.

Any action which may be taken at a meeting of the Shareholders, may be taken without a meeting or notice of meeting if authorized by a writing signed by all of the Shareholders entitled to vote at a meeting for such purpose, and filed with the Secretary of the corporation, provided further that while ordinarily Directors can only be elected by unanimous written consent under §603(d), if the Directors fail to fill a vacancy, then a Director to fill that vacancy may be elected by a written consent of persons holding a majority of shares entitled to vote for the election of Directors.

Section 7. Other Actions Without A Meeting.

Unless otherwise provided in the General Corporation Law or the Articles, any action which may be taken at any annual or special meeting of Shareholders may be taken without a meeting and without prior notice if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Unless the consents of all Shareholders entitled to vote have been solicited in writing,

(1) Notice of any Shareholder approval pursuant to Sections. 310, 317, 1201 or 2007 without a meeting by less than unanimous written consent shall be given at least 10 days before the consummation of the action authorized by such approval, and

(2) Prompt notice shall be given of the taking of any other corporate action approved by Shareholders without a meeting by less than unanimous written consent, to each of those Shareholders entitled to vote who have not consented in writing.

Any Shareholder giving a written consent, or the Shareholder's proxy holders, or a transferee of the share of a personal representative of the Shareholder or their respective proxy

holders, may revoke the consent by a writing received by the corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the Secretary of the corporation, but may not do so thereafter. Such revocation is effective upon its receipt by the Secretary of the corporation.

Section 8. Quorum.

The holders of a majority of the shares entitled to vote thereat, present in person, or represented by proxy, shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by law, by the Articles of Incorporation, or by these Bylaws. If, however, such majority shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person, or by proxy, shall have the power to adjourn the meeting from time to time, until the requisite amount of voting shares shall be present. At such adjourned meeting at which the requisite amount of voting shares shall be represented, any business may be transacted which might have been transacted at a meeting as originally notified.

If a quorum be initially present, the Shareholders may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum, if any action taken is approved by a majority of the Shareholders required to initially constitute a quorum.

Section 9. Voting Rights; Cumulative Voting.

Only persons in whose names shares entitled to vote stand on the stock records of the corporation on the day of any meeting of Shareholders, unless some other day be fixed by the Board of Directors for the determination of the Shareholders of record, and then on such other day, shall be entitled to vote at such meeting.

Provided the candidate's name has been placed in nomination prior to the voting and one or more Shareholder has given notice at the meeting prior to the voting of the Shareholder's intent to cumulate the Shareholder's votes, every Shareholder entitled to vote at any election for Directors of any corporation for profit may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which his shares are entitled, or distribute his votes on the same principle among as many candidates as he thinks fit.

The candidates receiving the highest number of votes up to the number of Directors to be elected are elected.

The Board of Directors may fix a time in the future not exceeding thirty days preceding the date of any meeting of Shareholders or the date fixed for the payment of any dividend or distribution, or for the allotment of rights, or when any change of conversion or exchange of shares shall go into effect, as a record date for the determination of the Shareholders entitled to notice of and to vote at any such meeting, or entitled to receive any such dividend or distribution, or any allotment of rights, or to exercise the rights in respect to any such change, conversion or exchange of shares. In such case only Shareholders of record on the date so fixed shall be

entitled to notice of and to vote at such meeting, or to receive such dividends, distribution or allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any share on the books of the company after any record date fixed as aforesaid. The Board of Directors may close the books of the company against transfers of shares during the whole or any part of such period.

Section 10. Proxies.

Every shareholder entitled to vote, or to execute consents, may do so, either in person or by written proxy, executed in accordance with the provisions of Sections. 604 and 705 of the Code and filed with the Secretary of the corporation.

Section 11. Organization.

The President, or in the absence of the President, any Vice President, shall call the meeting of the Shareholders to order, and shall act as chairman of the meeting. In the absence of the President and all of the Vice Presidents, Shareholders shall appoint a chairman for such meeting. The Secretary of the company shall act as Secretary of all meetings of the Shareholders, but in the absence of the Secretary at any meeting of the Shareholders, the presiding Officer may appoint any person to act as Secretary of the meeting.

Section 12. Inspectors of Election.

In advance of any meeting of Shareholders the Board of Directors may, if they so elect, appoint inspectors of election to act at such meeting or any adjournments thereof. If inspectors of election be not so appointed, the chairman of any such meeting may, and on the request of any Shareholder or his proxy shall, make such appointment at the meeting in which case the number of inspectors shall be either one or three as determined by a majority of the Shareholders represented at the meeting.

Section 13. Shareholders' Agreements.

Notwithstanding the above provisions, in the event this corporation elects to become a close corporation, an agreement between two or more Shareholders thereof, if in writing and signed by the parties thereof, may provide that in exercising any voting rights the shares held by them shall be voted as provided therein or in §706, and may otherwise modify these provisions as to Shareholders' meetings and actions.

ARTICLE IV

CERTIFICATES AND TRANSFER OF SHARES

Section 1. Certificates for Shares.

Certificates for shares shall be of such force and device as the Board of Directors may designate and shall state the name of the record holder of the shares represented thereby; its number; date of issuance; the number of shares for which it is issued; a statement of the rights,

privileges, preferences and restrictions, if any; a statement as to the redemption or conversion, if any; a statement of liens or restrictions upon transfer or voting, if any; if the shares be assessable or, if assessments are collectible by personal action, a plain statement of such facts.

Every certificate for shares must be signed by the President or a Vice President and the Secretary or an Assistant Secretary or must be authenticated by facsimiles of the signatures of the President and Secretary or by a facsimile of the signature of its President and the written signature of its Secretary or an Assistant Secretary. Before it becomes effective every certificate for shares authenticated by a facsimile of a signature must be countersigned by a transfer agent or transfer clerk and must be registered by an incorporated bank or trust company, either domestic or foreign, as registrar of transfers.

Section 2. Transfer on the Books.

Upon the surrender to the Secretary or transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 3. Lost or Destroyed Certificates.

Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of that fact and shall, if the Directors so require, give the corporation a bond of indemnity, in form and with one or more sureties satisfactory to the Board, in at least double the value of the stock represented by said certificate, whereupon a new certificate may be issued in the same tenor and for the same number of shares as the one alleged to be lost or destroyed.

Section 4. Transfer Agents and Registrars.

The Board of Directors may appoint one or more transfer agents or transfer clerks, and one or more registrars, which shall be an incorporated bank or trust company -- either domestic or foreign, who shall be appointed at such times and places as the requirements of the corporation may necessitate and the Board of Directors may designate.

Section 5. Closing Stock Transfer Books - Record Date.

In order that the corporation may determine the Shareholders entitled to notice of any meeting or to vote or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than sixty nor less than ten days prior to the date of such meeting nor more than sixty days prior to any other action.

If no record date is fixed:

The record date for determining Shareholders entitled to notice of or to vote at a meeting of Shareholders shall be at the close of business on the business day next preceding the day on

which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

The record date for determining Shareholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

Section 6. Legend Condition.

In the event any shares of this corporation are issued pursuant to a permit or exemption therefrom requiring the imposition of a legend condition the person or persons issuing or transferring said shares shall make sure said legend appears on the certificate and on the stub relating thereto in the stock record book and shall not be required to transfer any shares free of such legend unless an amendment to such permit or a new permit be first issued so authorizing such deletion.

Section 7. Close Corporation Certificates.

All certificates representing shares of this corporation, in the event it shall elect to become a close corporation, shall contain the legend required by §418(c).

ARTICLE V

CORPORATE RECORDS AND REPORTS -- INSPECTION

Section 1. Records.

The corporation shall maintain, in accordance with generally accepted accounting principles, adequate and correct accounts, books and records of its business and properties. All of such books, records and accounts shall be kept at its principle executive office in the State of California, as fixed by the Board of Directors from time to time.

Section 2. Inspection of Books and Records.

All books and records provided for in §1500 shall be open to inspection of the Directors and Shareholders from time to time and in the manner provided in said §§1600-1602.

Section 3. Certification and Inspection of Bylaws.

The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be kept at the corporation's principle executive office and shall be open to inspection by the Shareholders of the company, at all reasonable times during office hours, as provided in §213 of the Corporations Code.

Section 4. Checks, Drafts, Etc.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 5. Contracts, Etc. -- How Executed.

The Board of Directors, except as in the Bylaws otherwise provided, may authorize any Officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or agreement, or to pledge its credit, or to render it liable for any purpose or to any amount, except as provided in §313 of the Corporations Code.

ARTICLE VI

ANNUAL REPORTS

Section 1. Due Date, Contents.

The Board of Directors shall cause an annual report or statement to be sent to the Shareholders of this corporation not later than 120 days after the close of the fiscal or calendar year in accordance with the provisions of Sections. 1500-1501. Such report shall be sent to Shareholders at least fifteen days prior to the annual meeting of Shareholders. Such report shall contain a balance sheet as of the end of the fiscal year, an income statement and a statement of changes in financial position for such fiscal year, accompanied by any report thereon of independent accountant, or if there is no such report, a certificate of the Chief Financial Officer or President that such statements were prepared without audit from the books and records of the corporation.

Section 2. Waiver.

The foregoing instrument of an annual report may be waived by the Board so long as this corporation shall have less than 100 Shareholders.

ARTICLE VII

AMENDMENTS TO BYLAWS

Section 1. By Shareholders.

New Bylaws may be adopted or these Bylaws may be repealed or amended at their annual meeting, or at any other meeting of the Shareholders called for that purpose, by a vote of Shareholders entitled to exercise a majority of the voting power of the corporation, or by written assent of such Shareholders.

Section 2. Effect of Shareholders' Agreement.

Any Shareholders' Agreement authorized by §300(b), shall only be effective to modify the terms of these Bylaws if this corporation elects to become a close corporation with appropriate filing of or amendment to its Articles as required by §202 and shall terminate when this corporation ceases to be a close corporation. Such an agreement cannot waive or alter Sections. 158, (defining close corporations), 202 (requirements of Articles of Incorporation), 500 and 501 (relative to distributions), 111 (merger), 1201(e) (reorganization) or Chapters 15 (Records and Reports), 16 (Rights of Inspection), 18 (Involuntary Dissolution) or 22 (Crimes and Penalties). Any other provisions of the Code of these Bylaws may be altered or waived thereby, but to the extent they are not so altered or waived, these Bylaws shall be applicable.

Section 3. Representation of Shares in Other Corporations.

Shares of other corporations standing in the name of this corporation may be voted or represented and all incidents thereto may be exercised on behalf of the corporation by the Chairman of the Boards, the President or any Vice President and the Secretary or an Assistant Secretary.

Section 4. Subsidiary Corporations.

Shares of this corporation owned by a subsidiary shall not be entitled to vote on any matter. A subsidiary for these purposes is defined as a corporation, the shares of which possessing more than 25% of the total combined voting power of all classes of shares entitled to vote, are owned directly or indirectly through one or more subsidiaries.

Section 5. Indemnity.

The corporation may indemnify any Director, Officer, agent or employee as to those liabilities and on those terms and conditions as are specified in §317. In any event, the corporation shall have the right to purchase and maintain insurance on behalf of any such persons whether or not the corporation would have the power to indemnify such person against the liability insured against.

CERTIFICATE OF ADOPTION OF BYLAWS

Adoption by Incorporator(s) or First Director(s).

The undersigned person(s) appointed in the Articles of Incorporation to act as the Incorporator(s) or First Director(s) of the above named corporation hereby adopt the same as the Bylaws of said corporation.

Executed this 1st day of December 11, 2013

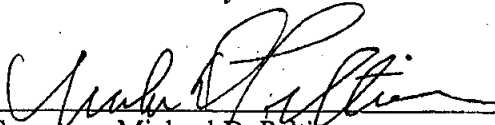
Incorporator, Michael D. Peltier

Certificate by Secretary.

I DO HEREBY CERTIFY AS FOLLOWS:

That I am the duly elected, qualified and acting Secretary of the above named corporation; that the foregoing Bylaws were adopted as the Bylaws of said corporation on the date set forth above by the person(s) appointed in the Articles of Incorporation to act as the Incorporator(s) of First Director(s) of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 11th day of December, 2013.

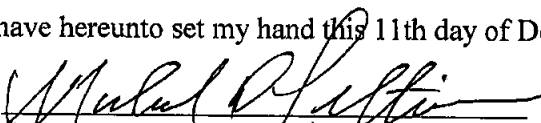

Secretary, Michael D. Peltier

Certificate by Secretary of Adoption by Shareholders' Vote.

THIS IS TO CERTIFY:

That I am the duly elected, qualified and acting Secretary of the above named corporation and that the above and foregoing Code of Bylaws was submitted to the shareholders at their first meeting held on the date set forth in the Bylaws and recorded in the minutes thereof, was ratified by the vote of shareholders entitled to exercise the majority of the voting power of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of December, 2013.


Secretary, Michael D. Peltier

Meeting Minutes**MDP Catering & Events Inc Meeting – 16th December 2013**

Meeting called to order at 4:30 pm by Michael D Peltier

Location: 1895 Camino Del Rio South, San Diego, CA 92108

Members present:

- Michael D Peltier
- Kathleen Monsour

Reading and Approval of Minutes: To approve the minutes for – 16th December 2013

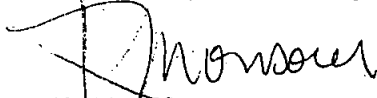
- Board meeting accepted Michael D Peltier as the president of the corporation and Kathleen Monsour as the Treasurer & Secretary of the corporation.

- Board decided to open business checking & savings accounts in Wells Fargo Bank & Bank of America.

- Board decided to open Merchant account with Wells Fargo Bank.

Meeting adjourned at 5:15 pm.

Respectfully submitted by,



Kathleen Monsour

Adopted by the Board in the meeting

Date 16th Dec 2013



Signature of President

3624399

Emm/Em
FILED

**Secretary of State
State of California**

DEC 10 2013

PC

**ARTICLES OF INCORPORATION
OF
MDP CATERING & EVENTS, INC.**

* * * * *

I

That the name of the corporation is:

MDP CATERING & EVENTS, INC.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Michael D. Peltier
6951 Petit Street
San Diego, CA 92111

IV

The business entity street address and mailing address is:

6951 Petit Street
San Diego, CA 92111

V

The number of directors of the corporation shall be as

stated in the Bylaws of the corporation.

VI

This corporation is authorized to issue only one class of shares of stock, which shall be designated "common shares", and the total number of shares which this corporation is authorized to issue is 100,000.

VII

No distinction shall exist between the shares of the corporation or the holder thereof.

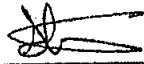
VIII

In any action for breach of directors' duties pursuant to Corporations Code section 309, the liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

IX

Corporate agents, as that term is defined in Corporations Code section 317, may be indemnified for breach of duty to the corporation and its stockholders by Bylaw, agreement, or otherwise in excess of the indemnification permitted by Corporations Code section 317. However, there shall be no indemnification of any agent in circumstances expressly prohibited by Corporations Code section 317, or for any acts, omissions, or transactions from which a director may not be relieved of liability.

IN WITNESS WHEREOF, the undersigned, who are the incorporators of this corporation, have executed these Articles of Incorporation on December 9, 2013.



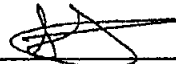
Stanley J. Riney

DECLARATION

I declare:

1. I am the person whose name is subscribed below.
2. I am an incorporator of MDP CATERING & EVENTS INC., and I have executed these Articles of Incorporation.
3. The foregoing Articles of Incorporation are my act and deed.

Executed on December 9, 2013 at La Mesa, California.



Stanley J. Riney

**EIN Assistant**

Your Progress: 1. Identity 2. Authenticate 3. Addresses 4. Details 5. EIN Confirmation

Congratulations! The EIN has been successfully assigned.

EIN Assigned: 46-4298240

Legal Name: MDP CATERING & EVENTS INC

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN.

[Continue >>](#)**Help Topics**

[Can the EIN be used before the confirmation letter is received?](#)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/27/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Alliant Insurance Services, Inc. License #0C36861 570 Rancheros Drive, Suite 100 San Marcos CA 92069	CONTACT NAME: Jeanette Harrington	
	PHONE (A/C No. Ext): 760-304-7119 FAX (A/C No.): 760-304-7362 E-MAIL: jharrington@alliant.com ADDRESS:	
INSURED MDPCATE-01 MDP Catering & Events, Inc.DBA: Ranch Events 1895 Camino Del Rio South San Diego CA 92108	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : American Fire and Casualty Company	24066
	INSURER B : West American Insurance Company	44393
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: 922895744 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☒ LOC OTHER:	Y		BKW 56 44 35 36	8/11/2017	8/11/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$500,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS			BAA 58 44 35 36	8/11/2017	8/11/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	Liquor Liability			BKW 56 44 35 36	8/11/2017	8/11/2018	Each Common Cause 1,000,000 Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of San Diego Real Estate Assets Department, and SCPT Marina Village, LLC are named as additional insureds as respects operations of the named insured.

CERTIFICATE HOLDER

City of San Diego
Real Estate Assets Department
Attn: Vladimir Balotsky
1200 Third Ave, Ste 1700
San Diego CA 92101

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/03/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER ProSource Insurance Services, Inc. 4625 Acacia Avenue La Mesa CA 91941-	CONTACT NAME: Brandon Scavia	
	PHONE (A/C, No, Ext): (619)469-9600 FAX (A/C, No): (619)469-6600	
	E-MAIL ADDRESS: service@prosourceia.com	
INSURED MDP Catering & Events Inc. Ranch Events 1895 Camino Del Rio S. San Diego CA 92108-	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: StarStone Specialty Ins. Co.	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY					EACH OCCURRENCE \$
	CLAIMS-MADE ☐ OCCUR					DAMAGE TO RENTED PREMISES (Ea occurrence) \$
						MED EXP (Any one person) \$
	GEN'L AGGREGATE LIMIT APPLIES PER:					PERSONAL & ADV INJURY \$
	POLICY ☐ PRO-JECT ☐ LOC					GENERAL AGGREGATE \$
	OTHER:					PRODUCTS - COMP/OP AGG \$
						\$
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	ANY AUTO					BODILY INJURY (Per person) \$
	ALL OWNED AUTOS	☐ SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS	☐ NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
						\$
	UMBRELLA LIAB	☐ OCCUR				EACH OCCURRENCE \$
	EXCESS LIAB	☐ CLAIMS-MADE				AGGREGATE \$
	DED ☐ RETENTION \$					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	☐ Y ☐ N	T20170584	04/01/2017	04/01/2018	☒ PER STATE ☐ OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Cancellation 10 days non-pay; 30 all other.

CERTIFICATE HOLDER

CANCELLATION

AI 015590

SCPT Marina Village, LLC 1936 Quivira Way San Diego CA 92109-	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

Fax: () -

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RETAIL (GROSS) SUBLEASE

between

SCPT MARINA VILLAGE, LLC,

a Delaware limited liability company,

AS LANDLORD

and

RANCH EVENTS INC.,

a California corporation,

AS TENANT

for

MARINA VILLAGE

SUMMARY OF BASIC SUBLEASE INFORMATION

This Summary of Basic Sublease Information (the "Sublease Summary") is hereby incorporated into and made a part of the attached Retail (Gross) Sublease (this Sublease Summary and the Retail (Gross) Sublease to be known collectively as the "Sublease"). In the event of a conflict between the terms of this Sublease Summary and the Retail (Gross) Sublease, the terms of the Retail (Gross) Sublease shall prevail. Any capitalized terms used herein and not otherwise defined herein shall have the meaning as set forth in the Retail (Gross) Sublease.

Date: September 20, 2011, but retroactively effective as of August 1, 2011.

Landlord: SCPT MARINA VILLAGE, LLC,
a Delaware limited liability company.

Address of Landlord: American Realty Advisors
801 North Brand Blvd., Suite 800
Glendale, California 91203
Attention: Stanley Iezman
Phone: (818) 545-1152
Telecopy: (818) 545-8460

Tenant: RANCH EVENTS INC., a California corporation.

Tenant Tradename: Ranch Events.

Address of Tenant: 1895 Camino Del Rio South
San Diego, CA 92108
Attention: Jason Peltier

(Prior to and After the Commencement Date)

Guarantor(s): JASON PELTIER, an individual.

1895 Camino Del Rio South
San Diego, CA 92108

Premises: The first (1st) floor of the "Sunset Room", containing approximately 3,024 leasable square feet in the building of the Project located at 1935 Quivira Way, San Diego, California. The Premises are outlined on the plan attached to the Sublease as Exhibit A.

Project: The Project of which the Premises are a part is located at 1842 Quivira Way, San Diego, California, as shown on Exhibit A (the "Project") and located on the real property described on Exhibit B (the "Property"). The Project is known as "Marina Village."

Term:

1. **Sublease Term:** Eight (8) Lease Years.
2. **Commencement Date:** November 1, 2011; however, the Possession Date shall be August 1, 2011.
3. **Expiration Date:** October 31, 2019.
4. **Renewal Options:** Two (2) option(s) of five (5) years each. (See Addendum #1).

Minimum Rent:

<u>Lease Year</u>	<u>Annual Minimum Rent</u>	<u>Monthly Installment of Minimum Rent</u>
1	\$38,424.00	\$3,202.00
2	\$39,960.96	\$3,330.08
3	\$41,559.36	\$3,463.28
4	\$43,221.72	\$3,601.81
5	\$44,950.68	\$3,745.89
6	\$46,748.64	\$3,895.72
7	\$48,618.60	\$4,051.55
8	\$50,563.32	\$4,213.61

Provided that Tenant has faithfully performed all of the terms and conditions of this Sublease, Landlord agrees to abate the obligation of the Tenant named in this Sublease Summary ("Named Tenant") to pay Minimum Rent for the first six (6) full calendar months of each of the first four (4) Lease Years of the initial Term (the "Conditional Rent"). Notwithstanding the foregoing, however, during such abatement periods, Tenant shall still be responsible for the payment of all Additional Rent payable under this Sublease. In the event of a Default at any time during the Term, in addition to any other remedies to which Landlord may be entitled, Landlord shall be entitled to recover the Conditional Rent (i.e., the amount of the Conditional Rent shall not be deemed to have been abated, but shall become immediately due and payable as unpaid Rent earned, but due at the time of such Default). The right to the abatement set forth above shall be personal to Named Tenant and shall not be transferable to any assignee, sub-lessee or other transferee of Named Tenant's interest in this Sublease.

Percentage Rent: None.

Construction:

7. Allowance: None.

8. Landlord Supervision Fee: N/A.

Security Deposit: None.

Permitted Use: Tenant shall use the Premises solely for the operation of a presentation/sales office, with full kitchen facilities, in order to provide office space/sales space for Tenant's sales team, client meetings, taste tests and catering services and for no other use whatsoever.

Radius Restriction: N/A.

Brokers:

9. Tenant: None.

10. Landlord: None.

Addenda, Exhibits and Schedules:

The addenda, exhibits and schedules listed below are incorporated by reference in this Sublease.

Addendum #1 – Renewal Options

Addendum #2 – Landlord Termination Right

Addendum #3 – Tenant's Rights

Guaranty

Exhibit A	Site Plan of the Project
Exhibit B	Legal Description
Exhibit C	Term Certification
Exhibit D	Construction
Exhibit E	Rules and Regulations
Exhibit F	Intentionally Omitted
Exhibit G	Minimum Services Required For HVAC Equipment Maintenance Contract
Exhibit H	Environmental Disclosures

Landlord and Tenant hereby agree to the foregoing terms of this Sublease Summary.

LANDLORD:

SCPT MARINA VILLAGE, LLC,
a Delaware limited liability company

By: FIRST FIDUCIARY REALTY ADVISORS, INC.,
a California corporation, its Manager

By: _____

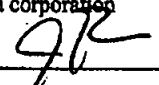
Printed Name: _____

Title: _____

Date: _____

TENANT:

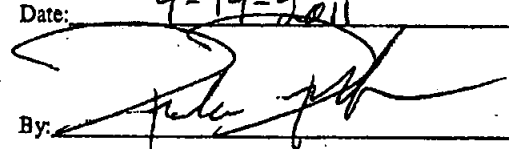
RANCH EVENTS INC.,
a California corporation

By:  _____

Printed Name: JASON PELTIER

Title: Chairman of the Board/President/Vice President

Date: 9-19-2011

By:  _____

Printed Name: P. PELTIER

Title: Secretary/Assistant Secretary/Chief Financial Officer/
Assistant Treasurer

Date: 9-19-2011

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RETAIL (GROSS) SUBLEASE

THIS RETAIL (GROSS) SUBLEASE (the "Sublease") is made as of September 20, 2011, but retroactively effective as of August 1, 2011, by and between SCPT MARINA VILLAGE, LLC, a Delaware limited liability company ("Landlord"), and RANCH EVENTS INC., a California corporation ("Tenant"), with reference to the following facts and circumstances:

A. Landlord is the ground lessee of the Project, as defined herein, pursuant to that certain Agreement dated February 16, 1977 by and between the City of San Diego, a municipal corporation ("City") as lessor, and High Fliers, Ltd., a California limited partnership, as lessee ("Original Lessee"), filed in the Office of the City Clerk as Document 759240 and recorded July 25, 1977, at File No. 77-296337, Official Records of the County Recorder of the county of San Diego, State of California (the "Master Lease") Landlord is the successor-in-interest to the Original Lessee under the Master Lease.

B. The Premises covered by this Sublease are defined on the Sublease Summary and are located in the Project, as defined on the Sublease Summary.

C. American Realty Advisors, Inc., and its affiliates (collectively, "Advisor") is the real estate investment manager for Landlord.

D. The parties desire to enter into this Sublease, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing facts and circumstances, the mutual covenants and promises contained herein and after good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties, the parties do hereby agree to the following:

ARTICLE 1 SUBLEASE OF PREMISES

In consideration of the Rent and the provisions of this Sublease, Landlord subleases to Tenant and Tenant subleases from Landlord the Premises. In addition, Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees to use the Common Areas.

ARTICLE 2 DEFINITIONS

Except as otherwise defined in this Sublease, capitalized terms shall have the meanings set forth on the Sublease Summary. As used in this Sublease, the following terms shall have the following definitions:

2.1. **Additional Rent.** All amounts, costs and expenses that Tenant assumes, or agrees or is otherwise obligated to pay to Landlord under this Sublease other than Minimum Rent.

2.2. **Affiliate.** An entity that is controlled by, controls, or is under common control with a party. "Control" shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in any entity.

2.3. **Bankruptcy Code.** Title 11 of the United States Code, as amended from time to time.

2.4. **Business Days.** Days other than Saturdays, Sundays and Holidays. If any item must be accomplished or delivered hereunder on a day that is not a Business Day, it shall be timely to accomplish or deliver the same on the next following Business Day.

2.5. **Commencement Date.** As set forth on the Sublease Summary.

2.6. Common Areas. All areas, space, facilities, equipment, sidewalks, parking areas, driveways, landscaped areas, loading docks, pedestrian walkways, public washrooms, if any, signs and special services from time to time made available by Landlord for the common and joint use and benefit of Landlord, the stores in and/or adjoining the Project, Tenant, and other tenants of the Project, and their respective employees, customers, and other invitees.

2.7. Environmental Laws. All Laws regulating or controlling Hazardous Materials including, without limitation, the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Sections 25300-25395.15, the California Safe Drinking Water and Toxic Enforcement Act (Proposition 65) California Health and Safety Code Section 25249.5 et seq. and the Hazardous Waste Control Law, California Health and Safety Code Sections 25100-25250.25, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 O.K. 9601, et seq.; the Hazardous Material Transportation Act, 49 U.S.C. 1801 et seq.; and the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq.

2.8. Expiration Date. As set forth on the Sublease Summary, unless otherwise sooner terminated in accordance with the provisions of this Sublease.

2.9. Force Majeure. Strikes, labor disputes, lockouts, inability to obtain labor, materials, equipment, or reasonable substitutes therefor, acts of God, governmental restrictions, regulations, or controls; judicial orders, enemy or hostile government actions, civil commotion, war, terrorism (foreign or domestic), fire, accident, explosion, falling objects or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder.

2.10. Gross Sales. The entire gross receipts of every kind and nature from sales and services made in, upon, or from the Premises, whether upon credit or for cash, in every department in the Premises, whether operated by Tenant or by a subtenant or subtenants, or by concessionaires or other occupants, and all sales made or orders placed at or completed by delivery in or from the Premises, plus all charges made for services rendered in or from, or orders placed at, the Premises (including, without limitation, orders that are accepted or transmitted by means of electronic, telephonic, video, computer or other electronic or technology based system, regardless of whether the orders are accepted or filled at the Premises or accepted or filled by Tenant or its parent, subsidiary or affiliate at any other location), whether such sales or services are for cash or on credit, or both, excepting therefrom any rebates and/or refunds to customers and the amount of all sales tax receipts that must be accounted for by Tenant and remitted to any governmental agency. Sales upon credit or installment shall be deemed cash sales for the full purchase price and shall be included in the Gross Sales for the period in which the merchandise is delivered to the customer, whether or not title to the merchandise passes with delivery. "Gross Sales" shall not include the following: (a) refunds to customers to the extent originally included in Gross Sales; (b) sales, use, excise, retailer's, occupation or similar taxes imposed in a specific amount, or percentage upon, or determined by, the amount of sales; (c) returns to shippers and manufacturers; (d) sales not in the ordinary course of Tenant's business, of machinery or equipment which Tenant has the right to remove from the Premises; and (e) the value of any exchange or transfer of merchandise between stores of Tenant if it is made solely for the convenient operation of Tenant's business and not for the purpose of consummating a sale made in, at, or from the Premises.

2.11. Guarantor(s). The parties set forth on the Sublease Summary and any other party liable for or required by Landlord to guaranty Tenant's obligations under the Sublease.

2.12. Hazardous Materials. Any hazardous waste or hazardous substance as defined in any Laws applicable to the Project, including, without limitation, the Environmental Laws. "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon gas, petroleum or petroleum fractions, urea formaldehyde foam insulation, transformers containing levels of polychlorinated biphenyls greater than 50 parts per million, medical waste, biological materials (including without limitation blood and blood products), electromagnetic fields, mold and chemicals known to cause cancer or reproductive toxicity, whether or not defined as a hazardous waste or hazardous substance in any statute, ordinance, rule or regulation.

2.13. Interest Rate. The average prime loan rate published by the board of governors of the Federal Reserve System of the United States, as the same may change from time to time, plus four percent (4%) per annum,

but not in excess of the maximum rate, if any, allowed by Law for the transaction on which interest is being calculated.

2.14. Landlord Related Parties. Landlord, Landlord's Affiliates, and the members, principals, beneficiaries, partners, trustees, shareholders, directors, officers, employees, mortgagees, investment managers, property managers, brokers, contractors, attorneys, and agents of Landlord and Landlord's Affiliates, and the successors of such parties.

2.15. Laws. All federal, state, county and local governmental and municipal laws, statutes, ordinances, rules, regulations, requirements, codes, decrees, orders, and decisions by courts and cases, when the decisions are considered binding precedent in the State, and decisions of federal courts applying the Law of the State; including but not limited to The Americans With Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), the California Building Standards Law, Health and Safety Code Sections 18901-18949.1, Title 24 of the California Code of Regulations, and all seismic retrofit or other earthquake protection requirements, and any regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time.

2.16. Lease Year. Each twelve (12) month period or portion thereof during the Term, commencing with the Commencement Date, without regard to calendar years; provided, however, if the Commencement Date is not the first day of the month, then the first (1st) Lease Year shall commence on the first day of the first calendar month after the Commencement Date and be deemed to include the partial month at the beginning of the Term.

2.17. Minimum Rent. As set forth on the Sublease Summary.

2.18. Mortgagee. The lessor under any present and future ground or underlying Sublease of the Property and the holder of any mortgage, deed to secure debt or trust deed now or hereafter in force against the Property or the Project.

2.19. Permitted Use. As set forth on the Sublease Summary.

2.20. Permitted Transfer. The day-to-day sale and exchange of ownership interests in a publicly traded entity on a recognized, domestic, national securities exchange or over-the-counter in the ordinary course of business or an assignment or subletting of all or a portion of the Premises to an Affiliate of Tenant, where (a) the transferee assumes, in full, the obligations of Tenant under this Sublease; (b) Tenant remains fully liable under this Sublease; (c) the use of the Premises remains unchanged; (d) after such transaction is effected, the tangible net worth of the tenant hereunder is equal to or greater than the tangible net worth of Tenant as of the date of this Sublease; (e) Landlord shall have received an executed copy of all documentation effecting such transfer on or before its effective date; and (f) the same is not a subterfuge by Tenant to avoid its obligations under this Sublease.

2.21. Permitted Transferee. The Transferee pursuant to a Permitted Transfer.

2.22. Possession Date. The date on which Landlord tenders possession of the Premises to Tenant.

2.23. Project. The Property and any improvements on the Property. No representation is being made that the Project will contain any certain land or that the Project will have any certain configuration. Landlord hereby reserves the right at any time and from time to time to make alterations or additions to, and to build additional stories on, the building in which the Premises are contained, and to build adjoining the same. Landlord also reserves the right to add land to and/or withdraw land from the Project, to construct other buildings or improvements in or adjacent to the Project from time to time, to make alterations thereof or additions thereto, and to build additional stories on any such building or buildings.

2.24. Rent. Minimum Rent and Additional Rent.

2.25. State. The state in which the Project is located.

2.26. Taxes. All taxes, assessments, whether special or general, water and sewer charges, and other similar government charges levied on or attributable to the Project or its operation, including, without limitation (a) real property taxes or assessments levied or assessed against the Project; (b) assessments or charges levied or assessed against the Project by any redevelopment agency, municipality or governmental or quasi-governmental agency, including but not limited to any assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies, and any taxes or assessments levied by a Community Facilities District; (c) any tax, assessment, levy, license fee or charge measured by or based, in whole or in part, by Rent received from the leasing of the Premises or the Project, or any portions thereof; (d) general or special, ad valorem or specific, excise, capital levy, or other tax, assessment, levy, or charge directly on the Rent received under this Sublease or on the rent received under any other subleases of space in the Project; (e) any transfer, transaction, or similar tax, assessment, levy, or charge based directly or indirectly upon the transaction represented by this Sublease or other Subleases in the Project; (f) any possessory interest, occupancy, use, per capita, or other tax, assessment, levy, or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Project; (g) interest on installments as charged by the taxing authority; and (h) the reasonable costs and expenses of any contest or protest of Taxes prosecuted by Landlord, including, without limitation, any appraisal fees and attorneys' fees. Taxes shall not include (i) any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or Federal Government or their agencies, branches, or departments, and (ii) tax penalties, interest or late charges incurred as a result of Landlord's failure to make timely payment of Taxes. Notwithstanding the foregoing, if at any time during the Term, the present method of taxation or assessment shall be so changed that the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on the Project shall be discontinued or reduced and as a substitute therefor, or in lieu of or in addition thereto, taxes, assessments, levies, impositions or charges shall be levied, assessed or imposed, wholly or partially, as a capital levy or otherwise (a "Substitute Tax"), then such Substitute Tax shall be included within the definition of Taxes. Tenant hereby waives, and assigns, transfers and conveys to Landlord, any and all rights to contest or protest any Taxes. Taxes for any calendar year shall only include those taxes or installments of assessments that become due and payable during said year. Landlord shall pay assessments in installments over the longest period of time permitted by the taxing authority.

2.27. Tenant Related Parties. Tenant, its Affiliates, agents, contractors, subcontractors, employees, invitees, subtenants, transferees, and any other party claiming by, through or under Tenant.

2.28. Tenant's Property. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment, and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, that can be removed without damage to the Project, and all furniture, furnishings, and other articles of movable personal property owned by Tenant and located in the Premises.

2.29. Term. As set forth on the Sublease Summary, as the same may be extended from time to time; however, the terms and provisions of this Sublease shall be effective as of the date of the full execution and delivery of this Sublease except for the provisions of this Sublease relating to the payment of Rent.

2.30. Transfer. An assignment, mortgage, pledge, hypothecation, encumbrance, lien or other transfer of this Sublease or any interest hereunder, a transfer by operation of law, a sublease of the Premises or any part thereof, or the use of the Premises by any party other than Tenant and its employees. "Transfer" shall also include (a) if Tenant is a partnership, limited liability company or any other non-corporate entity, the withdrawal or change, voluntary, involuntary or by operation of law, of twenty-five percent (25%) or more of the partners, members or owners, or transfer of twenty-five percent (25%) or more of partnership, membership or ownership interests, within a twelve (12)-month period, or the dissolution of the partnership or company without immediate reconstitution thereof, (b) if Tenant is a corporation, the dissolution, merger, consolidation or other reorganization of Tenant, the sale or other transfer of more than an aggregate of twenty-five percent (25%) of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period; and (c) the sale, mortgage, hypothecation or pledge of more than an aggregate of twenty-five percent (25%) of the value of the unencumbered assets of Tenant within a twelve (12) month period.

2.31. Transferee. Any person or entity to whom or which any Transfer is made.

ARTICLE 3
PREMISES AND DELIVERY OF POSSESSION

3.1. Delivery of Possession. Except as otherwise provided herein, Landlord shall use commercially reasonable efforts to deliver possession of Premises on or before the Possession Date, if any, set forth on the Sublease Summary. If for any reason, Landlord is delayed in delivering possession of the Premises to Tenant on or before the Possession Date, if any, set forth in the Sublease Summary, Landlord shall not be subject to any liability for such failure, and the validity of this Sublease shall not be impaired, but (except in the case of delays caused by Tenant) the Commencement Date shall be extended for the period of such delay.

3.2. Commencement Date. If the Commencement Date is not fixed on the Sublease Summary, once the Commencement Date is fixed, within ten (10) days following request by Landlord, Tenant will execute and deliver to Landlord a certificate substantially in the form of Exhibit C attached hereto and made a part hereof, indicating thereon any exceptions thereto that may exist at that time. Failure of Tenant to execute and deliver such certificate within ten (10) days following its request by Landlord shall constitute binding and conclusive acceptance of the Premises and acknowledgment by Tenant that the statements included in Exhibit C, as prepared by Landlord, are true and correct.

3.3. Size of Premises. The leasable area of the Premises will be deemed for all purposes to be as set forth on the Sublease Summary.

3.4. Master Lease. Landlord shall obtain written consent of the City (acting by and through its City manager) to this Sublease, as required under Section (D) 21 of the Master Lease. If the City does not consent to this Sublease, this Sublease shall not come into effect and neither party shall have rights or obligations hereunder. If the City does consent, Tenant agrees to comply with all of the terms and conditions of the Master Lease that apply to the lessee thereunder, to the extent applicable to the Premises.

ARTICLE 4
RENT

Tenant agrees to pay to Landlord all Rent payable hereunder, without set-off or deduction, in lawful money of the United States of America. Tenant shall pay the Rent as follows:

4.1. Minimum Rent. Tenant shall pay to Landlord the Minimum Rent without notice or demand, in installments due and payable in advance on the first (1st) day of each calendar month during the Term. Along with and in addition to each monthly Minimum Rent payment under the Sublease, Tenant shall pay to Landlord any sales or privilege tax required under applicable Law. In the event of any fractional calendar month, Tenant shall pay for each day in such partial month a rental equal to 1/30 of the Minimum Rent. Concurrent with the execution of this Sublease, Tenant will deliver to Landlord the first month's Minimum Rent.

4.2. Gross Sales Reporting.

4.2.1 Within five (5) days after the end of each calendar month, Tenant shall furnish to Landlord a written statement, certified by Tenant to be correct, showing the total Gross Sales during the preceding month. Within thirty (30) days after the end of each Lease Year, Tenant shall furnish to Landlord a statement in writing, certified as correct by a party acceptable to Landlord, showing the total Gross Sales by month during such Lease Year, and a reconciliation as to the total Gross Sales. Tenant shall require its licensees, and concessionaires, if any, to furnish similar statements.

4.2.2 Tenant shall keep full, complete and proper books, records and accounts of Gross Sales. Landlord and its agents and employees shall have the right at any and all times, during the regular business hours, to examine and inspect all of the books and records of Tenant, including any sales tax reports pertaining to the Premises, for the purpose of investigating and verifying the accuracy of any statement of Gross Sales. Landlord may cause the business of Tenant to be audited by an accountant of Landlord's selection, and if the statement of Gross Sales previously made to Landlord shall be found to be inaccurate, then and in that event, there shall be an

adjustment and one party shall pay to the other on demand the sums as may be necessary to settle in full the accurate amount of said Percentage Rent that should have been paid for the period or periods covered by such inaccurate statement or statements. Tenant shall keep all records pertaining to Gross Sales for three (3) years, and shall make the same available to Landlord at the Premises. Landlord shall have the right to copy such records. If an audit shall disclose an understatement of Gross Sales greater than two percent (2%), then Tenant shall immediately reimburse Landlord for the cost of such audit. If an audit shall disclose an understatement of Gross Sales greater than five percent (5%) or any willful inaccuracies, the same shall constitute a Default.

4.3. City Rent. Starting with the month immediately following the month in which the Commencement Date occurs, in addition to the Minimum Rent and any other amounts payable by the Tenant under this Sublease, Tenant shall pay to Landlord, at the times and in the manner set forth in this Sublease for Minimum Rent, city rent (the "City Rent"), which will be calculated in accordance with the Master Lease.

4.4. Other Taxes Payable by Tenant. In addition to the Minimum Rent and any other charges to be paid by Tenant hereunder, Tenant shall, as an element of Rent, reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) that are not otherwise reimbursable under this Sublease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by, or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures, and other personal property located at the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, regardless of whether title to such improvements is held by Tenant or Landlord; or (b) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises, including but not limited to any sales tax on the Rent paid hereunder. If it becomes unlawful for Tenant to reimburse Landlord for any taxes or other charges as required under this Sublease, the Minimum Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

4.5. Place of Payment. All Rent shall be paid at the address Landlord may from time to time designate in writing and in no event shall Landlord's acceptance of Rent from any party other than the Tenant named in the Sublease Summary create a tenancy between Landlord and such party.

4.6. Interest and Late Charges. If Tenant fails to pay any Rent when due, after giving effect to any applicable grace periods, the unpaid amounts shall bear interest at the Interest Rate. Tenant acknowledges that the late payment of any Rent will cause Landlord to incur costs and expenses not contemplated under this Sublease, including, without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such payment is not received by Landlord within five (5) days from when due, Tenant shall pay Landlord a late charge equal to five percent (5%) of such payment, plus any reasonable attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent when due. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for loss resulting from Tenant's nonpayment. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages for any default of Tenant or as limiting Landlord's remedies in any manner. In addition, any check returned by the bank for any reason will be considered late and will be subject to all late charges, plus a Fifty Dollar (\$50.00) fee. After two (2) returned checks in any twelve (12) month period, Landlord will have the right to receive payment by a cashier's check or money order. Nothing contained herein shall be construed as to compel Landlord to accept any payment of Rent in arrears or late charges should Landlord elect to apply its rights and remedies available under this Sublease or at law or in equity in the event of a Default.

ARTICLE 5 INTENTIONALLY OMITTED

ARTICLE 6 USE

6.1. Permitted Use. Tenant shall use the Premises solely for the Permitted Use as shown on the Sublease Summary, and for no other purpose without Landlord's consent. Tenant shall not change the Tradename

of the business operated in the Premises without Landlord's prior written consent. No second-hand, auction, fire, distress or bankruptcy sales may be conducted on the Premises. Tenant's sales practices shall be in accord with standards and practices generally acceptable in first-class projects. Tenant shall not offer any goods or services that Landlord determines to be inconsistent with the image of a first-class, family-oriented project, nor shall Tenant display or sell any goods containing portrayals that Landlord determines to be lewd, graphically violent or pornographic. Tenant shall not sell or display any paraphernalia used in the preparation or consumption of controlled substances. In the event Landlord has approved Tenant's remaining open for business after normal business hours for the Project, then such approval shall be conditioned upon Tenant's paying for all additional costs incurred by Landlord as a result thereof. In the event that Tenant is permitted pursuant to this Sublease to engage in the sale of food and beverages from the Premises then Tenant shall: (a) be solely responsible for prompt disposal within the Premises of all trash, garbage and debris; and (b) inspect and maintain all grease traps, pans and hood ventilators in good order, condition and repair.

6.2. Compliance. Tenant shall comply with all recorded covenants, conditions, and restrictions, and the provisions of all ground or underlying leases, now or hereafter affecting the Project, including the Master Lease. Tenant shall not (a) do or permit anything to be done in or about the Premises that would in any way obstruct or interfere with the rights of other tenants or occupants of the Project, or violate any restrictions or exclusive uses set forth in any other tenants' subleases, including, without limitation, the restrictive covenants and exclusive use restrictions set forth on Schedule 1 attached to this Sublease and incorporated herein; (b) injure, annoy or interfere with the business of any other tenants or occupants of the Project or any of their invitees; (c) cause, maintain, or permit any nuisance arising out of Tenant's use or occupancy of the Premises; or (d) commit or suffer to be committed any waste in or upon the Premises or the Project.

6.3. Continuous Operation. Tenant shall open for business upon the Commencement Date and shall continuously conduct and carry on Tenant's business in the Premises.

6.4. Intentionally Omitted.

6.5. Compliance with Law. Tenant has been provided an opportunity to inspect the Premises and the Project to a degree sufficient to determine whether or not the same, in their condition as of the date hereof, violate any applicable Law. Tenant further acknowledges and agrees that, except as may otherwise be specifically provided in this Sublease, Landlord has made no representation or warranty as to whether the Premises or the Project conforms to the requirements of Law. Tenant shall be responsible for compliance of the Premises with applicable Law and shall bear all costs necessary to maintain the Premises in compliance with Law, including, without limitation, structural work, if any. Tenant shall also be responsible for the cost of any alterations to other portions of the Project necessitated by any alterations to the Premises or any change in use of the Premises. Tenant shall not use or occupy the Premises in violation of any Law or the certificate of occupancy issued for the Project and shall, upon notice from Landlord, immediately discontinue any use of the Premises that is declared by any governmental authority having jurisdiction to be a violation of Law or the certificate of occupancy. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such Laws in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Should any obligation be imposed by Law, then Tenant agrees, at its sole cost and expense, to comply promptly with such obligations to the extent the same relate to the Premises or Tenant's use of the Premises or the Project.

6.6. Effect on Landlord's Insurance. Tenant shall not do or permit to be done anything that will invalidate or increase the cost of any property coverage, or other insurance policy covering the Project or any property located therein. Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Section.

6.7. Intentionally Omitted.

6.8. Use of Common Areas. Use of all Common Areas by any Tenant Related Parties shall at all times be subject to the Rules and Regulations and the exclusive control and management of Landlord.

ARTICLE 7
HAZARDOUS MATERIALS

7.1. **Indemnity.** Tenant shall indemnify, defend and hold harmless all Landlord Related Parties from and against all claims, suits, demands, response costs, contribution costs, liabilities, losses, or damages (including, without limitation, reasonable attorneys' fees), directly or indirectly arising out of the existence, use, generation, migration, storage, transportation, release, threatened release, or disposal of Hazardous Materials in, on, or under the Premises or the Project or in the groundwater under the Project and the migration or transportation of Hazardous Materials to or from the Premises or the Project or the groundwater underlying the Project, to the extent that any of the foregoing is caused by any Tenant Related Parties. This indemnity extends to the costs incurred by any Landlord Related Party to investigate, remediate, monitor, treat, repair, clean-up, dispose of, or remove such Hazardous Materials in order to comply with the Environmental Laws; provided that if Tenant is not otherwise in Default, Landlord shall give Tenant not less than thirty (30) days' advance notice of Landlord's intention to incur such costs.

7.2. **Restriction on Hazardous Materials.** Tenant shall not permit any Tenant Related Parties to use, generate, manufacture, store, transport, release, threaten release, or dispose of Hazardous Materials, other than de minimis amounts of customary office and cleaning supplies in compliance with applicable Environmental Laws, in, on, or about the Premises or the Project or transport Hazardous Materials from the Premises or the Project unless Tenant shall have received Landlord's prior consent therefor, which Landlord may revoke at any time, and shall not cause or permit the release or disposal of Hazardous Materials from the Premises or the Project except in compliance with applicable Environmental Laws. Tenant shall promptly deliver notice to Landlord if Tenant obtains knowledge sufficient to infer that Hazardous Materials are located on the Premises or the Project that are not in compliance with applicable Environmental Laws or if any third party, including without limitation, any governmental agency, claims a significant disposal of Hazardous Materials occurred on the Premises or the Project or is being or has been released from the Premises or the Project.

7.3. **Investigation of Contamination.** Upon reasonable written request of Landlord, Tenant, through its appropriately qualified and licensed professional engineers, and at Tenant's cost, shall thoroughly investigate suspected Hazardous Materials contamination of the Premises or the Project that would arguably come within the scope of Tenant's indemnification and hold harmless obligations as set forth above. Tenant, using duly licensed and insured contractors approved by Landlord, shall promptly commence and diligently complete the removal, repair, clean-up, and detoxification of any Hazardous Materials from the Premises and the Project as may be required by applicable Environmental Laws that comes within the scope of Tenant's indemnification and hold harmless obligations as set forth above. The provisions of this Article shall survive the expiration or earlier termination of this Sublease.

7.4. **Landlord Consent.** If during the Term of this Sublease, Tenant contemplates utilizing Hazardous Materials (or subleasing or assigning this Sublease to a subtenant or assignee who utilizes Hazardous Materials), other than de minimis amounts of customary office and cleaning supplies in compliance with applicable Environmental Laws, Tenant shall obtain the prior written consent of Landlord. As a condition of granting such consent, Landlord may require, among other things, that (a) such substances be of the type customarily used in retail space and be used and maintained only in such quantities as are reasonably necessary for the Permitted Use and in strict accordance with applicable Environmental Laws and manufacturer instructions therefor; (b) such substances shall not be disposed of, released or discharged on the Project and shall be transported to and from the Premises in compliance with all applicable Environmental Laws and as Landlord shall reasonably require; (c) any remaining such substances shall be completely, properly and lawfully removed from the Premises and the Project upon expiration or earlier termination of this Sublease; (d) such use shall not constitute a nuisance, danger or health risk to or disrupt the business of any other occupant of the Project; and (e) Tenant carry environmental insurance acceptable to Landlord, meeting the requirements of Sections 18.2 and 18.3 and naming Landlord as an additional insured. If any applicable Environmental Law or other ordinance or Landlord's trash removal contractor requires that any such substances be disposed of separately from ordinary trash, Tenant shall make arrangements, at Tenant's expense, for such disposal directly with a qualified and licensed disposal company at a lawful disposal site and shall ensure that such disposal occurs frequently enough to prevent unnecessary storage of such substances on the Premises. At such times as Landlord may reasonably request, Tenant shall provide Landlord with a written list identifying any Hazardous Materials then used, stored or maintained upon the Premises, the use and approximate quantity of each

such material, a copy of any Material Safety Data Sheet ("MSDS") issued by the manufacturer thereof, written information concerning the removal, transportation, and disposal of the same, and such other information as Landlord may reasonably require or as may be required by Environmental Laws. Landlord, at its option, and at Tenant's expense, may cause an engineer selected by Landlord, to review (1) Tenant's operations including, without limitation, materials used, generated, stored, disposed, and manufactured in Tenant's business; and (2) Tenant's compliance with terms of this Section. Tenant shall provide the engineer with such information reasonably requested by the engineer to complete the review. The first such review may occur prior to or shortly following the commencement of the Term of this Sublease. Thereafter, such review shall not occur more frequently than once each year unless cause exists for some other review schedule.

ARTICLE 8

UTILITIES AND SERVICES

8.1. **Utilities.** Tenant shall obtain and pay for all water, gas, electricity, heat, telephone, sewer, sprinkler charges and other utilities and services used at the Premises, together with all taxes, penalties, surcharges, and maintenance charges pertaining thereto. However, if any of such utilities are not separately metered and the Premises is submetered or jointly metered, then Tenant shall pay, within ten (10) days of Tenant's receipt of Landlord's invoice therefor, the amount reasonably determined by Landlord to be Tenant's equitable share of the monthly charge for any such utilities. By executing this Sublease, Tenant hereby authorizes Landlord to obtain information regarding Tenant's utility and energy usage at the Premises directly from the applicable utility providers and Tenant shall execute, within five (5) days of Landlord's request, any additional documentation required by any applicable utility provider evidencing such authorization. Further, (i) within five (5) days of Landlord's request, Tenant shall provide to Landlord all requested information regarding Tenant's utility and energy usage at the Premises, and (ii) within ten (10) days of the close of each calendar month during the Term, Tenant shall deliver to Landlord copies of its utilities bills for the immediately preceding calendar month.

8.2. **Government Energy or Utility Controls.** In the event of imposition of any government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby, and the same shall not constitute a constructive eviction of Tenant. In the event of a difference in interpretation by Landlord and Tenant of any such controls, Landlord's interpretation shall prevail, and Landlord shall have the right to enforce compliance therewith, including, without limitation, the right of entry into the Premises to effect compliance.

8.3. **Safety and Security Devices, Services, and Programs.** The parties acknowledge that safety and security devices, services, and programs provided by Landlord, if any, while intended to deter crime and ensure safety, may not in given instances prevent theft or other criminal acts or ensure safety of persons or property. The risk that any safety or security device, service, or program may not be effective, or may malfunction, or be circumvented by a criminal, is assumed by Tenant with respect to Tenant's property and interests; and Tenant shall obtain insurance coverage to the extent Tenant desires protection against such criminal acts and other losses. Tenant agrees to cooperate in any reasonable safety or security program developed by Landlord or required by Law.

ARTICLE 9

CONDITION OF THE PREMISES

Tenant acknowledges that Tenant is leasing the Premises on an "as is, where is" basis. Tenant's taking possession of the Premises shall be deemed conclusive evidence that, as of the date of taking possession, the Premises were in good order and satisfactory condition. No promise of Landlord to alter, remodel, repair, or improve the Premises or the Project, and no representation, express or implied, respecting any matter or thing relating to the Premises, the Project or this Sublease (including, without limitation, the condition thereof) have been made to Tenant by Landlord or its broker or sales agent, other than as may be expressly contained in this Sublease. Promptly following the Possession Date, Tenant shall perform the Tenant Improvements and the Restroom Work as described in Exhibit D-1.

ARTICLE 10
REPAIRS AND MAINTENANCE

10.1. Landlord's Obligations. Landlord agrees to keep in good order the roof, and exterior walls (exclusive of all glass, including plate glass, locks, hinges, doors, door hardware, and door frames) of the Premises. Landlord shall also maintain the Common Areas of the Project in good order, condition and repair. Tenant hereby waives and relinquishes any right to make any repairs of Landlord's expense under Sections 1941 and 1942 of the California Civil Code, and under all similar Laws now or hereafter in effect.

10.2. Intentionally Omitted.

10.3. Intentionally Omitted.

10.4. Load and Equipment Limits. Tenant shall not place a load upon the Premises that exceeds the load per square foot that the structural portions of the Premises were designed to carry, as determined by Landlord or Landlord's structural engineer. If Landlord or Landlord's structural engineer determines that any improvement or load placed upon the Premises exceeds the load per square foot that the structural portions of the Premises were designed to carry, then Tenant shall remove such load or otherwise remedy such fact to Landlord's satisfaction. Upon demand, Tenant shall pay the cost of any such determination.

ARTICLE 11
ALTERATIONS AND ADDITIONS

11.1. Tenant's Alterations. Tenant shall not make any additions, alterations, or improvements to the Premises without the prior consent of Landlord, which consent shall be requested by Tenant at least thirty (30) days prior to the commencement of any work. Landlord's consent may be conditioned, among other things, on Tenant's removing any such additions, alterations, or improvements at the Expiration Date and restoring the Premises to the same condition as on the Possession Date. All additions, alterations, and improvements shall be (a) made in a good and workmanlike manner using only good grades of materials; (b) performed by properly qualified and licensed personnel approved by Landlord; (c) performed so as not to cause or create any jurisdictional or other labor disputes, including, without limitation, use of union labor if required by Landlord; (d) performed in such manner as not to obstruct access to the Project or the Common Areas, and as not to obstruct the business of Landlord or other tenants in the Project; and (e) diligently prosecuted to completion. Notwithstanding the foregoing, Tenant shall have the right during the Term to make additions, alterations, or improvements as Tenant may reasonably deem desirable or necessary, following ten (10) days' notice to Landlord, but without Landlord's consent, provided that such work (i) is of a non-structural nature and does not affect any system serving the Premises; (ii) is not visible from outside of the Premises; and (iii) does not, in the aggregate, exceed \$5,000 for alterations other than floor and wall covering in any twelve (12) month period.

11.2. Payment and Indemnification. Tenant shall pay the costs of any work done on the Premises by or on behalf of Tenant and shall keep the Premises and the Project free and clear of liens of any kind. Tenant shall indemnify, defend against, and keep Landlord free and harmless from all claims, demands, liability, loss, damage, costs, reasonable attorneys' fees, and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant, including but not limited to resolution of any jurisdictional or other labor disputes.

11.3. Notices and Liens. Tenant agrees not to suffer or permit any lien of any mechanic or materialman to be placed or filed against the Premises or the Project. In case any such lien shall be filed, Tenant shall satisfy and release such lien of record within twenty (20) days (or such shorter period as may be required by any Mortgage) after the earlier to occur of (a) receipt of notice thereof from Landlord; or (b) Tenant's actual knowledge or notice of such lien filing. If Tenant shall fail to have such lien satisfied and released of record as provided herein, Landlord may, on behalf of Tenant, without being responsible for making any investigation as to the validity of such lien and without limiting or affecting any other remedies Landlord may have, pay the same and Tenant shall reimburse Landlord on demand for such amount together with any other reasonable costs of Landlord, including, without limitation, reasonable attorneys' fees. Notwithstanding the foregoing, Tenant shall have the right to contest any such lien claim diligently and in good faith, and during such contest shall not be obligated to pay such lien claim,

provided that Tenant is not in breach of any of its obligations under this Sublease and provided, Tenant, at its sole cost and expense, bonds the lien, or transfers the lien from the Property to a bond, thereby freeing the Property from any claim of lien. Notwithstanding any such contest or title insurance, Tenant shall pay any such claim in full within five (5) days following the entry of an unstayed judgment or order of sale. All materialmen, contractors, artisans, mechanics, laborers and any other person now or thereafter furnishing any labor, services, materials, supplies or equipment to Tenant with respect to Premises or any portion thereof, are hereby charged with notice that they must look exclusively to Tenant to obtain payment for the same. Notice is hereby given that Landlord shall not be liable for any labor, services, materials, supplies, skill, machinery, fixtures or equipment furnished to or to be furnished to Tenant upon credit and that no mechanic's lien or any other lien for any such labor, services, materials, supplies, machinery, fixtures or equipment shall attach to or effect the state or interest of Landlord in and to the Premises or the Property, or any portion thereof. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of nonresponsibility or any other notices that Landlord deems necessary for the protection of Landlord's interest in the Premises or the Project, and Landlord shall have the right to enter the Premises and post such notices at any reasonable time.

11.4. Construction Requirements. Any work performed at the Project or on the Premises by Tenant or Tenant's contractors in connection with improvements shall be subject to the General Conditions set forth in Exhibit D, including, without limitation, the insurance requirements relating to Tenant's contractors and the Construction Rules and Regulations.

ARTICLE 12

CERTAIN RIGHTS RESERVED BY LANDLORD

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person, or business; (b) causing an actual or constructive eviction from the Premises; or (c) disturbing Tenant's use, possession, or beneficial and quiet enjoyment of the Premises:

12.1. Name. To change the name or street address of the Project.

12.2. Signage. To install and maintain signs on the exterior and interior of the Project.

12.3. Keys. To have passkeys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes.

12.4. Inspection and Entry. Landlord may enter the Premises on reasonable prior notice to Tenant (except in the event of an emergency, in which case no notice shall be required) (a) to inspect the Premises; (b) to show the Premises to any prospective purchaser or Mortgagee of the Project, or to others having an interest in the Project or Landlord; (c) and during the existence of a Default; (d) during last six (6) months of the Term, to show the Premises to prospective tenants and post a "For Sublease" sign in the window of the Premises; (e) to make inspections, repairs, alterations, additions, or improvements to the Premises or the Project; and (f) to take all steps as may be necessary or desirable for the safety, protection, maintenance, or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Project or in order to comply with Laws.

12.5. Renovations. Landlord may during the Term renovate, improve, alter, or modify (collectively, the "Renovations") the Project, including without limitation Common Areas, roof, and structural portions of the Project. Renovations may include, without limitation, modifying the Common Areas and tenant spaces to comply with applicable Laws, including, without limitation, regulations relating to the physically disabled, seismic conditions, and building safety and security. In connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Project, limit or eliminate access to portions of the Project, including, without limitation, portions of the Common Areas, or perform work in the Project that may create noise, dust or leave debris. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any

compensation or damages from Landlord for inconvenience, annoyance or loss of the use of any part of the Premises or of Tenant's Property resulting from the Renovations.

12.6. Common Areas. Landlord shall have the right to eliminate or change the size, location and arrangement of the Common Areas; to enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the Common Areas; to close all or any portion of the Common Areas as may be necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; to close temporarily any or all portions of the Common Areas; and to do and perform such other acts in and to the Common Areas as Landlord shall determine to be advisable for the convenience and use thereof by owners, occupants, tenants and invitees of the Project.

12.7. Minimize Interference. In the exercise of the rights set forth in this Article 12, Landlord shall (except in an emergency) take reasonable steps to minimize any interference with Tenant's business.

ARTICLE 13

RULES AND REGULATIONS

Tenant shall comply with (and cause all Tenant Related Parties to comply with) the Rules and Regulations. Landlord shall not be responsible for any violation of the Rules and Regulations by other tenants or occupants of the Project. All Rules and Regulations, whether now existing or hereafter adopted by Landlord, shall be non-discriminatory in nature.

ARTICLE 14

TRANSFERS

Except as provided in this Article, Tenant shall not, without the prior consent of Landlord, make any Transfer.

14.1. Notice. Tenant shall notify Landlord of any proposed Transfer (a "Transfer Notice"). The date of the proposed Transfer must be not less than forty-five (45) days or more than one hundred eighty (180) days after the date of the Transfer Notice. The Transfer Notice shall include (a) the proposed effective date of the Transfer; (b) a description of the portion of the Premises to be transferred (the "Subject Space"); (c) all of the terms of the proposed Transfer and the consideration therefor, including, without limitation, a calculation of the Transfer Premium (as defined below); (d) the name and address of the Transferee; (e) current financial statements of the Transferee certified by an officer, partner or owner thereof; (f) any other information that will enable Landlord to determine the financial responsibility, character, and reputation of the Transferee and the nature of such Transferee's business; and (g) the proposed use of the Subject Space. Landlord shall respond to any properly delivered Transfer Notice within thirty (30) days.

14.2. Fees. Whether or not Landlord shall grant consent, Tenant shall pay Landlord, concurrently with any request for consent, a \$1,000 administrative review and processing fee, as well as any reasonable legal fees incurred by Landlord, within thirty (30) days after written request by Landlord.

14.3. Consent. Landlord's consent shall not be required for any Permitted Transfer. Landlord shall not unreasonably withhold or delay its consent to any other proposed Transfer. It shall be reasonable under this Sublease and under any applicable Law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent:

14.3.1 The Transferee is of a character or reputation or engaged in a business that is not consistent with the quality of the Project.

14.3.2 The Transferee intends to use the Subject Space for purposes that are different than the Permitted Use.

14.3.3 The Transferee intends to use the Subject Space for purposes that would result in a reduction of Gross Sales or customer traffic.

14.3.4 The Transferee is either a governmental agency or instrumentality thereof.

14.3.5 The Transfer would likely result in significant increase in the use of the parking areas or Common Areas by the Transferee's employees or visitors.

14.3.6 The Transferee is not consistent with Landlord's desired tenant mix.

14.3.7 The Transferee does not have has at least three (3) years of experience of operating the same or a similar business.

14.3.8 The Transferee is not a party of acceptable financial worth or financial stability in light of the responsibilities involved under the Sublease on the date consent is requested, as determined by Landlord.

14.3.9 The Transfer would cause a violation of another sublease or any agreement to which Landlord is a party, or would give an occupant of the Project a right to cancel its sublease.

14.3.10 The Transfer would occur at a time when Landlord has similarly-sized space available in the Building and the rent charged by Tenant to such Transferee during the term of such Transfer, calculated using a present value analysis, is less than ninety-five percent (95%) of the rent that would be quoted by Landlord at the time of such Transfer for such similarly-sized space for a comparable term, calculated using a present value analysis.

14.3.11 Either the Transferee or an Affiliate of the Transferee (a) occupies space in the Project at the time of the request for consent; (b) is negotiating with Landlord to sublease space in the Project at such time; or (c) has negotiated with Landlord during the twelve (12)-month period immediately preceding the Transfer Notice.

14.4. Completion of Transfer. If Landlord consents to any Transfer (and does not exercise any recapture rights Landlord may have under this Sublease), Tenant may within six (6) months after Landlord's consent, enter into the approved Transfer, upon substantially the same terms and conditions as are set forth in the Transfer Notice. If there are any material changes in the terms and conditions from those specified in the Transfer Notice (a) such that Landlord would initially have been entitled to refuse its consent to such Transfer; or (b) that would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in the Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article (including, without limitation, exercise any of recapture rights Landlord may have under this Sublease).

14.5. Transfer Premium. If Landlord consents to a Transfer, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium received by Tenant. "Transfer Premium" shall mean (a) all rent, additional rent or other consideration payable by such Transferee in excess of the Rent payable by Tenant under this Sublease on a per leasable square foot basis; (b) all key money and bonus money paid by Transferee; and (c) any payment in excess of fair market value for services rendered by Tenant to Transferee. The "Transfer Premium" shall (i) be reduced by all out-of-pocket expenses incurred by Tenant in connection with the Transfer, such as customary brokerage commissions and reasonable attorneys' fees; and (ii) shall not include any compensation for the fair market value of Tenant's Property nor reasonable compensation for the sale of Tenant's business that is not attributable to the value of Tenant's leasehold interest hereunder. Tenant shall pay the Transfer Premium to Landlord within five (5) days following receipt by Tenant. Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium. Within one (1) year following the date of the Transfer, Landlord shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer as necessary to confirm the calculation of the Transfer Premium. If the Transfer Premium shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, together with interest thereon at the Interest Rate and Landlord's costs of such audit. If the Transfer Premium has been understated by more than ten percent (10%), Landlord shall

have the right to cancel this Sublease upon thirty (30) days' notice to Tenant and Tenant shall indemnify Landlord from and against any and all liability associated with such termination, including but not limited to any claims by the Transferee.

14.6. Recapture. Notwithstanding anything to the contrary contained in this Article, Landlord shall have the option, by giving notice to Tenant within twenty (20) days after receipt of any Transfer Notice, to recapture the Subject Space. Such recapture notice shall cancel and terminate this Sublease with respect to the Subject Space as of the effective date of the proposed Transfer (or upon the demise of the Subject Space separate from the Premises if the Subject Space being recaptured is less than the entire Premises). In the event of a recapture by Landlord, if this Sublease shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the leasable area retained by Tenant in proportion to the leasable area of the Premises, and this Sublease as so amended shall continue thereafter in full force and effect. Upon request of either party, the parties shall execute written confirmation of the foregoing.

14.7. Effect of Transfer. If Landlord consents to a Transfer, (a) no terms or conditions of this Sublease shall be deemed to have been waived or modified; (b) such consent shall not be deemed consent to any further Transfer; (c) no Transfer shall be valid, and no Transferee shall take possession of the Premises, until an executed counterpart of all documentation pertaining to the Transfer has been delivered to Landlord; and (d) no Transfer shall relieve Tenant or any Guarantor from primary liability under this Sublease. The acceptance of Rent by Landlord from any party shall not be deemed to be a waiver of Landlord of any provision hereof. In the event of Default by a Transferee in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such Transferee. Landlord may consent to subsequent assignments of the Sublease or sublettings or amendments or modifications to the Sublease by Transferees without notifying Tenant, and without obtaining its consent thereto, and any such actions shall not relieve Tenant of liability under this Sublease. Any Transfer for which Landlord's consent is required but not obtained pursuant hereto shall constitute a Default under this Sublease and shall be void and, if such Transfer results in the insolvency of Tenant and/or Tenant is unable to pay its debts (including the Rent due hereunder) as such debts become due, then the obligations of Tenant under this Sublease shall be personal liabilities of the owners of the ownership interests in Tenant and Landlord shall have the right to look to such owners for the performance of all of the Tenant obligations under this Sublease as if such owners had personally guaranteed this Sublease.

14.8. Tenant Remedy for Landlord Refusal to Consent. Landlord and Tenant expressly agree that Tenant's sole and exclusive remedy for any alleged wrongful refusal, withholding or delay of consent under this Article shall be an action for specific performance, declaratory and injunctive relief. Tenant hereby waives, relinquishes and releases any and all rights to damages of any kind, or the right to terminate this Sublease under Section 1995.310 of the California Civil Code, and under all similar Laws now or hereafter in effect.

ARTICLE 15

DESTRUCTION OR DAMAGE

15.1. Landlord Termination Rights. If the Premises or the portion of the Project necessary for Tenant's occupancy is damaged by fire, earthquake, terrorism, act of war, act of God, the elements or other casualty, then Landlord may terminate this Sublease upon notice given to Tenant within sixty (60) days after the date of such casualty, effective as of the date of the casualty if (a) in Landlord's opinion, repairs necessary for Tenant's occupancy cannot be completed within ninety (90) days; (b) any other portion of the Project is damaged to the extent that, in Landlord's opinion, repair thereof cannot be completed within ninety (90) days; (c) the Premises or the portion of the Project necessary for Tenant's occupancy is damaged during the final twelve (12) months of the Term, unless Tenant shall exercise its next available renewal option (if any) within ten (10) days following receipt of Landlord's termination notice, or unless both parties agree on an extension of this Sublease within such ten (10) day period; (d) the insurance proceeds available to Landlord are not sufficient to complete repair or restoration; (e) Landlord's lender does not elect to make insurance proceeds available to Landlord for repair and restoration; or (f) Tenant has vacated the Premises or is in Default under this Sublease.

15.2. Repairs. If this Sublease is not terminated as provided above, it shall continue in full force and effect, and Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment, and subject to all other terms of this Article, restore the base, shell, and core of the Premises, the Common Areas and the

portions of the Project serving the Premises. Such restoration shall be to substantially the same condition of such items as prior to the casualty, except for modifications (a) required by Law; (b) required by the holder of a mortgage on the Project, or the lessor of a ground or underlying lease including the City as the lessor under the Master Lease with respect to the Property; or (c) to the Common Areas reasonably deemed desirable by Landlord, and which are consistent with the character of the Project. No such modifications shall materially impair access to the Premises and any Common Areas serving the Premises. Tenant shall be responsible, at its sole cost and expense, for the repair, restoration, and replacement of any leasehold improvements installed by Tenant (unless Landlord has elected to insure the same, in which case such repair shall be Landlord's responsibility) and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience, or annoyance arising from any repair or restoration of any portion of the Premises, the Project as a result of any damage from any casualty. Following Landlord's repair of the Premises, Tenant shall repair and restore any improvements installed by Tenant to substantially the same condition as prior to the casualty, except for modifications required by Law. All work by Tenant shall be subject to the conditions set forth in this Sublease governing alterations and additions.

15.3. Tenant's Termination Rights. If Landlord does not elect to terminate this Sublease pursuant to Landlord's termination right as provided above, and the repairs cannot be completed within three hundred sixty five (365) days after being commenced (the "Repair Period") as determined by an architect or contractor designated by Landlord, Tenant may elect, no earlier than sixty (60) days after the date of the casualty and not later than ninety (90) days after the date of such casualty, to terminate this Sublease by notice to Landlord, effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty(60) days after such notice. In addition, in the event that the Premises or the Project is destroyed or damaged to any substantial extent during the last twelve (12) months of the Term, then Tenant shall have the option to terminate this Sublease by giving notice to Landlord within thirty (30) days after such casualty, in which event this Sublease shall cease and terminate as of the date of such notice. Tenant shall also have the right to terminate this Sublease if Landlord does not complete repairs within the Repair Period by thirty (30) days' notice to Landlord after the expiration of the Repair Period; provided however, if Landlord completes repair within such thirty (30) day period, such termination shall be nullified and this Sublease shall continue in full force and effect.

15.4. Apportionment of Rent. Upon any termination of this Sublease pursuant to this Article, Tenant shall pay the Rent, properly apportioned up to such date of termination, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Sublease that by their terms survive the expiration or earlier termination of this Sublease.

15.5. Abatement. The Rent shall abate on an equitable basis to the extent Tenant's use of the Premises is impaired, commencing with the date of the casualty and continuing until completion of the repairs required of Landlord; provided that if the damage is due to the negligence or willful misconduct of any Tenant Related Party, Rent shall only abate to the extent the same is covered by rent loss insurance, if any, carried by Landlord.

15.6. Express Agreement. This Sublease shall be considered an express agreement governing any case of damage to or destruction of the Premises or the Project by fire or other casualty; and any present or future Law that purports to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement is hereby waived by the parties and shall have no application. As a material inducement to Landlord's entering into this Sublease, Tenant irrevocably waives and releases the provisions of California Civil Code Sections 1932(2) or 1933(4), as the same may be amended or re-codified from time to time and under all similar Laws now or hereafter in effect that would permit termination or automatically terminate this Sublease or otherwise be contrary to the provisions of this Article in the event of any damage or destruction.

ARTICLE 16

EMINENT DOMAIN

16.1. Entire Premises. If the whole of the Project or the Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Sublease shall terminate as of the earlier of the date of the date title vests or the date possession is given, and Rent shall be prorated to such date.

16.2. Partial Condemnation. If less than the whole of the Project or the Premises is so taken, this Sublease shall be unaffected by such taking, except that (a) Tenant shall have the right to terminate this Sublease by

notice to Landlord given within ninety (90) days after the date of such taking if twenty-five percent (25%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business; and (b) Landlord shall have the right to terminate this Sublease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Sublease, this Sublease shall terminate on the thirtieth (30th) day after either such notice. Rent shall be prorated to the date of such termination. If this Sublease continues in force upon such partial taking, the Minimum Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining leasable area of the Premises and the Project. This Sublease shall be considered an express agreement governing any condemnation of the Premises or the Project, and Tenant agrees that its rights to terminate this Sublease are governed by this Article. Tenant hereby waives, releases and relinquishes all rights it may have to terminate this Sublease following a condemnation under Section 1265.130 of the California Code of Civil Procedure, or any similar Laws now or hereafter in effect.

16.3. Proceeds of Award. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, whether awarded as compensation for the damages to Landlord's or Tenant's interest in the Premises and whether or not awarded as compensation for diminution in value of the leasehold or to the fee of the Premises, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's Property.

16.4. Repairs. In the event of a partial taking of the Premises that does not result in a termination of this Sublease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of Tenant's Property.

ARTICLE 17

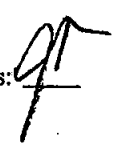
INDEMNIFICATION, WAIVER, RELEASE AND LIMITATION OF LIABILITY

17.1. Tenant's Indemnity. Except for any injury or damage to persons or property on the Premises that is proximately caused by or results proximately from the gross negligence or willful misconduct of Landlord, no Landlord Related Parties shall be liable for, and Tenant will and does hereby indemnify, defend and hold harmless the Landlord Related Parties against and from all liabilities, obligations, suits, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by law), that may be imposed upon, incurred by, or asserted against Landlord or any of the Landlord Related Parties and arising, directly or indirectly, out of or in connection with Tenant's use, occupancy or maintenance of the Premises or the Project, including, without limitation, any of the following: (a) any work or thing done in, on or about the Premises or the Project or any part thereof by any Tenant Related Party; (b) any injury or damage to any person or property; (c) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this Sublease; and (d) any negligent or otherwise tortious act or omission of any Tenant Related Party. At Landlord's request, Tenant shall, at Tenant's expense and by counsel selected by Landlord, defend Landlord in any action or proceeding arising from any such claim or liability and shall indemnify Landlord against all costs, reasonable attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding.

17.2. Assumption of Risk. Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause other than the gross negligence or willful misconduct of Landlord. Tenant, to the fullest extent permitted by law and as a material part of the consideration to Landlord for this Sublease, hereby waives and releases all claims against any Landlord Related Parties with respect to all matters for which Landlord has disclaimed liability pursuant to the provisions of this Sublease. Tenant agrees that, unless expressly provided herein, no Landlord Related Parties will be liable for any loss, injury, death, or damage to persons, property, or Tenant's business resulting from any of the following, regardless of whether the same is due to the active or passive negligence of any Landlord Related Party: (a) theft; (b) Force Majeure, order of governmental body or authority, fire, explosion, or falling objects; (c) any accident or occurrence in the Premises or any other portion of the Project, caused by the Premises or any other portion of the Project being or becoming out of repair or

by the obstruction, breakage or defect in or failure of utility services to the Premises or any equipment, pipes, sprinklers, wiring, plumbing, heating, ventilation and air-conditioning or lighting fixtures of the Project or by broken glass or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into or out of the Premises; (d) construction, repair or alteration of the Premises or any other premises in the Project, unless due solely to the gross negligence or willful misconduct of Landlord; (e) business interruption or loss of use of the Premises; (f) any diminution or shutting off of light, air or view by any structure erected on the Land or any land adjacent to the Project, even if Landlord is the adjacent land owner; (g) mold or indoor air quality; (h) any acts or omissions of any other tenant, occupant or visitor of the Project; or (i) any cause beyond Landlord's control. In no event shall Landlord be liable for indirect, consequential, or punitive damages, including, without limitation, any damages based on lost profits. None of the foregoing shall be considered a constructive eviction of Tenant, nor shall the same entitle Tenant to an abatement of Rent. Tenant acknowledges that it is familiar with and understands California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR. TENANT ACKNOWLEDGES AND AGREES THAT IT HAS BEEN REPRESENTED BY LEGAL COUNSEL OF ITS CHOICE IN CONNECTION WITH THIS SUBLEASE, AND THAT SUCH COUNSEL HAS EXPLAINED TO TENANT THE PROVISIONS OF THIS SECTION. BY INITIALING BELOW, TENANT CONFIRMS IT HAS AGREED TO THE PROVISIONS OF THIS SECTION.

Tenant's initials: 

Tenant hereby waives and relinquishes every right or benefit that it has or may have under California Civil Code Section 1542 to the full extent that it may lawfully waive such right or benefit. In connection with such waiver and relinquishment, Tenant acknowledges that it may discover facts in addition to or different from those that it knows or believes to be true with respect to the subject matter of this Sublease and/or the waiver(s) set forth herein, but that it is Tenant's intention hereby to fully, finally and forever waive and release all claims, demands, losses, liabilities, costs, expenses and damages, known or unknown, suspected or unsuspected, that may exist or heretofore have existed or that may come into existence hereinafter with respect to the claims, as well as any and all other claims and/or matters covered herein or contemplated hereby. The releases given in this Section, as well as well elsewhere in this Sublease, shall be and remain in effect as full and complete releases notwithstanding the discovery or existence of any such additional or different facts.

17.3. Waiver of Subrogation. Anything in this Sublease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action against the other for any loss or damage to any property of Landlord or Tenant, arising from any cause that (a) would be insured against under the terms of any property insurance required to be carried hereunder; or (b) is insured against under the terms of any property insurance actually carried, regardless of whether the same is required hereunder. The foregoing waiver shall apply regardless of the cause or origin of such claim, including but not limited to the negligence of a party, or such party's agents, officers, employees or contractors. The foregoing waiver shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Landlord or Tenant. The foregoing waiver shall also apply to any deductible, as if the same were a part of the insurance recovery.

17.4. Limitation of Landlord Liability. Neither Landlord nor any Landlord Related Party shall have any personal liability with respect to any of the provisions of the Sublease, or the Premises. If Landlord is in breach or default with respect to Landlord's obligations under the Sublease, Tenant shall look solely to the equity interest of Landlord in the Project for the satisfaction of Tenant's remedies or judgments. No other real, personal, or mixed property of any Landlord Related Parties, wherever situated, shall be subject to levy to satisfy such judgment. Upon any Transfer of Landlord's interest in this Sublease or in the Project, the transferring Landlord shall have no liability or obligation for matters arising under this Sublease from and after the date of such Transfer.

ARTICLE 18 TENANT'S INSURANCE

18.1. Required Coverage. Tenant shall maintain the following coverages in the following amounts.

18.1.1 Commercial General Liability Insurance (or its equivalent) covering the insured against claims of bodily injury and death, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, for limits of liability not less than Two Million and No/100 Dollars (\$2,000,000.00) combined single limit per occurrence and Five Million and No/100 Dollars (\$5,000,000.00) combined single limit annual aggregate.

18.1.2 Property Insurance covering (a) Tenant's Property, and (b) any improvements and alterations made by Tenant or at Tenant's request. Such insurance shall be written on a "Causes of Loss - Special Form" basis (or its equivalent), for the full replacement cost (as shall be approved by Landlord) without deduction for depreciation, and shall include coverage for vandalism, malicious mischief and sprinkler leakage. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Sublease following a casualty as set forth herein the proceeds under (a) shall be paid to Tenant and the proceeds under (b) in excess of Tenant's unamortized cost associated therewith shall be paid to Landlord. Notwithstanding the foregoing, Landlord shall have the option at any time, upon three (3) months' notice to Tenant, to procure property insurance covering leasehold improvements on all the premises throughout the Project.

18.1.3 Business Income and Extra Expense insurance (or its equivalent) in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or to the Project as a result of such perils, for a period of not less than twelve (12) months.

18.1.4 Statutory worker's compensation, together with employers liability coverage at limits of:

\$1,000,000 Each Accident
\$1,000,000 Each Employee by Disease
\$1,000,000 Policy Limit by Disease

18.1.5 If the Permitted Use includes the sale of alcoholic beverages, the policy of commercial general liability insurance required herein shall include coverage for employer's liability, host liquor liability, liquor liability and so called "Dram Shop" liability coverage with a combined single limit of not less than Three Million and No/100 Dollars (\$3,000,000.00), per occurrence.

18.2. Form of Policies. The minimum limits of policies of insurance required of Tenant under this Sublease shall in no event limit the liability of Tenant under this Sublease. All liability insurance shall (a) name Landlord, Landlord's asset manager, Landlord's property management agent, the Advisor, and at Landlord's request, any Mortgagee, each as an additional insured, as their respective interests may appear; (b) specifically cover the liability assumed by Tenant under this Sublease, including, but not limited to, Tenant's indemnity obligations under this Sublease; (c) be issued by an insurance company having a rating of not less than A- IX in Best's Insurance Guide or that is otherwise acceptable to Landlord and licensed to do business in the State; (d) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord shall be excess and non-contributing with any insurance requirement of Tenant; (e) provide that said insurance shall not be canceled, expire or coverage reduced unless thirty (30) days' prior notice shall have been given to Landlord; and (f) if Tenant has a tangible net worth of less than Ten Million and No/100 Dollars (\$10,000,000.00), have a deductible not greater than Five Thousand and No/100 Dollars (\$5,000.00).

18.3. Evidence of Insurance. Tenant shall deliver a copy of each paid-up policy (authenticated by the insurer) or other evidence of insurance reasonably satisfactory to Landlord, evidencing the existence and amount of each insurance policy required hereunder on or before the Possession Date and at least thirty (30) days before the expiration dates of the applicable policies. Landlord may, at any time and from time to time, inspect or copy any insurance policies that this Sublease requires Tenant to maintain. Tenant shall furnish Landlord with renewals or "binders" of each policy at least ten (10) days prior to the expiration thereof. Tenant agrees that, if Tenant does not obtain and maintain such insurance, Landlord may (but shall not be required to) after five (5) days' notice to Tenant during which time Tenant does not supply Landlord evidence of the required insurance, procure said insurance on Tenant's behalf and charge Tenant the premiums therefor, payable upon demand. Tenant shall have the right to

provide the insurance required hereunder pursuant to blanket policies obtained by Tenant, provided such blanket policies afford coverage as required by this Sublease.

18.4. Additional Insurance Obligations. Landlord may require (a) that Tenant obtain additional types of insurance, including but not limited to earthquake, sprinkler leakage by earthquake, environmental and terrorism insurance; to the extent such coverages are either (i) standard for similar properties in the same geographic area as the Project and are available at commercially reasonable rates, or (ii) are otherwise reasonably required by Landlord; and (b) from time to time, but not more frequently than every three (3) years during the Term, increases in the policy limits for all insurance to be carried by Tenant as set forth herein, in order to reflect standard limits for similar properties.

18.5. Independent Obligations. Tenant acknowledges and agrees that Tenant's insurance obligations under this Sublease are independent of Tenant's indemnity obligations, liabilities and duties under this Sublease.

ARTICLE 19 **DEFAULT**

19.1. Tenant's Default. A "Default" shall mean the occurrence of any one or more of the following events:

19.1.1 Tenant's failure to pay any Rent when due, where such failure shall continue for a period of three (3) days after notice thereof from Landlord to Tenant. In the event that Landlord serves Tenant with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes, such Notice to Pay Rent or Quit shall also constitute the notice required by this subsection.

19.1.2 If any representation or warranty made by Tenant or any Guarantor to Landlord is false in any material respect when made.

19.1.3 Tenant fails to deliver any estoppel certificates or subordination agreements within the periods set forth in this Sublease.

19.1.4 The levy of a writ of attachment or execution on this Sublease or on any of Tenant's property or that of any Guarantor.

19.1.5 Tenant's or any Guarantor's general assignment for the benefit of creditors or arrangement, composition, extension, or adjustment with its creditors.

19.1.6 Tenant or any Guarantor becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature.

19.1.7 Proceedings for the appointment of a trustee, custodian or receiver of Tenant or any Guarantor or for all or a part of Tenant's or such Guarantor's property are filed by or against Tenant or any Guarantor, and, if filed against Tenant or such Guarantor involuntarily, are not dismissed within sixty (60) days of filing.

19.1.8 Proceedings in bankruptcy, or other proceedings for relief under any law for the relief of debtors, are instituted by or against Tenant or any Guarantor, and, if instituted against Tenant or such Guarantor involuntarily, are not dismissed within sixty (60) days of filing.

19.1.9 Failure to open and operate Tenant's business in the Premises as required by the terms of this Sublease.

19.1.10 Tenant makes an anticipatory breach of this Sublease. "Anticipatory breach" shall mean either (a) Tenant's repudiation of this Sublease in writing; or (b) the combination of (i) Tenant's desertion or

vacation of the Premises or removal of all or a substantial amount of Tenant's inventory, equipment, furniture and fixtures from the Premises; and (ii) Tenant's failure to pay any Rent under this Sublease when due.

19.1.11 Tenant fails to perform any other covenant, condition, or agreement contained in this Sublease not covered by the preceding subsections, where such failure continues for thirty (30) days after notice thereof from Landlord to Tenant, or such additional period as is reasonably necessary to effect cure, provided Tenant commences cure within such thirty (30) day period and diligently pursues the same to completion within ninety (90) days following Landlord's notice.

19.1.12 Tenant shall repeatedly fail to pay Rent when due or any other charges required to be paid, or shall repeatedly default in keeping, observing or performing any other covenant, agreement, condition or provision of this Sublease, whether or not Tenant shall timely cure any such payment or other default. For the purposes of this subsection, the occurrence of similar defaults two (2) times during any twelve (12) month period shall constitute a repeated default.

Any notice periods provided for under this Section shall run concurrently with any statutory notice periods and any notice given hereunder may be given simultaneously with or incorporated into any such statutory notice.

19.2. Landlord's Default. Tenant shall promptly notify Landlord of the need for any repairs or action with respect to other matters that are Landlord's obligation under this Sublease. If Landlord fails to perform any covenant, condition, or agreement contained in this Sublease within thirty (30) days after receipt of notice from Tenant, or if such default cannot reasonably be cured within thirty (30) days, and if Landlord fails to commence to cure within such thirty (30) day period or to diligently prosecute the same to completion, then subject to the other limitations set forth elsewhere in this Sublease, Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided that in no event shall (a) Landlord be liable for indirect, consequential or punitive damages, including, without limitation, any damages based on lost profits; or (b) Tenant have the right to terminate this Sublease on account of a Landlord default. Tenant shall not have the right to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this Sublease unless Tenant has obtained a final, non-appealable judgment against Landlord for the amount due.

ARTICLE 20

LANDLORD REMEDIES AND DAMAGES

20.1. Remedies. In the event of a Default, then in addition to any other rights or remedies Landlord may have at law or in equity, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind, to do any or all of the following without prejudice to any other remedy that Landlord may have:

20.1.1 Terminate this Sublease and Tenant's right to possession of the Premises by giving notice to Tenant. Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may re-enter the Premises and take possession thereof and expel or remove Tenant and any other party who may be occupying the Premises, or any part thereof, whereupon Tenant shall have no further claim to the Premises or under this Sublease.

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

20.1.3 Without any further notice or demand, Landlord may enter upon the Premises, if necessary, without being liable for prosecution or claim for damages therefor, and do whatever Tenant is obligated to do under the terms of the Sublease. Tenant agrees to reimburse Landlord on demand for any reasonable expenses that Landlord may incur in effecting compliance with Tenant's obligations under the Sublease. Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, unless caused by the

gross negligence or willful misconduct of Landlord, but subject to the other limitations on Landlord's liability set forth in this Sublease). Notwithstanding anything herein to the contrary, Landlord will have no obligation to cure any Default of Tenant.

20.1.4 Landlord shall at all times have the right, without prior demand or notice except as required by Law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Sublease, or restrain or enjoin a violation or breach of any provision hereof, without the necessity of proving the inadequacy of any legal remedy or irreparable harm.

20.1.5 To the extent permitted by applicable Law, Landlord shall have the right, without notice to Tenant, to change or re-key all locks to entrances to the Premises, and Landlord shall have no obligation to give Tenant notice thereof or to provide Tenant with a key to the Premises.

20.1.6 The rights given to Landlord in this Article are cumulative and shall be in addition and supplemental to all other rights or remedies that Landlord may have under this Sublease and under applicable Laws or in equity.

20.2. Damages. Should Landlord elect to terminate this Sublease or Tenant's right to possession under the provisions above, Landlord may recover the following damages from Tenant:

20.2.1 Past Rent. The worth at the time of the award of any unpaid Rent that had been earned at the time of termination; plus

20.2.2 Rent Prior to Award. The worth at the time of the award of the unpaid Rent that would have been earned after termination, until the time of award; plus

20.2.3 Rent After Award. The worth at the time of the award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of the rental loss that Tenant proves could have been reasonably avoided, if any; plus

20.2.4 Proximately Caused Damages. Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Sublease or that in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses (including, without limitation, reasonable attorneys' fees), incurred by Landlord in (a) retaking possession of the Premises; (b) maintaining the Premises after Default; (c) preparing the Premises or any portion thereof for reletting to a new tenant, including, without limitation, any repairs or alterations, whether for the same or a different use; (d) reletting the Premises, including but not limited to, advertising expenses, brokers' commissions and fees; and (e) any special concessions made to obtain a new tenant.

20.2.5 Other Damages. 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 Law.

As used in subsections 20.2.1 and 20.2.2, the phrase "worth at the time of the award" shall be computed by adding interest on all such sums from the date when originally due at the Interest Rate. As used in subsection 20.2.3, the phrase "worth at the time of the award" shall be computed by discounting the sum in question at the Federal Reserve rate promulgated by the Federal Reserve office for the district in which the Project is located, plus one percent (1%). For the purposes of this Section, "Rent" for each year of the unexpired Sublease Term shall be the Minimum Rent, City Rent and Additional Rent payable during the preceding year, together with any other continuously accruing expenses payable during the preceding year, or, if the Default occurs less than one year from the Commencement Date, an amount equal to one and one-half (1.5) times the Minimum Rent plus other continuously accruing expenses.

20.3. Intentionally Omitted.

20.4. Failure to Open and Operate. If a Default occurs under subsection 6.3, in addition to any other remedies to which Landlord may be entitled, Landlord shall be entitled to collect an amount equal to twenty-five percent (25%) of the Minimum Rent as liquidated damages in addition to all other sums to which Landlord may be entitled. Landlord and Tenant agree that Landlord's damages for such a Default are not readily ascertainable and that such amount is a reasonable estimate of Landlord's damages and not a penalty.

20.5. No Termination. A termination of this Sublease by Landlord or the recovery of possession of the Premises by Landlord or any voluntary or other surrender of this Sublease by Tenant or a mutual cancellation thereof, shall not work a merger and shall at the option of Landlord, terminate all or any existing franchises or concessions, licenses, permits, subleases, subtenancies or the like between Tenant and any third party with respect to the Premises, or may, at the option of Landlord, operate as an assignment to Landlord of Tenant's interest in same. Following a Default, Landlord shall have the right to require any subtenants to pay all sums due under their subleases directly to Landlord.

20.6. Waiver of Demand. All demands for Rent and all other demands, notices and entries, whether provided for under common law or otherwise, that are not expressly required by the terms hereof, are hereby waived by Tenant. Notwithstanding the foregoing waiver of notices, Landlord may elect to serve such notices (including statutory notices) and combine such notices with any notices required under the provisions of this Sublease.

20.7. Waiver of Redemption. Tenant hereby waives, relinquishes and releases for itself and for all those claiming under Tenant any right of occupancy of the Premises following termination of this Sublease, and any right to redeem or reinstate this Sublease by order or judgment of any court or by any legal process or writ under present or future Laws, including without limitation, California Code of Civil Procedure Sections 473 and 1179, and California Civil Code Section 3275.

20.8. Deficiency. If it is necessary for Landlord to bring suit in order to collect any deficiency, Landlord shall have the right to allow such deficiencies to accumulate and to bring an action on several or all of the accrued deficiencies at one time. Any such suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies.

20.9. Counterclaim. Tenant hereby waives any right to plead any counterclaim, offset or affirmative defense in any action or proceedings brought by Landlord against Tenant for possession of the Premises or otherwise, for the recovery of possession based upon the non-payment of Rent or any other Default. The foregoing shall not, however, be construed as a waiver of Tenant's right to assert any claim in a separate action brought by Tenant against Landlord. In the event Tenant must, because of applicable court rules or statutes, interpose any counterclaim or other claim against Landlord in such proceedings, Landlord and Tenant agree that, in addition to any other lawful remedy of Landlord, upon motion of Landlord, such counterclaim or other claim asserted by Tenant shall be severed from the proceedings instituted by Landlord (and, if necessary, transferred to a court of different jurisdiction), and the proceedings instituted by Landlord may proceed to final judgment separately and apart from and without consolidation with or reference to the status of any such counterclaim or any other claim asserted by Tenant.

ARTICLE 21 **BANKRUPTCY**

21.1. In the event a petition is filed by or against Tenant under the Bankruptcy Code, Tenant, as debtor and debtor in possession, and any trustee who may be appointed agree to adequately protect Landlord as follows:

21.1.1 to pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Premises an amount equal to all Rent due pursuant to this Sublease;

21.1.2 to perform each and every obligation of Tenant under this Sublease until such time as this Sublease is either rejected or assumed by order of a court of competent jurisdiction;

21.1.3 to determine within one hundred twenty (120) days after the filing of such petition whether to assume or reject this Sublease;

21.1.4 to give Landlord at least thirty (30) days' prior notice, unless a shorter period is agreed to in writing by the parties, of any proceeding relating to any assumption of this Sublease;

21.1.5 to give at least thirty (30) days' prior notice of any vacation or abandonment of the Premises, any such vacation or abandonment to be deemed a rejection of this Sublease; and

21.1.6 to do all other things to benefit Landlord otherwise required under the Bankruptcy Code.

This Sublease shall be deemed rejected in the event of the failure to comply with any of the above.

21.2. In order to provide Landlord with the assurance contemplated by the Bankruptcy Code, the following obligations must be fulfilled, in addition to any other reasonable obligations that Landlord may require, before any assumption of this Sublease is effective: (a) all monetary Defaults under this Sublease must be cured within ten (10) days after the date of assumption; (b) all other Defaults (other than those arising solely on account of the bankruptcy filing) must be cured within fifteen (15) days after the date of assumption; (c) all actual monetary losses incurred by Landlord (including, but not limited to, reasonable attorneys' fees) must be paid to Landlord within ten (10) days after the date of assumption; and (d) Landlord must receive within ten (10) days after the date of assumption a security deposit in the amount of six (6) months' Minimum Rent and an advance prepayment of three (3) months' Minimum Rent.

21.3. In the event this Sublease is assumed in accordance with the requirements of the Bankruptcy Code and this Sublease, and is subsequently assigned, then, in addition to any other reasonable obligations that Landlord may require and in order to provide Landlord with the assurances contemplated by the Bankruptcy Code, Landlord must be provided with (a) a financial statement of the proposed assignee prepared in accordance with generally accepted accounting principles consistently applied, though on a cash basis, which reveals a net worth in an amount sufficient, in Landlord's reasonable judgment, to assure the future performance by the proposed assignee of Tenant's obligations under this Sublease; or (b) a written guaranty by one or more guarantors with financial ability sufficient to assure the future performance of Tenant's obligations under this Sublease, such guaranty to be in form and content satisfactory to Landlord and to cover the performance of all of Tenant's obligations under the Sublease.

21.4. Neither Tenant nor any trustee who may be appointed in the event of the filing of a petition under the Bankruptcy Code shall conduct or permit the conduct of any "fire," "bankruptcy," "going out of business" or auction sale in or from the Premises.

ARTICLE 22

LIEN FOR RENT

In consideration of the mutual benefits arising under this Sublease, Tenant hereby grants to Landlord a lien and security interest on all property of Tenant now or hereafter placed in or upon the Premises, and such property shall be and remain subject to such lien and security interest of Landlord for payment of all Rent. The provisions of this Article relating to such lien and security interest shall constitute a security agreement under the Uniform Commercial Code in force in the State (the "UCC") so that Landlord shall have and may enforce a security interest on all property of Tenant now or hereafter placed in or on the Premises, including, but not limited to, all fixtures, machinery, equipment, furnishings and other articles of personal property now or hereafter placed in or upon the Premises by Tenant. Landlord, as secured party, shall be entitled to all of the rights and remedies afforded a secured party under the UCC in addition to and cumulative of Landlord's liens and rights provided by law or by the other terms and provisions of this Sublease, and Landlord shall have the right to file a Financing Statement reflecting such lien.

ARTICLE 23
HOLDING OVER

If after expiration of the Term, Tenant remains in possession of the Premises, Landlord may, at its option, serve notice upon Tenant that such hold over constitutes either: (a) a month-to-month tenancy upon all the provisions of this Sublease (except as to Term and Minimum Rent); or (b) a tenancy at sufferance. If Landlord does not give said notice, Tenant's hold over shall create a tenancy at sufferance, subjecting Tenant to all the covenants and obligations of this Sublease. In either event, the monthly installments of Minimum Rent shall be increased to one hundred fifty percent (150%) of the monthly installments of Minimum Rent in effect at the expiration of the Term. If a month-to-month tenancy is created, either party may terminate such tenancy by giving the other party at least thirty (30) days advance notice of the date of termination. In the case of a month-to-month tenancy or tenancy at sufferance, if Tenant shall hold over without the consent of Landlord after Landlord has given Tenant thirty (30) days prior written notice of termination, then Tenant shall also protect, defend, indemnify and hold Landlord harmless from all claims, losses, costs and expenses resulting from retention of possession by Tenant, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost rents and profits to Landlord resulting therefrom. The provisions of this Article shall not constitute a waiver by Landlord of any right of re-entry as otherwise available to Landlord, nor shall receipt of any rent or any other act appearing to affirm the tenancy operate as a waiver of the right to terminate this Sublease for a breach by Tenant hereof.

ARTICLE 24
SURRENDER OF PREMISES

Upon the expiration or earlier termination of this Sublease, Tenant shall peaceably surrender the Premises to Landlord broom-clean and in the same condition as on the date Tenant took possession, except for (a) reasonable wear and tear; (b) loss by fire or other casualty; and (c) loss by condemnation. All fixtures, equipment, improvements, and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant, other than Tenant's Property, shall be and remain a part of the Premises, shall be the property of Landlord, and shall not be removed by Tenant, except as directed by Landlord. Tenant shall not be required to remove any leasehold improvements unless (i) such removal is necessary to ensure that the Premises comply with applicable code at the time of surrender, including but not limited to removal of wires located in risers and plenums without raceways or conduits; (ii) they were made without the consent of Landlord; or (iii) Landlord notified Tenant that removal would be required at the time Landlord approved Tenant's plans therefor. Tenant's Property shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that, if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Project resulting from such removal. If Tenant abandons or surrenders the Premises or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Sublease as by a bill of sale or Landlord may elect to dispose of Tenant's Property in accordance with Section 1980 et seq. of the California Civil Code, or any similar Laws now or hereafter in effect. If Landlord elects to remove all or any part of such Tenant's Property, the reasonable cost of removal, storage and disposal of Tenant's Property, including, without limitation, repairing any damage to the Premises or Project caused by such removal, shall be paid by Tenant. On the Expiration Date, Tenant shall surrender all keys, parking cards and other means of entry to the Premises, and shall inform Landlord of the combinations and access codes for any locks and safes located in the Premises.

ARTICLE 25
BROKERAGE FEES

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Sublease or its negotiation except as set forth on the Sublease Summary. Tenant shall indemnify, defend and hold Landlord harmless from any cost, expense, or liability, (including, without limitation, costs of suits and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Sublease (including but not limited to any expansions of the Premises and renewals) or its negotiation.

ARTICLE 26

NOTICES

Any notice, demand, request, consent, covenant, approval or other communication to be given by one party to the other must be in writing and (except for statements and invoices to be given in the ordinary course hereunder, which may be sent by regular U.S. Mail) (a) delivered personally; (b) mailed by certified United States mail, postage prepaid, return receipt requested (except for statements and invoices to be given in the ordinary course hereunder, which may be sent by regular U.S. Mail); (c) sent by nationally recognized overnight courier; or (d) sent by telecopy and confirmed by one of the other methods set forth herein. The effective date of notice shall be (i) for any notice delivered in person, the date of delivery; (ii) for any notice by U.S. mail, three (3) days after the date of certification thereof; (iii) for any notice by overnight courier, the next Business Day after deposit with the courier; and (iv) for any notice by telecopy, the date of confirmation of receipt, if before 5:00 p.m. at the location delivered, or the next day if after 5:00 p.m. All notices shall be delivered or addressed to the parties at their respective addresses set forth on the Sublease Summary. Either party may change the address at which it desires to receive notice upon giving notice of such request to the other party in the manner provided herein. Landlord and Tenant, and their respective counsel, hereby agree that notice may be given hereunder by the parties' respective counsel, and that if any communication is to be given hereunder by Landlord's or Tenant's counsel, such counsel may communicate directly with all principals, as required to comply with the foregoing provisions. When this Sublease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including, without limitation, any notices required under Section 1161 of the California Code of Civil Procedure, or any similar Laws now or hereafter in effect. When a statute requires service of a notice in a particular manner, service of that notice (or the replacement notice required by this Sublease) as provided in this Article shall replace and satisfy, to the maximum extent permitted by law, the statutory service procedures, including, without limitation, those set forth in Section 1162 of the California Code of Civil Procedure, or any similar Laws now or hereafter in effect.

ARTICLE 27

RELOCATION OF PREMISES

If the Premises contain less than 10,000 square feet, Landlord shall have the right to relocate the Premises to another part of the Project in accordance with the following: (a) Landlord shall give Tenant at least thirty (30) days' notice of Landlord's intention to relocate the Premises; (b) the new premises shall be substantially the same in size, dimensions, configuration, and decor as the Premises and, if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost; (c) upon completion of such relocation, the new premises shall become the "Premises" under this Sublease; (d) all reasonable out of pocket costs incurred by Tenant as a result of the relocation shall be paid by Landlord; (e) if the new premises are smaller than the Premises as they existed before the relocation, the Minimum Rent shall be reduced proportionately; and (f) the parties hereto shall immediately execute an amendment to this Sublease setting forth the relocation of the Premises and the reduction of the Minimum Rent, if any. Tenant hereby waives any claim against Landlord for loss of business on account of any relocation.

ARTICLE 28

SIGNAGE

28.1. Tenant shall not permit, allow or cause to be erected, installed, maintained, painted or displayed on, in or at the Premises or any part thereof any exterior sign, lettering, placard, announcement, decorating, advertising media or advertising material of any kind whatsoever visible from the exterior of the Premises, without the written approval of Landlord; and Tenant, at its sole cost and expense, at all times during the term hereof, shall promptly repair and at all times maintain in first class condition such signs as may be approved by Landlord.

28.2. Notwithstanding anything to the contrary herein, Tenant agrees to install, at Tenant's sole cost and expense, an internally lighted facade sign approved in writing by Landlord, subject to all applicable state and local codes, within sixty (60) days of execution of this Sublease. Tenant shall maintain its signage in first class condition, including prompt replacement of burned out lighting elements. Landlord's approval must be in writing, after review of Tenant's rendering showing location, size, configuration, lighting, color, proposed attachment method, and any other pertinent data necessary. Any damage to a building or related structure, upon installation, maintenance, or removal of such sign shall be Tenant's sole responsibility and shall be repaired and restored to Landlord's

specifications, at Tenant's sole cost and expense. Upon the expiration or earlier termination of this Sublease, Tenant will, using contractor(s) designated by Landlord, remove all of its signage. Upon removal of its signage, Tenant shall, using contractor(s) designated by Landlord, promptly repair and restore building facade and all other areas affected by such signage pursuant to Landlord's specifications to a condition acceptable to Landlord, at Tenant's sole expense. More specifically, with respect to any exterior sign (at such time as such exterior sign is removed), Tenant shall repair and/or replace, in a manner satisfactory to Landlord, the portion of the Project (and the building materials) affected by the applicable sign and its removal, so that such areas and materials are restored to a condition consistent with the remainder of the exterior of the Project. Depending on the design of any sign installed by or for Tenant, Landlord may require a deposit in the amount determined by Landlord to be the cost of the removal of such sign and repair and restoration of the facade or other portion of the Project exterior. Tenant shall keep its facade sign and canopy lights lit, if not controlled by Landlord, after dusk during the Project's operating hours or until 10:00 p.m., whichever is later.

28.3. If during any remodeling, repair, or expansion of the Project, it becomes necessary for Landlord to remove any of Tenant's signage, or to install scaffolding or other aids for performing such work that obscures Tenant's signage in whole or part, then Landlord may do so.

ARTICLE 29 **INTENTIONALLY OMITTED**

ARTICLE 30 **LENDER PROVISIONS**

30.1. **Subordination.** This Sublease is subject and subordinate to all present and future ground or underlying leases of the Property and to the lien of any mortgages, deeds to secure debt or trust deeds, now or hereafter in force against the Property or the Project, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof (collectively, "Mortgages"), and to all advances made or hereafter to be made upon the security of such Mortgages. In the event any proceedings are brought for the foreclosure of any mortgage, deed to secure debt or trust deed, or if any ground or underlying lease is terminated, Tenant shall attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground or underlying lease, as the case may be (the "Purchaser"), and recognize the Purchaser as the lessor under this Sublease, which attornment shall be effective as of the date that the Purchaser acquires title to the Property; however, the Purchaser shall have the right to accept or reject such attornment upon written notice to Tenant and in no event shall such attornment be negated by a foreclosure. In no event shall Tenant have a right of offset against amounts due any Purchaser on account of any defaults by Landlord under this Sublease that pre-date the time the Purchaser becomes the lessor hereunder, nor shall any Purchaser be liable for any such defaults by Landlord. Purchaser shall not be bound by (i) any Rent paid more than one (1) month in advance, unless such Rent is actually received by Purchaser, or (ii) any obligation under this Sublease to return the Security Deposit or Letter of Credit, if any, to Tenant, unless the Security Deposit and/or Letter of Credit, if any, is actually received by Purchaser. Landlord hereby irrevocably authorizes and directs Tenant, upon receipt of any written notice from Mortgagee stating that Landlord's license to collect Rent hereunder has been revoked, to pay to Mortgagee the Rent due and to become due under this Sublease and Landlord agrees that Tenant shall have the right to rely upon any such notice from Mortgagee, and that Tenant shall pay the Rent to Mortgagee without any obligation or right to inquire as to whether such license has been revoked and notwithstanding any notice or claim from Landlord to the contrary. Tenant shall, within ten (10) Business Days of request by Landlord or the Purchaser (as applicable), execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Sublease to any Mortgages or Tenant's attornment to the Purchaser (as applicable). Tenant waives the provisions of any current or future statute, rule or law that may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Sublease and the obligations of Tenant hereunder in the event of any foreclosure proceeding or sale. Notwithstanding the provisions hereof, should any Mortgagee require that this Sublease be prior rather than subordinate to its Mortgage, or require that Tenant attorn to any Purchaser, then in such event, this Sublease shall become prior and superior to such Mortgage, or Tenant shall so attorn, upon notice to that effect to Tenant from such Mortgagee. The aforesaid superiority of this Sublease to any Mortgage shall be self-operative upon the giving of such notice and no further documentation other than such notice shall be required to effectuate such superiority or attornment. In the event Landlord or such Mortgagee desires confirmation of such superiority or attornment, Tenant shall, promptly upon request therefor by

Landlord or such Mortgagee, and without charge therefor, execute a document acknowledging such priority or attornment obligation to the Mortgagee as Landlord in the event of foreclosure or deed in lieu thereof or termination of a ground lease.

30.2. Estoppel Certificates. Within ten (10) Business Days after written request from Landlord, Tenant shall execute and deliver to Landlord, or Landlord's designee, a written statement certifying (a) that this Sublease is unmodified and in full force and effect or is in full force and effect as modified and stating the modifications; (b) the amount of Minimum Rent and the date to which Minimum Rent and Additional Rent have been paid in advance; (c) the amount of any security deposit with Landlord; (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default; and (e) such other matters as may be requested. Landlord and any purchaser, assignee or Mortgagee may rely upon any such statement. Tenant's failure to execute and deliver such statement within the time required shall be conclusive against Tenant (1) that this Sublease is in full force and effect and has not been modified except as represented by Landlord; (2) that there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counterclaim, or deduction against Rent; (3) not more than one (1) month's Rent has been paid in advance; and (4) as to the truth and accuracy of any other matters set forth in the statement as submitted to Tenant.

30.3. Notice and Cure Rights. Tenant agrees to notify any Mortgagee whose address has been furnished to Tenant, of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Sublease, such Mortgagee shall have an additional thirty (30) days to cure such default; provided that, if such default cannot reasonably be cured within that thirty (30) day period, then such Mortgagee shall have such additional time to cure the default as is reasonably necessary under the circumstances.

30.4. Changes Requested by Mortgagee. Tenant shall not unreasonably withhold its consent to changes or amendments to this Sublease requested by a Mortgagee, so long as such changes do not alter the basic business terms of this Sublease or otherwise materially diminish any rights or materially increase any obligations of Tenant.

30.5. Mortgagee Approval. Notwithstanding anything to the contrary contained in this Sublease, to the extent the consent of any Mortgagee is required under the applicable Mortgage in order for Landlord to enter into this Sublease, Landlord may terminate this Sublease by written notice to Tenant if such consent is not obtained (in which event this Sublease shall be of no force or effect).

ARTICLE 31 **MISCELLANEOUS**

31.1. Parking. It is understood that Tenant and its employees shall not be permitted to park their automobiles in the automobile parking areas of the Common Areas that may from time to time be designated by Landlord for patrons of the Project. Landlord at all times shall have the right to designate the particular parking area to be used by any or all of Tenant's employees and any such designation may be changed from time to time. Tenant shall supply Landlord with a list of the license plate numbers of the cars of Tenant's employees within five (5) days of request. Tenant hereby acknowledges that Landlord may tow away or cause to be towed away from the Project at Tenant's expense any cars in violation of the provisions of this section whether belonging to Tenant or Tenant's employees, and to attach violation stickers or notices to such cars. Landlord may charge Tenant an amount not to exceed \$25.00 per employee car parked in any parking area other than designated by Landlord. Tenant shall comply with all parking rules and regulations established by Landlord for the Project, as the same may be revised from time to time.

31.2. Intentionally Omitted.

31.3. Quiet Enjoyment. Tenant, upon paying the Rent and performing all of its obligations under this Sublease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Sublease and to any mortgage, deed of trust, Sublease, or other agreement to which this Sublease may be subordinated.

31.4. No Air Rights. This Sublease does not grant Tenant any rights to any view or to light or air over any property, whether belonging to Landlord or any other person. If at any time any windows of the Premises are

temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Sublease.

31.5. Force Majeure. Any prevention, delay, or stoppage of work to be performed by Landlord or Tenant that is due to Force Majeure shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay, or stoppage. Nothing in this Section shall excuse or delay Tenant's obligation to pay Rent or other charges under this Sublease.

31.6. Accord and Satisfaction; Allocation of Payment. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Sublease shall be deemed to be other than on account of the earliest due Rent; nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Sublease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent. Pursuant to the requirements of California Code of Civil Procedure Section 1161.1(c), or any successor statute, Tenant is hereby placed on actual notice that Landlord's acceptance of rent shall not constitute a waiver by Landlord of (a) any preceding breach by Tenant of any provision of this Sublease, other than the failure of Tenant to pay the particular rent so accepted; or (b) any of Landlord's rights, including but not limited to any rights Landlord may have to recover possession of the Premises or to sue for any remaining rent owed by Tenant.

31.7. Attorneys' and Other Fees. Should either party institute any action or proceeding to enforce or interpret this Sublease or any provision hereof, for damages by reason of any alleged breach of this Sublease or of any provision hereof, or for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be awarded from the other party all costs and expenses, including, without limitation, attorneys' and other fees, reasonably incurred in good faith by the prevailing party in connection with such action or proceeding. The term "attorneys' and other fees" shall mean and include reasonable attorneys' fees, accountants fees, expert witness fees and any and all consultants and other similar fees incurred in connection with the action or proceeding and preparations therefor. The term "action or proceeding" shall mean and include actions, proceedings, suits, arbitrations, appeals and other similar proceedings.

31.8. Construction. Headings at the beginning of each Article, Section and subsection are solely for the convenience of the parties only and in no way define, limit, or enlarge the scope or meaning of this Sublease. Except as otherwise provided in this Sublease, all exhibits referred to herein are attached hereto and are incorporated herein by this reference. This Sublease shall not be construed as if either Landlord or Tenant had prepared it, but rather as if both Landlord and Tenant had prepared it.

31.9. Confidentiality. Tenant acknowledges that the content of this Sublease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants. In addition to any other remedies to which Landlord may be entitled if Tenant breaches the foregoing covenant, Landlord shall have the right to increase the Rent to then current market rent for the Project.

31.10. Governing Law. This Sublease shall be governed by, interpreted under, and construed and enforced in accordance with the Laws of the State applicable to agreements made and to be performed wholly within the State.

31.11. Consent. Unless otherwise expressly set forth herein, all consents and decisions required or permitted of Landlord hereunder shall be granted, withheld and made in Landlord's sole discretion. All consents and approvals required from Landlord hereunder shall be subject to the requirement that Landlord be reimbursed within fifteen (15) days of Landlord's written demand for attorneys' and consultants' fees and costs incurred in connection therewith. Tenant shall have no claim and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding, or delaying by Landlord of any consent, approval, statement, or satisfaction that Landlord has agreed shall be subject to a standard of reasonableness. In such event, Tenant's

only remedy therefor shall be an action for specific performance, injunction, or declaratory judgment to enforce any right to such consent, approval, statement, or satisfaction.

31.12. Authority. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors, if Tenant is a corporation, or other satisfactory documentation, if Tenant is another type of entity, authorizing execution of this Sublease.

31.13. Duplicate Originals; Counterparts; Fax/Email/Electronic Signatures. This Sublease may be executed in any number of duplicate originals, all of which shall be of equal legal force and effect. Additionally, this Sublease may be executed in counterparts, but shall become effective only after each party has executed a counterpart hereof; all said counterparts when taken together, shall constitute the entire single agreement between the parties. This Sublease may be executed by a party's signature transmitted by facsimile ("fax") or email or by a party's electronic signature, and copies of this Sublease executed and delivered by means of faxed or emailed copies of signatures or originals of this Sublease executed by electronic signature shall have the same force and effect as copies hereof executed and delivered with original wet signatures. All parties hereto may rely upon faxed, emailed or electronic signatures as if such signatures were original wet signatures. Any party executing and delivering this Sublease by fax or email shall promptly thereafter deliver a counterpart signature page of this Sublease containing said party's original signature. All parties hereto agree that a faxed or emailed signature page or an electronic signature may be introduced into evidence in any proceeding arising out of or related to this Sublease as if it were an original wet signature page.

31.14. Offer. The submission and negotiation of this Sublease shall not be deemed an offer to enter the same by Landlord but the solicitation of such an offer by Tenant. Tenant agrees that its execution of this Sublease constitutes a firm offer to enter the same which may not be withdrawn for a period of thirty (30) days after delivery to Landlord (or such other period as may be expressly provided in any other agreement signed by the parties). During such period and in reliance on the foregoing, Landlord may, at Landlord's option, proceed with any plans, specifications, alterations, or improvements, and permit Tenant to enter the Premises; but such acts shall not be deemed an acceptance of Tenant's offer to enter this Sublease, and such acceptance shall be evidenced only by Landlord's signing and delivering this Sublease to Tenant.

31.15. Further Assurances. Landlord and Tenant each agree to execute any and all other documents and to take any further actions reasonably necessary to consummate the transactions contemplated hereby.

31.16. Financial Statements. In order to induce Landlord to enter into this Sublease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records, and information furnished by Tenant to Landlord in connection with this Sublease are true, correct, and complete in all material respects.

31.17. Recording. Tenant shall not record this Sublease without the prior consent of Landlord.

31.18. Right to Sublease. Landlord reserves the absolute right to create such other tenancies in the Project as Landlord shall determine to best promote the interests of the Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Term, occupy any space in the Project.

31.19. Severability. In the event any portion of this Sublease shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Sublease, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Sublease.

31.20. Survival. All indemnity and other unsatisfied obligations set forth in this Sublease shall survive the termination or expiration hereof.

31.21. WAIVER OF TRIAL BY JURY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUBLEASE, OR THE TRANSACTIONS OR MATTERS RELATED HERETO OR CONTEMPLATED HEREBY.

31.22. Successors and Assigns. Subject to the terms and conditions of Article 14 of this Sublease, this Sublease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

31.23. Integration of Other Agreements; Amendments. This Sublease sets forth the entire agreement and understanding of the parties with respect to the matters set forth herein and supersedes all previous written or oral understandings, agreements, contracts, correspondence and documentation with respect thereto. Any oral representations or modifications concerning this Sublease shall be of no force or effect. No provisions of this Sublease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

31.24. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS SUBLEASE AND EACH AND EVERY TERM AND PROVISION HEREOF.

31.25. Waiver. The waiver by a party of any breach of any term, covenant, or condition of this Sublease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. No delay or omission in the exercise of any right or remedy of a party shall impair such right or remedy or be construed as a waiver of any default of the other party. Consent to or approval of any act by a party requiring consent or approval of the other party shall not be deemed to waive or render unnecessary such consent to or approval of any subsequent act. Any waiver must be in writing and shall not be a waiver of any other matter concerning the same or any other provision of this Sublease.

31.26. No Surrender. No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Sublease.

31.27. Number and Gender. As used in this Sublease, the neuter includes masculine and feminine, the singular includes the plural and the use of the word "including" shall mean "including without limitation."

31.28. Days. The term "days," as used herein, shall mean actual days occurring, including Saturdays, Sundays and Holidays.

31.29. Joint and Several Liability. If Tenant consists of two (2) or more parties, each of such parties shall be liable for Tenant's obligations under this Sublease, and all documents executed in connection herewith, and the liability of such parties shall be joint and several. Additionally, the act or signature of, or notice from or to, any one or more of such parties with respect to this Sublease shall be binding upon each and all of the parties executing this Sublease as Tenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice.

31.30. No Third Party Beneficiaries. Except as otherwise provided herein, no person or entity shall be deemed to be a third party beneficiary hereof, including but not limited to any brokers, and nothing in this Sublease, (either expressed or implied) is intended to confer upon any person or entity, other than Landlord and Tenant (and their respective nominees, successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Sublease.

31.31. No Other Inducements. It is expressly warranted by each of the undersigned parties that no promise or inducement has been offered except as herein set forth and that this Sublease is executed without reliance upon any statement or representation of any person or party or its representatives concerning the nature and extent of damages, costs and/or legal liability therefor.

31.32. Rule Against Perpetuities. Notwithstanding any provision hereof to the contrary, in the event that the Commencement Date has not occurred within five (5) years of the date of the execution of this Sublease by all parties hereto, then this Sublease shall automatically terminate and be without further force and effect. The parties acknowledge that the terms of the foregoing sentence are included herein for the purposes of ensuring that this Sublease comply with the common law Rule Against Perpetuities, and in no way is said five (5) year period intended as an estimate of the expected timing of the Commencement Date.

31.33. Independent Covenants. This Sublease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent. Tenant hereby expressly waives the benefit of any Laws to the contrary and agrees that if Landlord fails to perform any of its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of Rent.

31.34. Arbitration. If this Sublease contains options where rental rates are expressly subject to arbitration, and the parties do not agree upon the rental rate within the stipulated time, no later than five (5) Business Days following the expiration of the stipulated time, each party shall submit to the other party its final determination of such rental rate and if the rental rates differ by less than five percent (5%), the rental rate shall be the average of the two rates. If the rental rates differ by five percent (5%) or more, each party shall select an arbitrator having not less than ten (10) years' actual experience in the commercial real estate brokerage business, and the arbitrators so selected shall immediately meet for the purpose of hearing and deciding the dispute and fixing the relevant rate of rent which shall in any event be one of the two final determinations submitted by the parties. If the two arbitrators selected agree on the rental rate, their decision shall be binding on both parties. If the two arbitrators selected cannot agree on the rental rate within ten (10) Business Days after appointment (the "Initial Review Period"), then no later than five (5) Business Days following the expiration of the Initial Review Period, the two arbitrators shall select an independent third arbitrator with qualifications similar to their own. Within ten (10) Business Days following appointment, the third arbitrator shall select one of the two rental rates promulgated by the parties as the rental rate for this Sublease. If the arbitrators cannot agree on the third arbitrator, they shall petition the presiding judge of the local State court having jurisdiction to appoint such arbitrator to act as an umpire between the arbitrators selected by Landlord and Tenant. The decision of the third arbitrator or presiding judge, as the case may be, shall be binding on both parties. Landlord and Tenant shall each be responsible to pay their respective arbitrators and will share equally the cost of the third arbitrator.

31.35. No Discrimination. Tenant covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through Tenant, and this Sublease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, sex, religion, marital status, ancestry or national origin in the leasing, subleasing, transferring, use, or enjoyment of the Premises, nor shall Tenant itself, or any person claiming under or through Tenant, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, sublessees, subtenants or vendees in the Premises.

31.36. OFAC Compliance.

31.36.1 As used herein "Blocked Party" shall mean any party or nation that (a) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the U.S. Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) or other similar requirements contained in the rules and regulations of OFAC (the "Order") or in any enabling legislation or other Executive Orders in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "Orders") or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists"); or (b) has been determined by competent authority to be subject to the prohibitions contained in the Orders.

31.36.2 As a material inducement for Landlord entering into this Sublease, Tenant warrants and represents that none of Tenant, any Affiliate of Tenant, any partner, member or stockholder in Tenant or any Affiliate of Tenant, or any beneficial owner of Tenant, any Affiliate of Tenant or any such partner, member or stockholder of Tenant (collectively, a "Tenant Owner"): (a) is a Blocked Party; (b) is owned or controlled by, or is acting, directly or indirectly, for or on behalf of, any Blocked Party; or (c) has instigated, negotiated, facilitated,

executed or otherwise engaged in this Sublease, directly or indirectly, on behalf of any Blocked Party. Tenant shall immediately notify Landlord if any of the foregoing warranties and representations becomes untrue during the Term.

31.36.3 Tenant shall not: (a) transfer or permit the transfer of any interest in Tenant or any Tenant Owner to any Blocked Party; or (b) make a Transfer to any Blocked Party or party who is engaged in illegal activities.

31.36.4 If at any time during the Term (a) Tenant or any Tenant Owner becomes a Blocked Party or is convicted, pleads nolo contendere, or is indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering; (b) any of the representations or warranties set forth in this Section become untrue; or (c) Tenant breaches any of the covenants set forth in this Section, the same shall constitute a Default. In addition to any other remedies to which Landlord may be entitled on account of such Default, Landlord may immediately terminate this Sublease and refuse to pay any Allowance or other disbursements due to Tenant under this Sublease.

31.37. ERISA. Tenant has been informed that one or more pension plans have an interest in the Project. Tenant hereby represents and warrants that it is not a party in interest to any pension plan, within the meaning of Section 3(14) of the Employee Retirement Income Security Act of 1974, as amended.

31.38. Unrelated Business Income/Rents from Real Property. Landlord shall have the right at any time and from time to time to unilaterally amend the provisions of this Sublease with respect to monies to be paid to Landlord, if Landlord is advised by its counsel or its accounting firm that all or any portion of the monies paid by Tenant to Landlord hereunder (A) are, or may be deemed to be, unrelated business income within the meaning of the United States Internal Revenue Code of 1986, as amended; or regulations issued thereunder (the "Code"), and/or (B) no longer qualify, or there is risk that any such monies may not qualify, as "rent from real property" under the Code, and Tenant agrees that it will execute all documents or instruments necessary to effect such amendment or amendments, provided that (i) no such amendment shall result in Tenant having to pay, in the aggregate, more money on account of its occupancy of the Premises under the terms of this Sublease, as so amended, (ii) no such amendment shall result in any interference with Tenant's use and enjoyment of the Premises, (iii) no such amendment shall result in any amendment, alteration or impact on Tenant's non-monetary rights or obligations under this Sublease (including, but not limited to, Tenant's use of the Premises for the Permitted Use), and (iv) no such amendment shall result in Tenant receiving less services than it was then entitled to receive under this Sublease, or services of a lesser quality. Any services which Landlord is required to furnish pursuant to the provisions of this Sublease may, at Landlord's option, be furnished from time to time, in whole or in part, by employees of Landlord or its property manager or its employees or by one or more third persons hired by Landlord or its property manager. Tenant agrees that upon Landlord's written request it will enter into direct agreements with Landlord's property manager or other parties designated by Landlord for the furnishing of any such services required to be furnished by Landlord hereunder, in form and content approved by Landlord and Tenant, provided however that no such contract shall result in (a) Tenant having to pay, in the aggregate, more money on account of its occupancy of the Premises under the terms of this Sublease, (b) any interference with Tenant's use and enjoyment of the Premises; (c) any amendment, alteration or impact on Tenant's non-monetary rights or obligations under this Sublease (including, but not limited to, Tenant's use of the Premises for the Permitted Use), and (d) Tenant, receiving less services than it was then entitled to receive under this Sublease, or services of a lesser quality.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have executed this Sublease, under seal, as of the date first-above written.

Witness:

Date: _____

Witness:

Date: _____

LANDLORD:

SCPT MARINA VILLAGE, LLC,
a Delaware limited liability company

CA
9/20/11

By: FIRST FIDUCIARY REALTY ADVISORS, INC.,
a California corporation, its Manager

By: _____

Paul Vacheron

Printed Name: _____
Title: Managing Director, Asset Management

Date: 9/20/11

TENANT:

RANCH EVENTS INC.,
a California corporation

By: _____

Printed Name: JASON PELTIER
Title: Chairman of the Board/President/Vice President

Date: 9-19-2011

By: _____

Printed Name: P. PELTIER
Title: Secretary/Assistant Secretary/Chief Financial officer/Assistant Treasurer

Date: 9-19-2011

ADDENDUM #1

Renewal Options

Subject to the terms of Addendum #3 of this Sublease, Tenant shall have two (2) personal and non-transferable options to renew the Term of this Sublease as set forth on the Sublease Summary (each, a "Renewal Option"). The first (1st) renewal term shall begin on August 1, 2019 and the second (2nd) renewal term shall begin on August 1, 2024. Tenant shall have the right to exercise the Renewal Options conferred herein by giving Landlord notice at least two hundred seventy (270) days, but not more than three hundred sixty-five (365) days, prior to the expiration of the initial Term or first (1st) renewal term, as applicable.

The Renewal Options shall be subject to all of the terms and conditions contained in this Sublease, except that Minimum Rent during each renewal term shall be increased on each August 1 during such renewal term (each, an "Adjustment Date"), commencing on August 1, 2019 or August 1, 2024, as applicable, to an amount equal to one hundred four percent (104%) of the Minimum Rent payable immediately prior to the applicable Adjustment Date.

Failure of Tenant properly to exercise any Renewal Option herein granted shall be construed as a waiver of all options herein granted, and this Sublease shall then terminate at the expiration of the then current Term.

ADDENDUM #2

Landlord Termination Right

Notwithstanding anything to the contrary in this Sublease, Landlord shall have the right, at any time during the Term, to terminate the Sublease upon not less than ninety (90) days prior written notice to Tenant. If Landlord terminates the Sublease pursuant to Addendum #2, then on or before the effective date of such termination, Landlord shall pay to Tenant an amount equal to the unamortized balance, as of the effective date of such termination, of Tenant's out-of-pocket costs incurred for the Tenant Improvements and the Restroom Work, less the Conditional Rent received by Tenant as of the effective date of such termination. Amortization pursuant to the preceding sentence shall be calculated using a ninety-six (96) month amortization schedule, commencing as of the Commencement Date, based upon equal monthly payments of principal and interest, with interest imputed on the outstanding principal balance at the rate of five percent (5%) per annum.

ADDENDUM #3

Tenant's Rights

As used in this Section, "Tenant's Rights" shall mean the Renewal Options granted to Tenant pursuant to Addendum #1.

The Tenant's Rights are personal to Named Tenant, and may only be exercised by Named Tenant to the extent that Named Tenant, at the time of exercise and at the time such Tenant's Right becomes effective, has not assigned this Sublease and occupies the entire Premises without the intent of thereafter assigning this Sublease or subletting the Premises or any portion thereof and may not be exercised or be assigned, voluntarily or involuntarily, by any person or entity other than Named Tenant. The Tenant's Rights are not assignable separate and apart from this Sublease, nor may Tenant's Rights be separated from this Sublease in any manner, whether by reservation or otherwise.

Notwithstanding anything to the contrary contained in any of the applicable sections granting such Tenant's Rights, Named Tenant shall not have the right to exercise such Tenant's Right and the exercise of such Tenant's Right may be nullified by Landlord and deemed of no force or effect if (i) Tenant shall be in Default under the terms of this Sublease as of the exercise of such Tenant's Right or anytime after such exercise and prior to the commencement or effective date of such Tenant's Right, or (ii) Landlord shall have delivered to Tenant two (2) or more notices of default during any prior consecutive twelve (12) month period, whether or not such defaults were subsequently cured. Upon any termination of this Sublease or Tenant's right of possession to the Premises, all of Tenant's Rights shall terminate and be of no further force or effect.

GUARANTY

THIS GUARANTY OF SUBLEASE is made this 20th day of September, 2011, but retroactively effective as of August 1, 2011, by JASON PELTIER, an individual, having his principal place of business at 1895 Camino Del Rio South, San Diego, California 92108 (the "Guarantor"), in favor of SCPT MARINA VILLAGE, LLC, a Delaware limited liability company, having its principal place of business at c/o American Realty Advisors, 801 North Brand Blvd., Suite 800, Glendale, California 91203 Attention: Stanley Iezman (the "Landlord").

WITNESSETH:

WHEREAS, Guarantor desires to induce Landlord to enter into a sublease with RANCH EVENTS INC., a California corporation (the "Tenant"), with respect to certain premises, known as the first (1st) floor of the "Sunset Room", located at 1935 Quivira Way, San Diego, California (the "Sublease"), such Sublease being of even date herewith; and

WHEREAS, the entering into of the Sublease by Landlord and Tenant will be of direct pecuniary advantage to Guarantor;

NOW, THEREFORE, in consideration of One Dollar (\$1.00) paid by Landlord to Guarantor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby covenants and agrees with Landlord, as follows:

1. Guarantor, as primary obligor, hereby (a) unconditionally guarantees the prompt, punctual and full payment of the rent and all other sums due under the Sublease in accordance with the terms and tenor thereof as completely and effectually as if such guarantee had been made by Guarantor on the face of the Sublease; (b) unconditionally guarantees the prompt, punctual and full performance by Tenant of any and all of the agreements, covenants, terms and conditions agreed to be performed by Tenant under the Sublease; and (c) covenants and agrees that in the event of default in payments or any default in the performance of any of the terms, covenants or conditions thereof, Guarantor will promptly make or cause such payment to be made or will perform or cause to be performed all such terms, covenants and conditions, irrespective of any invalidity therein, the unenforceability thereof or the insufficiency, invalidity or unenforceability of any security therefor.

2. Guarantor does hereby further agree that Guarantor's liability hereunder as Guarantor shall not be prejudiced, impaired or affected by any of the following, whether with or without its knowledge or consent: (a) any renewal or extension of the time of payment of the rent or other sums due under the Sublease or of the time for performance by any party obligated under the Sublease; (b) by any forbearance or delay in enforcing the payment of the rent or other sums due under the Sublease or enforcing the obligations of any party to the Sublease; (c) by any modification, addition or alteration of the terms, tenor or provisions of the Sublease or (d) by the lease of any other collateral Landlord may hold for the obligations of Tenant.

3. (a) On or before the 15th day of each calendar quarter during the term hereof, Guarantor shall submit to Landlord a current financial statement in form and content satisfactory to Landlord indicating Guarantor's current tangible net worth, certified as true, correct and complete by Guarantor. Guarantor shall submit reasonable substantiating documentation to Landlord upon request, certified as true, correct and complete by Guarantor. In addition, within thirty (30) days following the expiration of Guarantor's fiscal year, and no less frequently than once every twelve (12) calendar months, Guarantor shall submit to Landlord an annual audited financial statement prepared in accordance with generally accepted accounting principles consistently applied and certified as true, correct and complete by Guarantor. Without limitation as to Landlord's rights and remedies as provided under Section 3(b) below, Guarantor specifically acknowledges that Landlord may require Tenant to post additional collateral for its obligations under the Sublease in the event of a decline in the financial condition of Guarantor and that it shall be a default under the Sublease entitling Landlord to call upon this Guaranty if Tenant shall fail to post such additional collateral or if Guarantor files a petition in bankruptcy, is adjudged a bankrupt, has a receiver appointed for its assets, makes an assignment for the benefit of creditors, or otherwise takes advantage of any debtor relief proceedings available under federal, state or local law. Guarantor specifically acknowledges that Landlord and its actual and prospective lenders and purchasers have relied and will rely on any and all financial information provided by Guarantor (whether provided in the past, present or future) as being true, correct and complete at all times.

(b) Guarantor shall at all times maintain a tangible net worth of not less than \$50,000.00 (the "Tangible Net Worth Requirement"). If any financial statement delivered under this Guaranty or other information obtained by Landlord indicates a failure of Guarantor to satisfy the Tangible Net Worth Requirement, such failure shall constitute a default under the Sublease, this Guaranty and any other guaranty delivered in connection with the Sublease, and Landlord shall be entitled to (A) exercise any and all rights and remedies under the Sublease, this Guaranty, any other guaranty delivered in connection with the Sublease, at law and in equity in connection with such default, and (B) require Tenant and/or Guarantor (on behalf of Tenant) to provide new or additional security acceptable to Landlord for Tenant's obligations under the Sublease (including letters of credit, security deposits and/or any other security that is acceptable to Landlord). In addition, in the event of such a default, Guarantor shall not make any distributions of income, profit or proceeds of its business until such time, if ever, that the Tangible Net Worth Requirement is satisfied (and would still be satisfied after any such distributions), nor shall Guarantor receive any distributions from another guarantor of the Sublease if such distribution would violate any tangible net worth requirement applicable to that guarantor. If Guarantor nevertheless makes or receives any such distribution in breach of this Guaranty, Guarantor specifically acknowledges and agrees that such distribution shall be held in trust for the benefit of Landlord and Landlord shall have the right to clawback any and all amounts so distributed in breach of this Guaranty, together with interest thereon as provided herein.

4. This Guaranty is and shall be construed to be an irrevocable, absolute, unlimited and continuing guaranty of payment and performance, and the liability of Guarantor hereunder and Landlord's right to pursue Guarantor shall not be affected, delayed, limited, impaired or discharged, in whole or in part, by reason of an extension or discharge that may be granted to Tenant by any court in proceedings under the Bankruptcy Code, or any amendments thereof, or under any other state or other federal statutes. Guarantor expressly waives the benefits of any extension or discharge granted to Tenant. This Guaranty shall survive notwithstanding the expiration or termination of the Sublease with respect to any sums previously received from Tenant or from Guarantor that Landlord may be required to repay in such proceeding.

5. Landlord shall have the right to proceed against Guarantor immediately upon any default by Tenant in payment or performance of any obligation under the Sublease, and Landlord shall not be required to take any action or proceedings of any kind against Tenant or any other party liable for Tenant's debts or obligations or to look to any other collateral Landlord may have for the obligations of Tenant under the Sublease. Should Landlord desire to proceed against Guarantor and Tenant in the same action, Guarantor agrees that Guarantor may be joined in any such action against Tenant and that recovery may be had against Guarantor to the extent of Guarantor's liability in such action. Guarantor hereby expressly waives any and all benefits, defenses and rights under California Civil Code Sections 2845, 2849 and 2850 or otherwise to require Lessor to (i) proceed against Tenant or any other guarantor, pledgor or person liable under the Sublease, (ii) proceed against or exhaust any security for the Sublease or this Guaranty; or (iii) pursue any other remedy in Landlord's power or enforce any other right whatsoever.

6. If Landlord calls upon Guarantor to honor, pay or perform all or part of any obligation of Tenant, and Guarantor fails to honor such demand, the debt or obligation owed Landlord pursuant to this Guaranty shall bear interest at the lesser of eighteen percent (18%) per annum or the highest rate permitted under applicable law. In case Guarantor fails or refuses to honor this Guaranty, Landlord is hereby authorized to utilize such legal means as Landlord deems proper to enforce this Guaranty, through the efforts of its employees, agents, or attorneys, and Guarantor shall pay all costs of enforcement and collection, including but not limited to court costs, reasonable attorneys' fees, depositions and expert witnesses.

7. If a corporation is executing this Guaranty, Guarantor and the individual executing this Guaranty on behalf of Guarantor personally warrant that execution and delivery hereof and the assumption of liability hereunder have been in all respects authorized and approved by proper action on the part of Guarantor; that Guarantor has full authority and power to execute this Guaranty, that Guarantor is duly formed and in good standing in the state of its formation and that Guarantor is authorized to do business in the state in which the premises subject to the Sublease are located.

8. This Guaranty shall be binding upon and inure to the benefit of the heirs, personal and legal representatives, successors and assigns of Guarantor and Landlord. Landlord shall have the right to assign and transfer this Guaranty to any assignee of the Sublease. Landlord's successors and assigns shall have the rights, elections, remedies, and privileges, discretions and powers granted hereunder to Landlord and shall have the right to rely upon this Guaranty and to enter into and continue other and additional transactions with Tenant in reliance hereon, in the same manner and with the same force and effect as if they were specifically named as Landlord herein.

9. This Guaranty shall constitute a California contract, and be governed by the laws of the State of California. The undersigned hereby voluntarily submits to the jurisdiction of any court in the State of California having jurisdiction over the subject matter of this instrument, and hereby constitutes the Secretary of State of the State of California as its agent for service of process in connection with any suit or proceeding arising hereunder.

10. Failure of Landlord to insist in any one or more instances upon strict performance of any one or more of the provisions of this Guaranty or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights, but the same shall continue and remain in full force and effect.

11. Landlord shall have the right, without affecting Guarantor's obligations hereunder, and without demand or notice, to collect first from Tenant, and to exercise its rights of setoff against any asset of Tenant, and to otherwise pursue and collect from Tenant any other indebtedness of Tenant to Landlord not covered by this Guaranty, and any sums received from Tenant, whether by voluntary payment, offset, or collection efforts, may be applied by Landlord as it sees fit, including, without limitation, the application of all such amounts to other debts not guaranteed by Guarantor. Subrogation rights or any other rights of any kind of Guarantor against Tenant, if any, shall not become available until all indebtednesses and obligations of Tenant to Landlord are paid in full. This Guaranty shall survive the expiration or termination of the Sublease to the extent the obligations of Tenant thereunder likewise survive.

12. Landlord may proceed against any collateral securing the obligations of Tenant and against parties liable therefor in such order as it may elect, and Guarantor shall not be entitled to require Landlord to marshal assets. The benefit of any rule of law or equity to the contrary is hereby expressly waived.

13. Landlord may, in its sole discretion and with or without consideration, lease any collateral securing the obligations of Tenant or lease any party liable therefor. The defenses of impairment of collateral and impairment of recourse and any requirement of diligence on Landlord's part in perfecting or enforcing any lien granted in the Sublease or in collecting the obligations under the Sublease are hereby waived.

14. Guarantor hereby waives any requirement of presentment, protest, notice of dishonor, notice of default, demand, and all other actions or notices that may be required on Landlord's part in connection with the obligations guaranteed hereby.

15. **GUARANTOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY ACTION, PROCEEDING OR COUNTERCLAIM WITH RESPECT TO THIS GUARANTY.**

16. Guarantor hereby waives any and all rights, benefits and defenses under California Civil Code Sections 2809 (which provides that the liability of a surety may be no larger nor more burdensome than that of the principal), 2810 (which provides the surety is not liable if the principal is disabled at the time of the execution of the obligation), 2819 (which provides that a surety is exonerated by modification of the underlying obligation without the guarantor's consent), 2822 (which provides that a surety is exonerated by part performance of the underlying obligation), 2839 (which provides that a surety is exonerated by the performance or the offer of performance of the principal obligation), 2899 (which provides for the order of resort to different funds held by the creditor) and 3433 (which provides for the right of a creditor to require that another creditor entitled to resort to several sources of payments first resort to sources not available to the first creditor), and all similar laws now or hereafter in effect.

17. In the event any portion of this Guaranty shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Guaranty, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Guaranty.

18. **TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS GUARANTY AND EACH AND EVERY TERM AND PROVISION HEREOF.**

19. If there is more than one Guarantor, the obligations of each Guarantor under this Guaranty are and will be joint and several. Landlord may lease any one or more Guarantors at any time without notice to or consent by the remaining Guarantors and without affecting the continuing liability of the remaining Guarantors. Landlord shall not be required to pursue any remedy against any other person or party that shall have executed any agreement of guaranty with Landlord. Landlord may elect, in its sole and absolute discretion, to seek to recover from any one

or more of such persons or parties and no such election shall constitute any defense or any other bar or limitation to the enforcement of Guarantors' obligations set forth herein.

20. (a) As used herein, "Blocked Party" shall mean any party or nation that (A) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the U.S. Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) or other similar requirements contained in the rules and regulations of OFAC (the "Order") or in any enabling legislation or other Executive Orders in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "Orders") or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists"); or (B) has been determined by competent authority to be subject to the prohibitions contained in the Orders.

(b) As a material inducement for Landlord entering into the Sublease and agreeing to this Guaranty, Guarantor warrants and represents that none of Guarantor, any affiliate of Guarantor, any partner, member or stockholder in Guarantor or any affiliate of Guarantor, or any beneficial owner of Guarantor, any affiliate of Guarantor or any such partner, member or stockholder of Guarantor (collectively, a "Guarantor Owner"): (A) is a Blocked Party; (B) is owned or controlled by, or is acting, directly or indirectly, for or on behalf of, any Blocked Party; or (C) has instigated, negotiated, facilitated, executed or otherwise engaged in this Guaranty, directly or indirectly, on behalf of any Blocked Party. Guarantor shall immediately notify Landlord if any of the foregoing warranties and representations becomes untrue at any time.

(c) Guarantor shall not: (A) transfer or permit the transfer of any interest in Guarantor or any Guarantor Owner to any Blocked Party; or (B) make a transfer to any Blocked Party or party who is engaged in illegal activities.

(d) If at any time (A) Guarantor or any Guarantor Owner becomes a Blocked Party or is convicted, pleads nolo contendere, or is indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering; (B) any of the representations or warranties set forth in this Section become untrue; or (C) Guarantor breaches any of the covenants set forth in this Section, the same shall constitute an event of default under this Guaranty and the Sublease. In addition to any other remedies to which Landlord may be entitled on account of such event of default, Landlord may immediately terminate the Sublease and/or this Guaranty and refuse to pay any disbursements due to Tenant under the Sublease.

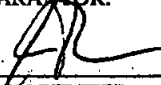
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first set forth above.

Witness:

Date: _____

GUARANTOR:



JASON PELTIER

Social Security No.: 552-73-1781

EXHIBIT A

SITE PLAN OF THE PROJECT

This site plan is intended solely to depict the location of the Premises within the Project. Nothing herein should be construed as a representation as to the quality or quantity of Landlord's title to the Project and/or its surrounding areas and nothing herein should be construed as a representation as to the tenants in the Project.

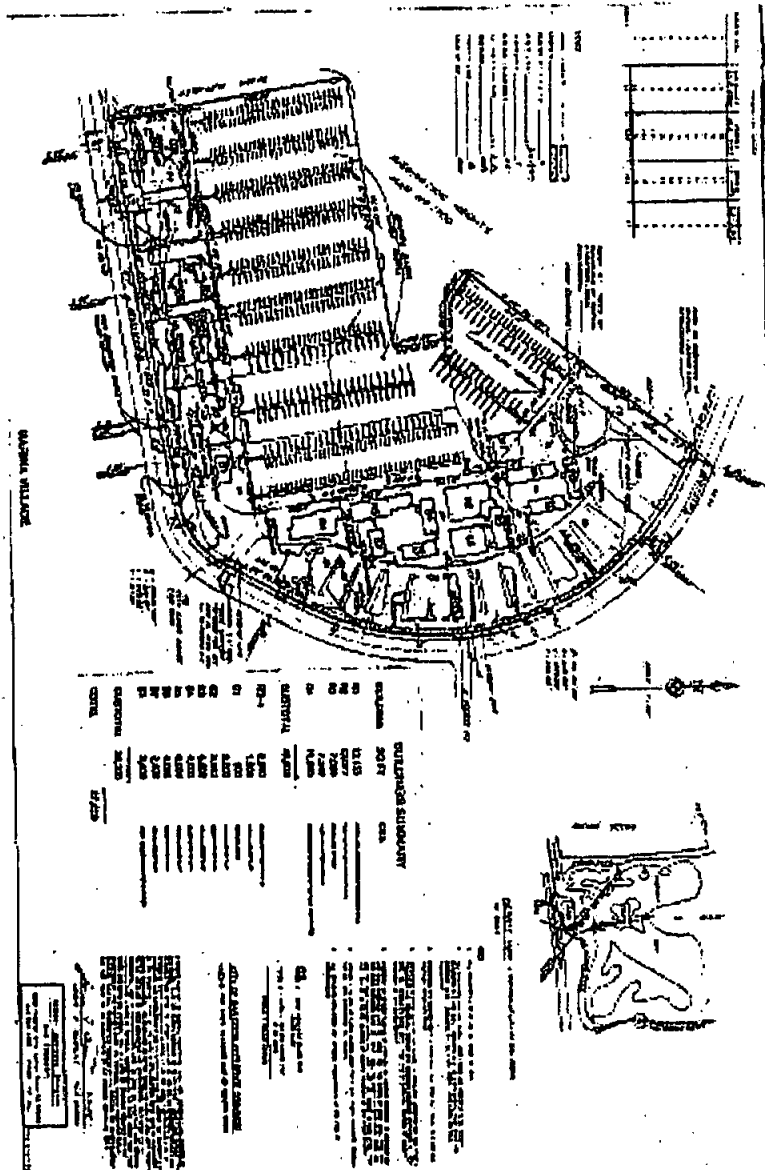


EXHIBIT B

LEGAL DESCRIPTION

Real property in the City of San Diego, County of San Diego, State of California, described as follows:

PARCEL 1:

THAT PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF MISSION BAY - FORMERLY FALSE BAY - AND A PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 14, 1921 AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, ALL BEING IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 24 IN BLOCK 10 OF RESUBDIVISION OF BLOCKS 7, 8, 10 AND A PORTION OF BLOCK 9 AND LOT "A", INSPIRATION HEIGHTS, ACCORDING TO MAP THEREOF NO. 1700, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 27, 1917; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH 89 DEG. 55'56" WEST - RECORD SOUTH 89 DEG. 59'00" WEST - 25.00 FEET TO A POINT OF TANGENT CURVE IN THE BOUNDARY OF SAID LOT 24; THENCE SOUTH 00 DEG. 04'04" EAST 2.00 FEET TO AN INTERSECTION WITH A LINE WHICH IS PARALLEL WITH AND 2.00 FEET SOUTHERLY AT RIGHT ANGLES TO THE SOUTHERLY LINE OF SAID BLOCK 10; THENCE ALONG SAID PARALLEL LINE NORTH 89 DEG. 55'56" EAST 249.70 FEET; THENCE NORTH 05 DEG. 30'02" WEST 104.06 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY TRIANGULATION STATION "OLD TOWN" - THE LAMBERT GRID COORDINATES, CALIFORNIA ZONE 6, FOR SAID STATION "OLD TOWN" ARE X EQUALS 1,712,415.7 AND Y EQUALS 213,819.22 - AND SAID TRIANGULATION STATION IS LOCATED AT LATITUDE 32 DEG. 45'02.45" NORTH AND LONGITUDE 177 DEG. 11'07.200" WEST, BEING ALSO THE POINT OF ORIGIN FOR THE SAN DIEGO CITY ENGINEER'S MISSION BAY PARK COORDINATE SYSTEM; THENCE NORTH 5160.53 FEET AND WEST 16,030.79 FEET, BEING AT MISSION BAY COORDINATES; NORTH 5160.53 FEET AND WEST 16,030.79 FEET; THENCE SOUTH 66 DEG. 35'46" EAST 352.89 FEET BEING AT MISSION BAY PARK COORDINATES NORTH 5020.42 FEET AND WEST 15,706.89 FEET; THENCE CONTINUING SOUTH 66 DEG. 35'46" EAST 618.76 FEET BEING AT MISSION BAY COORDINATES NORTH 4774.57 FEET AND WEST 15,139.07 FEET; THENCE CONTINUING SOUTH 66 DEG. 35'46" EAST 313.04 FEET TO A POINT FOR REFERENCE THE COORDINATES HEREINAFTER MENTIONED ARE SAID MISSION BAY PARK COORDINATE SYSTEM, SAID LAST MENTIONED POINT BEING ALSO THE TRUE POINT OF BEGINNING; THENCE SOUTH 40 DEG. 00'00" WEST 421.74 FEET TO A POINT HEREIN CALLED "POINT A"; THENCE SOUTH 50 DEG. 00'00" EAST 406.88 FEET TO COORDINATES NORTH 4065.64 FEET AND WEST 14,811.19 FEET; THENCE SOUTH 08 DEG. 09'38" EAST 8.12 FEET TO COORDINATES NORTH 4057.60 FEET AND WEST 14,810.04 FEET; THENCE SOUTH 08 DEG. 09'38" EAST 694.75 FEET TO COORDINATES NORTH 3369.88 FEET AND WEST 14,711.43 FEET; THENCE SOUTH 81 DEG. 50'22" WEST 1202.00 FEET; THENCE SOUTH 08 DEG. 09'38" EAST 217.76 FEET; THENCE NORTH 81 DEG. 50'22" EAST 1133.01 FEET TO A TANGENT 239.52 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY ALONG SAID CURVE 219.05 FEET THROUGH AN ANGLE OF 52 DEG. 24'00"; THENCE TANGENT TO SAID CURVE NORTH 29 DEG. 26'22" EAST 273.89 FEET TO A TANGENT 805.00 FOOT RADIUS CURVE, CONCAVE WESTERLY; THENCE NORTHEASTERLY, NORTHERLY AND NORTHWESTERLY ALONG THE ARC OF SAID CURVE 1349.29 FEET THROUGH AN ANGLE OF 96 DEG. 02'08"; THENCE TANGENT TO SAID CURVE NORTH 66 DEG. 35'46" WEST 33.68 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF MISSION BAY - FORMERLY FALSE BAY - AND A PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 14, 1921 AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, ALL BEING IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE ABOVE SAID "POINT A" BEING ALSO THE TRUE POINT OF BEGINNING; THENCE SOUTH 50 DEG. 00'00" EAST 406.88 FEET TO COORDINATES NORTH 4065.64 FEET AND WEST 14,811.19 FEET; THENCE SOUTH 08 DEG. 09'38" EAST 8.12 FEET TO COORDINATES NORTH 4057.60 FEET AND WEST 14,810.04 FEET; THENCE SOUTH 08 DEG. 09'38" EAST 694.75 FEET TO COORDINATES NORTH 3369.88 FEET AND WEST 14,711.43 FEET; THENCE SOUTH 81 DEG. 50'22" WEST 1202.00 FEET; THENCE NORTH 08 DEG. 09'38" WEST 480.00 FEET; THENCE NORTH 81 DEG. 50'22" EAST 800.00 FEET; THENCE NORTH 08 DEG. 09'38" WEST 152.88 FEET; THENCE NORTH 87 DEG. 08'14" WEST 113.99 FEET TO COORDINATES NORTH 3944.99 FEET AND WEST 15,313.03 FEET; THENCE NORTH 50 DEG. 00'00" WEST 100.00 FEET; THENCE NORTH 40 DEG. 00'00" EAST 415.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING FROM THAT PORTION OF SAID PARCELS 1 AND 2 LYING WITHIN THE NATURAL BOUNDARIES OF MISSION BAY - FORMERLY FALSE BAY - ALL THE DEPOSITS OF MINERALS, INCLUDING OIL AND GAS, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SUCH DEPOSITS AND TO OCCUPY AND USE SO MUCH OF THE SURFACE AS MAY BE REQUIRED THERETO, AS RESERVED BY THE STATE OF CALIFORNIA IN AN ACT OF THE LEGISLATURE APPROVED APRIL 27, 1945; STATUTES OF CALIFORNIA, CHAPTER 142.

APN: 760-029-08-00

EXHIBIT C

TERM CERTIFICATION

The undersigned, as Tenant, under that certain sublease dated [] (the "Sublease"), with [], as Landlord, hereby certifies as follows:

1. That the undersigned has entered into occupancy of the Premises described in the Sublease.
2. That the Sublease is in full force and effect and has not been assigned, modified, supplemented or amended in any way, except as follows:
3. That the Sublease represents the entire agreement between the parties as to said leasing.
4. That the Commencement Date of the Sublease is: . The Sublease expires on .
5. That all improvements to have been constructed or completed by Landlord have been completed in a satisfactory manner and all conditions of the Sublease to be performed by Landlord and necessary to the enforceability of the Sublease have been satisfied.
6. That there are no defaults by either Tenant or Landlord under the Sublease.
7. That no rents have been prepaid, other than as provided in the Sublease.
8. That on this date there are no existing defenses or offsets, which the undersigned has against the enforcement of the Sublease by Landlord.

EXECUTED this _____ day of _____, 20__.

TENANT:

[]
a []

By: _____

Printed Name: _____

Title: _____

EXHIBIT D

CONSTRUCTION

This Exhibit sets forth the terms and conditions relating to construction work in the Premises. All references in this Exhibit to capitalized terms or "this Sublease" shall mean the relevant portion of the Sublease to which this Exhibit is attached and of which this Exhibit forms a part.

A. GENERAL CONDITIONS FOR CONSTRUCTION BY TENANT.

1. Inspection by Landlord. Landlord shall have the right to inspect work at all times; provided however, Landlord's failure to inspect any work shall in no event constitute a waiver of any of Landlord's rights hereunder, nor shall Landlord's inspection of the work constitute Landlord's approval thereof. Should Landlord disapprove any work, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. In the event Landlord disapproves of any matter that might adversely affect the structure, systems or exterior appearance of the Project or any other tenant, Landlord may take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such matter, including, without limitation, causing the cessation of the applicable work.

2. Insurance. In addition to any insurance that may be required under this Sublease, Tenant shall secure, pay for and maintain or cause Tenant's contractors to secure, pay for and maintain during the continuance of any work, the following insurance:

a. Worker's Compensation Insurance with a limit of not less than the greater of (i) \$500,000, or (ii) the amount required from time to time by applicable Laws.

b. Employer's Liability Insurance with a limit of not less than \$1,000,000.

c. Commercial General Liability Insurance (including Contractor's Protective Liability) in an amount not less than \$1,000,000 per occurrence, whether involving bodily injury liability (or death resulting therefrom) or property damage liability or a combination thereof with a minimum aggregate limit of \$2,000,000, and with umbrella coverage with limits not less than \$5,000,000 (\$10,000,000 if the cost of the work is greater than \$1,000,000). Such insurance shall provide for explosion and collapse, completed operations coverage and broad form blanket contractual liability coverage and shall insure against any and all claims for bodily injury, including death resulting therefrom, and damage to the property of others and arising from its operations under the contracts whether such operations are performed by Tenant's contractors or by anyone directly or indirectly employed by any of them.

d. Automobile Liability Insurance, including the ownership, maintenance and operation of any automotive equipment, owned, hired, or non-owned in an amount not less than \$1,000,000 for bodily injury and property damage combined in any one accident. Such insurance shall insure against any and all claims for bodily injury, including death resulting therefrom, and damage to the property of others arising from its operations under the contracts, whether such operations are performed by Tenant's contractors, or by anyone directly or indirectly employed by any of them.

e. "All-risk" builder's risk insurance for the full insurable value of the work (including all stored material and equipment), as approved by Landlord. This insurance shall include the interests of Landlord and Tenant (and their respective contractors and subcontractors of any tier to the extent of any insurable interest therein) in the work and shall insure against physical loss or damage including, without duplication of coverage, theft, vandalism and malicious mischief. If any materials or equipment will be stored offsite or will be in transit to the job site and are not covered under said "all-risk" builder's risk insurance, then Tenant shall effect and maintain similar property insurance on such materials and equipment. Any loss insured under said "all-risk" builder's risk insurance shall be adjusted with Landlord and Tenant and made payable to Landlord, as trustee for the insureds, as their interests may appear.

f. Commercial Catastrophe or "Umbrella" Excess Liability Insurance, as stated above, on an "occurrence" basis with a limit of not less than \$5,000,000 (or \$10,000,000, as applicable) per occurrence and in the aggregate.

g. Professional Liability Insurance with limits of not less than the amount that would prudently be maintained for comparable work, which shall in no event be less than \$1,000,000 per claim and in the aggregate.

h. Pollution Liability and Environmental Impairment Insurance with limits of not less than \$2,000,000 per claim and \$5,000,000 in the aggregate.

The liability policies required in paragraphs (c) and (f) above shall be endorsed to include all additional insureds required or permitted herein with coverage equivalent to that provided by ISO form CG 20 10 11 85. Such additional insured endorsements shall be separate from the certificates of insurance required herein.

All other policies (except the worker's compensation policy) shall be endorsed to include the Landlord Related Parties as additional insureds. All insurance policies shall provide that all additional insureds shall be given thirty (30) days' prior written notice of any reduction, cancellation or non-renewal of coverage (except that ten (10) days' notice shall be sufficient in the case of cancellation for non-payment of premium) and shall provide that the insurance coverage afforded to the additional insureds shall be primary to any insurance carried independently by said additional insureds. Certificates for all insurance required hereunder shall be delivered to Landlord before the commencement of construction and before any contractor's equipment is moved onto the Property. Tenant shall cause Tenant's contractors to provide Landlord with an endorsement evidencing that each required policy herein contains a waiver of subrogation in favor of the additional insureds required or permitted herein. Insurance companies shall have a rating of A VI, or higher, in the most currently available "Best Insurance Guide".

3. Lien Free Completion.

a. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord such security as reasonably determined by Landlord to protect Landlord against any liability in connection with the work, including but not limited to a lien and completion bond naming Landlord as a co-obligee.

i. Tenant shall use its best efforts to obtain or cause to be obtained a "no-lien" contract from each of Tenant's contractors. All subcontractors under each of the contracts shall be given a notice of such no-lien contract before such subcontractor furnishes any labor or materials. If Tenant is unable to obtain or cause to be obtained a no-lien contract from any proposed contractor, Tenant shall give written notice of such fact to Landlord, and Landlord shall have the right to disapprove such contractor. Upon completion of the work, Tenant shall furnish Landlord with full and final waivers of liens and contractors' affidavits and statements, in such form as may be required by Landlord, Landlord's title insurance company and any Mortgagee, from all parties performing labor or supplying materials or services in connection with the work showing that all of said parties have been compensated in full. Before commencement of any work, Tenant shall notify Landlord of the proposed date of commencement of such work, and shall prepare and deliver to Landlord for Landlord's signature a notice of non-responsibility and allow Landlord no less than seven (7) Business Days to record and post the same.

ii. If Tenant fails to make any payment relating to the work, Landlord, as its option, may complete the work, make such payment and hold Tenant liable for the costs thereof.

4. Plan Approval. Landlord's approval of Tenant's plans will not be unreasonably withheld, provided that (a) they comply with all Laws; (b) the improvements do not adversely affect (as determined by Landlord) the building structure, systems, the exterior appearance of the Project, or the appearance of the Common Areas; (c) the plans are sufficiently detailed to allow construction of the improvements in a good and workmanlike manner; and (d) construction of the improvements conforms to the requirements set forth in this Exhibit. Notwithstanding that any plans submitted to Landlord in connection with this Sublease (including, without limitation, pursuant to this Exhibit D or Exhibit D-1) are reviewed by Landlord and notwithstanding any comments, advice or assistance that Landlord may render to Tenant, in no event shall any such review, comments, advice or assistance constitute a representation or warranty as to the completeness, design, accuracy or sufficiency of such

plans, compliance of such plans with Laws or as to any other matter, and Landlord shall have no liability whatsoever with respect thereto. Notwithstanding anything to the contrary contained in this Sublease, if Landlord and Tenant do not agree in writing upon the plans for the initial improvements to the Premises within thirty (30) days after the execution of this Sublease, then Landlord shall have the right to terminate this Sublease by written notice to Tenant given within 10 days after the expiration of such thirty (30) day period.

5. Change Orders. Tenant shall make no changes or modifications to the plans approved by Landlord without Landlord's prior written consent. Such approval shall not be unreasonably withheld or delayed, as long as such requested change meets (a) through (d) in Section 4 above and the same would not delay the completion of the work. If any change order would increase the cost of construction, as a condition of such approval Landlord may require that Tenant deposit any increased cost with Landlord, or provide Landlord with other security therefor acceptable to Landlord.

6. Pre-Construction Activity. At least thirty (30) days prior to commencement of any work, Tenant shall submit the following information and items to Landlord for Landlord's review and approval:

- a. The proposed plans.
- b. A detailed critical path construction schedule containing the major components of the work and the time required for each, including the scheduled commencement date of construction of the work, milestone dates and the estimated date of completion of construction.
- c. An itemized statement of estimated construction cost, including fees for permits and architectural and engineering fees.
- d. Evidence satisfactory to Landlord in all respects of Tenant's ability to pay the cost of the work as and when payments become due.
- e. The names and addresses of Tenant's contractors (and said contractors' subcontractors) and materialmen to be engaged by Tenant for the work (individually, a "Tenant Contractor," and collectively, "Tenant's Contractors"). Landlord may designate a list of approved contractors for performance of those portions of work involving electrical, mechanical, plumbing, heating, air conditioning or life safety systems, from which Tenant must select its contractors for such designated portions of work ("Approved Contractors"). Landlord has the right to disapprove any of Tenant's Contractors that are not Approved Contractors.
- f. Certificates of insurance as required herein.

No work by Tenant shall proceed until Landlord has approved all of the foregoing items.

7. Performance of Work.

- a. All work by Tenant shall be performed under a valid permit when required, a copy of which shall be furnished to Landlord before commencement of such work.
- b. All work shall comply in all respects with (i) all applicable Laws; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.
- c. Tenant's contractors, approved by Landlord pursuant to Section 6(e) of this Exhibit D, shall be licensed contractors, possessing good labor relations (including use of union labor if required by Landlord), capable of performing quality workmanship and working in harmony with Landlord's contractors and subcontractors in the Project. All work shall be coordinated with any other construction or other work in the Project in order not to adversely affect construction work being performed by or for Landlord or its tenants.
- d. Tenant shall use only new, first-class materials, except where explicitly shown in the plans approved by Landlord. All work shall be done in a good and workmanlike manner. Tenant shall obtain

contractors' warranties of at least one (1) year duration from the completion of the work against defects in materials and workmanship.

e. At Tenant's expense, Tenant shall engage the services of an on-site Project manager approved in advance by and reasonably acceptable to Landlord, who will be charged with the task of performing daily supervision of the work. Such on-site manager shall be familiar with the Rules and Regulations, the Contractor Rules and Regulations and the construction procedures for the Project and all personnel of the Project engaged directly or indirectly in the management, operation and construction of the Project. Such on-site Project manager shall be accountable and responsible to Tenant and to Landlord and, where necessary, shall serve as a liaison between Landlord and Tenant with respect to the work.

f. Tenant shall pay to Landlord a percentage of the cost of any tenant work (such percentage, which shall vary depending upon whether or not Tenant orders the work directly from Landlord, to be established by Landlord on a uniform basis for the Project) sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's supervision of or involvement with such work.

8. As-Built Plans and Specifications. Immediately after completion of any work on the Premises by Tenant, Tenant shall deliver to Landlord "as-built" plans and specifications (including all working drawings) for the work.

9. Rules. All construction work shall be performed in conformity with the Contractor Rules and Regulations set forth in Exhibit D-2. Landlord shall have the right to order Tenant or any of Tenant's contractors who violate the requirements imposed on Tenant or Tenant's contractors in performing work to cease work and remove its equipment and employees from the Project.

B. INITIAL BUILD-OUT.

1. Definitions.

a. "Approved Working Drawings" shall have the meaning set forth in Exhibit D-1.

b. "Tenant Improvements" shall mean the improvements to the Premises set forth in Exhibit D-1, if any, and "Restroom Work" shall mean a remodeling of restrooms located in the Common Area on the first (1st) floor of the building in which the Premises are located, in order to modernize such restrooms and cause them to comply with applicable Laws.

c. "Total Construction Costs" shall mean the entire cost of constructing the Tenant Improvements and the Restroom Work, including space planning and preparation of the Approved Working Drawings, labor and materials, electrical and other utility usage during construction, additional janitorial services, trash removal, general tenant signage, related taxes and insurance costs, the fees of any construction managers and any administrative fee to Landlord, as the same may increase as a result of any change orders.

2. Total Construction Costs Deposit.

a. All Tenant Improvements and the Restroom Work shall be deemed Landlord's property.

b. Upon the later to occur of Tenant's execution of this Sublease or the date the Total Construction Costs have been determined by Landlord, Tenant shall deliver to Landlord cash in the amount equal to the Total Construction Costs (the "Total Construction Costs Deposit"). In the event that after Tenant's execution of this Sublease, any revisions, changes, or substitutions shall be made to the Approved Working Drawings, the Tenant Improvements or the Restroom Work, Tenant shall pay any additional costs that arise in connection with such revisions, changes or substitutions to Landlord immediately upon Landlord's request as an addition to the Total Construction Costs Deposit. Tenant shall not commence construction of the Tenant Improvements or the Restroom Work unless and until the Total Construction Costs Deposit has been delivered to Landlord.

d. Landlord shall pay the Total Construction Costs Deposit directly to Tenant's contractors in two (2) installments: one-half (1/2) upon written certification by Landlord's construction manager that the work is fifty percent (50%) complete; and the balance upon receipt by Landlord of lien waivers and a final certificate of occupancy for the Premises. It shall be a condition to the obligation of Landlord to make such disbursements that Tenant shall have provided Landlord with appropriate requests for payment, invoices, contractors' affidavits and sworn statements, contractors' and subcontractors' lien waivers, and other documents as may be reasonably required (i) by Landlord to demonstrate the correctness of the amount requested by Tenant; and (ii) to satisfy any other conditions (including, without limitation, that Tenant demonstrate that it has sufficient funds in addition to the Total Construction Costs Deposit to complete the work) as may be reasonably imposed by Landlord. It shall be a condition of the final disbursement of the Total Construction Costs Deposit that Tenant establishes that all costs for the work have been paid in full, except for the costs to be covered by such final disbursement.

3. Miscellaneous.

a. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until Landlord approves the document.

EXHIBIT D-1

TENANT IMPROVEMENT WORK

1. Preparation of Working Drawings.

a. Landlord has established specifications for the Project standard components to be used in the construction of the Tenant Improvements and the Restroom Work (the "Specifications"), which Landlord shall supply to Tenant. The quality of Tenant Improvements and the Restroom Work shall be equal to or of greater quality than the quality of the Specifications.

b. Tenant shall retain an architect/space planner approved by Landlord ("Architect") to prepare the construction drawings for the Tenant Improvements and the Restroom Work. The plans and drawings to be prepared by Architect and the Engineer hereunder shall be known collectively as the "Working Drawings." All Working Drawings shall comply with the drawing format and specifications as determined by Landlord. It shall be the responsibility of Tenant and Architect to verify, in the field, the dimensions and conditions as shown on the relevant portions of the base Project plans.

c. On or before the date set forth in Schedule 1, attached hereto Tenant and the Architect shall prepare the final space plan for Tenant Improvements in the Premises and the Restroom Work (collectively, "Final Space Plans"), which Final Space Plans shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein, and shall deliver the Final Space Plans to Landlord for Landlord's approval. Notwithstanding anything to the contrary contained in this Sublease, if Landlord and Tenant do not agree in writing upon the Final Space Plans for the initial improvements to the Premises within thirty (30) days after the execution of this Sublease, then Landlord shall have the right to terminate this Sublease by written notice to Tenant given within 10 days after the expiration of such thirty (30) day period.

d. On or before the date set forth in Schedule 1, Tenant and the Architect shall complete the architectural and engineering drawings for the Premises, and the final architectural working drawings in a form that is sufficient to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, "Final Working Drawings") and shall submit the same to Landlord for Landlord's approval.

e. Landlord must have approved the Final Working Drawings ("Approved Working Drawings") prior to the commencement of the construction of the Tenant Improvements and the Restroom Work.

f. Upon receipt of Landlord's approval, Tenant shall immediately submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary for the Tenant Improvements and the Restroom Work ("Permits"), and, in connection therewith, Tenant shall coordinate with Landlord in order to allow Landlord, at its option, to take part in all phases of the permitting process. Tenant shall supply Landlord, as soon as possible, with all plan check numbers and dates of submittal. Tenant shall obtain the Permits on or before the date set forth in Schedule 1. Neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that the obtaining of the same shall be Tenant's responsibility; provided however that Landlord shall, in any event, cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any Permits.

2. Bids. Tenant shall solicit bids from contractors approved by Landlord for the construction of the Tenant Improvements and the Restroom Work in accordance with the Approved Working Drawings, which bids shall include, as nearly as possible, the cost of the Total Construction Costs to be incurred by Tenant in connection with the Tenant Improvements and the Restroom Work and a schedule for completion (the "Cost Proposal"). Based upon the Cost Proposals submitted by approved contractors, Tenant shall notify Landlord of the Cost Proposal approved by Tenant and the contractor selected. Tenant's approval of the Cost Proposal shall be deemed approval of the Excess Costs resulting therefrom.

3. Construction. Tenant shall retain a contractor, on behalf of Tenant, to construct the Tenant Improvements in accordance with the Approved Working Drawings and the Cost Proposal. Tenant shall proceed with its work expeditiously, continuously and efficiently, and shall use its best efforts to complete the same on or

before October 1, 2011. Tenant shall notify Landlord upon completion of the Tenant Improvements, and shall, at its expense, obtain and deliver to Landlord a certificate of occupancy from the appropriate governmental authority for the Premises. All construction to be performed by or on behalf of Tenant shall be subject to the General Conditions set forth in Exhibit D, including, without limitation, the insurance requirements relating to Tenant's contractors.

4. Time Deadlines. Tenant shall use its best, good faith, efforts and all due diligence to cooperate with the Architect, the Engineers, and Landlord to complete all phases of the working drawings and the permitting process and to receive the Permits, and to approve the Cost Proposal, as soon as possible after the execution of the Sublease, and, in that regard, shall meet with Landlord on a scheduled basis to be determined by Landlord, to discuss Tenant's progress in connection with the same. The applicable dates for approval of items, plans and drawings in this Tenant Work Letter are set forth and further elaborated upon in Schedule 1 ("Time Deadlines"), attached hereto. Tenant agrees to comply with the Time Deadlines.

Notwithstanding anything to the contrary in this Lease, if Tenant has not completed the Restroom Work on or before April 30, 2012, then, in addition to all other remedies available to Landlord under this Lease, Landlord shall have the right (but not the obligation) to terminate this Lease upon five (5) days written notice to Tenant.

SCHEDULE 1 TO EXHIBIT D-1

TIME DEADLINES

Dates	Actions to be Performed
A. Within fifteen (15) days of the full execution and delivery of this Sublease.	Final Space Plans to be completed by Tenant and delivered to Landlord.
B. Within ten (10) days of Landlord's approval of the Final Space Plans.	Tenant to deliver Final Working Drawings to Landlord.
C. Within thirty (30) days of Landlord's approval of the Final Working Drawings.	Tenant to obtain Permits.
D. Five (5) Business Days after Tenant's receipt of the Cost Proposal.	Tenant to approve Cost Proposal.
E. Five (5) Business Days after receipt of Permits.	Tenant to commence Tenant Improvements and the Restroom Work.
F. October 1, 2011.	Tenant to complete construction and deliver certificate of occupancy to Landlord.

6. Radios or other excessive noise are not permitted.
7. The use of toxic materials or odor-causing liquids must be scheduled with Landlord in advance and prior notice must be given to the tenants adjacent to the job site.
8. All non-job site areas are to be kept clean and dust free. No material residue shall be tracked through corridors or public areas.
9. Contractor Parties shall ensure the job site is left clean and secure at the completion of each work day. Trash and excess materials shall (a) not remain on, in, or at the job site; (b) be disposed of in bins or by truck promptly; (c) not be staged in storage at the job site in any public or adjacent areas; and (d) shall not be disposed of in the Project's trash receptacles.

EXHIBIT D-2

CONTRACTOR RULES AND REGULATIONS

1. Contractor Parties will display a courteous demeanor towards tenants, customers, visitors and general public. No Contractor Parties shall remain in the Project after work hours.

2. All Contractor Parties shall clean the job site after meals are eaten. Alcoholic beverages and drugs are not to be brought into, or consumed in the Project. Personnel appearing to be under the influence of either alcoholic beverages or drugs will not be allowed into the Project.

3. Parking for all personnel must be arranged prior to commencement of work, and will be provided in designated areas only. Vehicles in unapproved areas will be subject to citation and towing without notice. Any parking charges are the sole responsibility of the Contractor Parties.

4. All materials are to be stored at the job site or in designated storage areas. No materials are to be stored in corridors or in public areas. Landlord may provide minimum secured storage for materials with prior arrangement.

5. All work areas are to be visually and materially protected from the tenants and general public. If required by Landlord, the job site shall be sealed off from the balance of the adjoining space so as to minimize the disbursement of dirt, debris and noise.

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EXHIBIT E

RULES AND REGULATIONS

1. The sidewalk, entrances, passages, courts, vestibules, corridors and halls shall not be obstructed or encumbered by any Tenant or used for any purposes other than ingress and egress to and from the Premises.
2. No awnings or other projections shall be attached to the outside walls of the Premises without the prior consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any windows or doors of the Premises, without written consent of Landlord.
3. No sign, signal, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any Tenant on any part of the outside of the Premises without the prior written consent of Landlord. In the event of the violation of the foregoing by any Tenant, Landlord may remove same without any liability and may charge any expense in such removal to the tenants violating this rule.
4. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Premises shall not be covered or obstructed by any Tenant, nor shall any bottles, parcels or other articles be placed on the window sills.
5. No showcases, sales tables, merchandise displays, signs or other articles shall be put in front of or affixed to any part of the exterior of the Premises, nor placed in the halls, common passageways, corridors or vestibules without the prior written consent of Landlord.
6. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed and no sweepings, rubbish, rags or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.
7. No Tenant shall cause or permit any unusual or objectionable odors to be produced upon or leased from its premises.
8. No space in the Project shall be used for the sale of merchandise, goods or property of any kind at auction.
9. No Tenant shall make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of the Project or those having business therein, whether by the use of any musical instruments, amplified sound, unmusical noise, whistling, or singing, or in any other way. No Tenant shall throw anything out of the doors, windows, or skylights down the passageways.
10. All boxes must be broken down flat before being placed in special cardboard bins (or dumpsters). All plastic bags, wrapping paper, loose materials, etc., must be secured in boxes or tied in bags prior to emptying into dumpster.
11. Garbage and refuse shall be kept in the kind of container specified by Landlord and shall be placed at the location within the Project designated by Landlord for collection at the time specified by Landlord from time to time. Tenant shall pay the commercially reasonable cost of removal of garbage and refuse. Tenant shall store soiled or dirty linen in approved fire rating organization containers. Each tenant shall comply with any and all Laws regarding recycling.
12. Tenant shall use, at Tenant's commercially reasonable cost, a pest extermination contractor at such intervals as Landlord may require and designate from time to time.
13. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purposes.

14. All deliveries or shipments of any kind to and from the Premises, including loading and unloading of goods, shall be made only by way of the rear of the Project or at any other location designated by Landlord, and only at such time as may be designated for such purpose by Landlord.

15. Canvassing, soliciting and distribution of handbills other than in the Premises is prohibited.

16. Upon the termination of this Sublease, Tenant shall deliver to Landlord all keys to the Premises, and all keys and/or combinations to any safes, closets or other lockable permanent fixtures installed in the Premises.

17. No animals (except for service animals) shall be brought or kept in the Premises or the Building.

18. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Project of any person in the case of invasion, mob, riot, public excitement, or other circumstances rendering such action advisable in Landlord's opinion. Landlord reserves the right to prevent access to the Project during the continuance of the same by such action as Landlord may deem appropriate, including closing doors.

19. No tenant shall install any radio or television antenna, loudspeaker, or other device on the roof or exterior walls of the Project without prior consent of Landlord. No TV or radio or recorder shall be played in such a manner as to cause a nuisance to any other tenant.

20. Tenant shall not install any artwork that could give an artist or any other party a right under applicable Law to prevent removal of the same.

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

22. The requirements of each Tenant will be attended to only upon application at the office of Landlord. Landlord's employees shall not perform any work or do anything outside of their regular duties, unless under special instructions from the office of Landlord.

23. Provided Landlord acts in good faith pursuant to sound operating procedures, Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Project.

24. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the agreements, covenants, conditions, and provisions of any Sublease of premises in the Project.

25. Landlord reserves the right to modify the foregoing and promulgate such other rules and regulations as Landlord may from time to time decide are needed for the safety, care or cleanliness of the Project, for the preservation of good order therein, or as changed conditions or particular circumstances may require.

EXHIBIT F

INTENTIONALLY OMITTED

EXHIBIT G

**MINIMUM SERVICES REQUIRED FOR
HVAC EQUIPMENT MAINTENANCE CONTRACT
INCLUDING ROOF TOP, FAN COILS AND EXHAUST SYSTEM**

Tenant will provide a minimum of (4) inspections per calendar year, conducted by a qualified and licensed contractor approved by Landlord, which will include, at a minimum, the following items:

LUBRICATE MOTORS & BEARINGS AS APPLICABLE.

CHANGE AIR FILTERS QUARTERLY.

CHECK BELTS FOR WEAR. ADJUST TO 1" DEFLECTION.

INSPECT EVAPORATOR & CONDENSING COILS. CLEAN AS REQUIRED.

USE FOAM ACTION CLEANER OF H.P. CLEANER OF 300 psi. MAX.

CLEAN CONDENSATE DRAINS.

INSPECT FAN & COMPRESSOR CONTACTORS FOR ARCING DAMAGE. CLEAN OR REPLACE IF EVIDENCED.

CHECK ATMOSPHERIC BURNERS AND PILOT ASSEMBLY. CLEAN AS REQUIRED.

INSPECT EVAPORATOR & CONDENSER FAN BLADES & WHEELS FOR BALANCED OPERATION & CLEANLINESS. CLEAN AS REQUIRED.

INSPECT REFRIGERANT PIPING & INSULATION FOR DETERIORATION AND EVIDENCE OF REFRIGERANT LEAKAGE.

CHECK THERMOSTAT ACCURACY (+ or - 2°).

CHECK OPERATING PRESSURES, O.A. TEMP., SUCTION, DISCHARGE.

CHECK GENERAL CONDITION OF CABINETRY, DUCTING, CURB FLASHING AND UTILITY OPENING.

VISUALLY INSPECT WHEEL FOR EXCESSIVE DIRT OR GREASE BUILD-UP. CLEAN AS REQUIRED.

CHECK GREASE DRAINS, FIRE DAMPERS & FUSIBLE LINKS (KITCHEN FANS ONLY).

CHECK EXTERNAL MOUNTING PLATES, BOLTS, COVER HOLD-DOWNS FOR FATIGUE OR STRESS CRACKS OR EXCESSIVE VIBRATION.

VISUALLY INSPECT COUPLINGS & SPRINGS FOR FATIGUE OR WATER/OIL LEAKAGE.

VISUALLY INSPECT FOR LEAKAGE, FATIGUE CRACKS & GASKET FAILURE.

PHYSICALLY REMOVE ANY EXTERIOR DIRT ACCUMULATION.

EXHIBIT H

ENVIRONMENTAL DISCLOSURES

Landlord hereby discloses to Tenant that chemicals listed under the California Safe Drinking Water and Toxic Enforcement Act (Proposition 65), are used in building materials, and in products used to maintain the Property, and are emitted as a result of the activities of tenants and guests. In addition, other listed chemicals are present in some of the building materials, in products used to maintain the Property, and are emitted as a result of the activities of tenants and guests. In accordance with Proposition 65, the following warning is provided:

WARNING

THIS BUILDING CONTAINS CHEMICALS KNOWN TO THE STATE OF CALIFORNIA TO CAUSE CANCER, AND BIRTH DEFECTS AND OTHER REPRODUCTIVE HARM. THESE CHEMICALS ARE CONTAINED IN SOME BUILDING MATERIALS, IN SOME OF THE PRODUCTS AND MATERIALS USED TO MAINTAIN THE PROPERTY, AND IN EMISSIONS, FUMES, AND SMOKE FROM TENANT AND GUEST ACTIVITIES.. DISTURBANCE OF OR DAMAGE TO INTERIOR SURFACES OF THE BUILDING MAY INCREASE THE POTENTIAL FOR EXPOSURE TO THESE SUBSTANCES.

(CALIFORNIA HEALTH AND SAFETY CODE §25249.5 ET SEQ.)

Tenant acknowledges that Landlord has advised Tenant that the Building contains or, because of its age, is likely to contain asbestos-containing materials ("ACMs"). If Tenant undertakes any alterations, additions, or improvements to the Premises, as permitted by Article 11 of the Sublease, Tenant shall, in addition to complying with the requirements of Article 11, undertake the alterations, additions, or improvements in a manner that avoids disturbing any ACMs present in the Building. If ACMs are likely to be disturbed in the course of such work, Tenant shall encapsulate or remove the ACMs in accordance with an approved asbestos-removal plan and otherwise in accordance with all applicable Environmental Laws, including giving all notices required by California Health and Safety Code Sections 25915-25919.7.