

CONSENT TO SUBLEASE AGREEMENT

THIS CONSENT TO SUBLEASE AGREEMENT ("Consent") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), HOUSE OF HOSPITALITY ASSOCIATION, INC. ("HOUSE"), and SCHOOL IN THE PARK, SAN DIEGO STATE UNIVERSITY FOUNDATION (SCHOOL) to be effective upon execution by CITY (the "Effective Date") and approval by the San Diego City Attorney, as follows:

RECITALS

- A. HOUSE is the "LESSEE," under that certain LEASE AGREEMENT dated September 8, 1997, as amended, filed as document No.RR-289141 in the Office of the City Clerk of CITY, by and between CITY, as Lessor, and HOUSE OF HOSPITALITY ASSOCIATION, INC. ("Master Lease"), relating to certain real property ("Master Lease Property") more particularly described in Section 9.1, Legal Premises – Exhibit A, of the Master Lease.
- B. The Master Lease requires CITY'S consent to any sublease of the Master Lease Property.
- C. SCHOOL has executed that certain Rental Agreement dated December 5, 2008, whereby, subject to CITY'S consent, HOUSE subleases to SCHOOL and SCHOOL subleases from HOUSE a portion of the Master Lease Property ("Sublease Premises") located on the Master Lease Property and more fully described in the HOUSE Sublease, attached hereto as Exhibit A.
- D. Under the terms of this Consent, CITY will consent to the HOUSE Sublease.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

- 1. **Subordination.** The HOUSE Sublease is and shall be subordinate to the Master Lease. CITY shall not be bound by any term or condition in the HOUSE Sublease which in any way conflicts with CITY'S rights or increases CITY'S obligations under the Master Lease. Any conflict between the Master Lease and the HOUSE Sublease shall be construed or resolved in favor of the Master Lease. SCHOOL acknowledges and agrees that its rights and obligations as "LESSEE" under the HOUSE Sublease are subject and subordinate to the terms and conditions of this Consent and the Master Lease.
- 2. **Master Lease Provisions.** Without releasing HOUSE of any obligation, SCHOOL additionally assumes and shall perform the obligations of "LESSEE" under the Master Lease as and to the extent such obligations are applicable to the Sublease

Premises or SCHOOLS'S use of any common area within the Master Lease Property.

3. Use. SCHOOL'S use shall be for offices, storage and related uses for Balboa Park activities and projects; and no other purposes and shall comply at all times to the Master Lease.
4. Indemnification. HOUSE and SCHOOL, jointly and severally, shall defend, indemnify, protect, and hold CITY, its elected officials, officers, representatives, agents and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including without limitation any injury to HOUSE'S or SCHOOL'S officers, employees, agents, invitees, guests, subtenants or licensees, which arise out of or are in any manner directly or indirectly connected with the Sublease, SCHOOL'S use of or operations on the Master Lease Property, the condition of the Sublease Premises, or from any act or omission of SCHOOL or any of his employees, agents, invitees, guests, subtenants or licensees; provided, however, this duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence, or sole willful misconduct of CITY, its elected officials, officers, representatives, agents or employees.
5. Subsequent Sublease. This Consent does not constitute consent to any subsequent subletting of any portion of the Master Lease Property, and does not relieve SCHOOL, or any person claiming under or through either of them of the obligation to obtain CITY'S consent to any future sublease.
6. Brokerage Commission. CITY shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the HOUSE Sublease or this Consent. HOUSE and SCHOOL shall jointly and severally protect, defend, indemnify, and hold CITY harmless from and against any claim for any brokerage commission or finder's fee related to the consummation of the HOUSE Sublease or 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.
7. San Diego's Strong Mayor Form of Governance. The Master Lease shall be amended by adding the following section:

All references to "City Manager" in this lease and all subsequent amendments to this lease shall be deemed to refer to "Mayor." This section became effective on January 1, 2006, and shall remain in effect for the duration of the time period that the City operates under the mayor-council (commonly referred to as "strong mayor") form of governance pursuant to Article XV of the City of San Diego City Charter.

8. No Further Modification of Master Lease or HOUSE Sublease. Except as provided herein, this Consent shall not be deemed or construed to modify, waive, impair, or affect any of the terms or conditions of the Master Lease or the HOUSE Sublease.
9. Controlling Law. The terms and conditions of this Consent shall be construed in accordance with the laws of the State of California.
10. Captions. Captions to the sections of this Consent are included for convenience only and do not modify any of the terms of this Consent.
11. Entire Agreement. This Consent constitutes the entire statement of the agreement of the parties pertaining to the amendment of the Master Lease and CITY'S consent to the HOUSE Sublease, and is binding on and inures to the benefit of the parties' respective heirs, representatives, successors and assigns. No party has been induced to enter into this Consent by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Consent. No modification of the terms or conditions of this Consent shall be effective unless made in a writing that expressly states that it modifies this Consent, and signed by the parties hereto.
12. Attorney Fees. If any party commences litigation against any other party for the specific performance of this Consent, for damages for the breach of the terms and conditions of this Consent, or otherwise for any remedy and the enforcement thereof, the prevailing party shall be entitled to recover from the non-prevailing party its costs and reasonable attorney fees incurred.
13. Notice. Any notice required or permitted to be given to any party hereto shall be given in accordance with the provisions of the Master Lease, and if to SCHOOL, addressed to:
- SCHOOL IN THE PARK
SAN DIEGO STATE UNIVERSITY
5250 CAMPINILE DRIVE
SAN DIEGO, CA 92182
14. Authority. Each individual executing this Consent on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Consent on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Consent is binding upon such person or entity in accordance with its terms. Each person executing this Consent on behalf of another person or legal entity shall provide CITY with evidence, satisfactory to the City Manager, that such authority is valid and that such entity is a valid, qualified corporation, limited liability company, partnership, or other

unincorporated association in good standing in its home state and that such entity is qualified to do business in California.

15. Waiver. Any failure by City to exercise its rights, or insist upon strict performance of any obligation under this Consent, in one or more instances, shall not be construed as a waiver thereof, and the same shall remain in full force and effect.
16. CITY'S Consent. Subject to the terms and conditions of this Consent, CITY hereby consents to the HOUSE Sublease.

IN WITNESS WHEREOF, the parties hereto execute this Consent to be effective as of the Effective Date.

Date: 10.01.09

HOUSE OF HOSPITALITY ASSOCIATION,
INC.

BY: [Signature]
Name & Title: David Kinney, Director

SCHOOL IN THE PARK, SAN DIEGO STATE
UNIVERSITY FOUNDATION.

Date: 10/30/09

[Signature]

Norma E. Clark, Director
Facilities Planning and Management

Effective Date: 11/13/09

THE CITY OF SAN DIEGO,
a California municipal corporation

BY: [Signature]
Name & Title: _____

APPROVED AS TO FORM AND LEGALITY:

Date: 11/25/09

JAN I. GOLDSMITH, City Attorney

BY: [Signature]
Shannon Thomas, Deputy City Attorney

PP/cb

09-15-09

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EXHIBIT A

RENTAL AGREEMENT

This Rental Agreement (this "Agreement") is made as of December 5, 2008, by and between the HOUSE OF HOSPITALITY ASSOCIATION, INC., A CALIFORNIA NONPROFIT CORPORATION ("LANDLORD") and SCHOOL IN THE PARK, SAN DIEGO STATE UNIVERSITY FOUNDATION ("TENANT").

1. PREMISES

LANDLORD hereby subleases to TENANT and TENANT hereby subleases from LANDLORD, on the terms and conditions hereinafter set forth, that certain real property commonly known as Suites No. 4 and 16 of the House of Hospitality, located in Balboa Park, San Diego, California (the "Premises") as described in Exhibit A.

2. SUBORDINATION

This Agreement is a sublease of a portion of the premises covered by that certain Nonprofit Lease dated as of September 8, 1997, Document No. RR-289141, between the City of San Diego (the "City"), as landlord, and LANDLORD, as tenant (the "Master Lease"). This Agreement is subject and subordinate to all of the covenants and conditions of the Master Lease notwithstanding any provision hereof contrary to or in conflict with the Master Lease.

3. TERM

The term of this Agreement shall be for 12 months, commencing on January 1, 2009, ("Commencement Date"), and terminating on December 31, 2009 ("Termination Date"), unless sooner terminated as hereinafter provided. TENANT may, at TENANT's option, extend the initial term of this Lease for five (5) periods of one (1) year, (each such period referred to as an "Extension Term"), subject to all the provisions of this Lease, except for any further extensions of the Term. The Extension Term shall commence at the expiration of the Initial Term, or the previous Extension Term, as the case may be, and shall terminate on the last day prior to the first anniversary of the date of commencement of the Extension Term, unless sooner terminated as provided herein. At least ninety (90) days before the last day of the Initial Term or the current Extension Term, as the case may be, TENANT shall give LANDLORD written notice irrevocably exercising the option.

4. RENT

TENANT shall pay to LANDLORD the sum of \$1.05 per foot per month, in advance, on the first day of each month during the term of this Agreement, as monthly rent for Suite 4 and \$.66 per foot per month for Suite 16. Rent shall be payable without notice or demand and without any deduction, off-set or abatement in lawful money of the United States to LANDLORD at the address stated herein for notices or to such other persons or such other places as LANDLORD may designate to TENANT in writing. The monthly total shall be \$778.50.

The rent shall be adjusted on each anniversary of the commencement date of this Agreement ("Adjustment Date") to reflect any upward change in the Index, as defined below. The adjustment shall be calculated by multiplying the rent in effect as of the commencement date by a fraction, the numerator of which shall be the Index most recently published prior to the Adjustment Date and the denominator of which shall be the Index most recently published prior to the commencement date. In no event shall the rent for any subsequent year be reduced below the rent for the year immediately preceding the Adjustment Date. Notwithstanding the foregoing, however, in no event shall the increase to monthly rent provided above in this section 4 be greater than five percent (5%) of the rent payable for the month immediately preceding the applicable adjustment date. LANDLORD shall give written notice to TENANT indicating the amount of the adjustment and manner of computation of same as soon as the information becomes available to LANDLORD. Delay in notification of the amount of adjustment shall not affect TENANT's obligation to pay the rent as

previously adjusted or the amount of increase, if any, immediately upon receipt of notification of same. For purpose of this paragraph, the Index shall be the Consumer Price Index for all Urban Consumers (All Items) - for Los Angeles, Long Beach and Riverside, based on the period 1982-84 = 100 as published by the U.S. Department of Labor, Bureau of Labor Statistics (the "Index"). If the Index is calculated from a base different from the base period 1982-84 = 100, the base figure used for calculating the adjustment percentage shall first be converted under a formula supplied by the Bureau of Labor Statistics. If the Index shall no longer be published, another index generally recognized as authoritative shall be substituted by LANDLORD.

5. USE; ACCEPTANCE

TENANT shall use the Premises solely for the following purpose and for no other purpose without LANDLORD's prior written consent: offices, storage, and related uses for Balboa Park activities and projects.

TENANT shall not do, bring or keep anything in or about the Premises that will cause a cancellation of any insurance covering the Premises or the House of Hospitality. If the rate of any insurance carried by LANDLORD is increased as a result of TENANT's use, TENANT shall pay to LANDLORD within ten (10) days after written demand from LANDLORD, the amount of any such increase. TENANT shall comply with all laws, rules, and regulations relating to the condition, use, or occupancy of the Premises by TENANT during the term of this Agreement. TENANT shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance or which shall unreasonably disturb any other tenant. TENANT shall not use the Premises for the sale of intoxicating liquors nor allow intoxicating liquors to be consumed on the Premises or any portion thereof, without the prior written consent of LANDLORD and without first obtaining an approved policy of insurance for such purpose. TENANT shall not serve foods or drinks from the Premises other than light refreshments, or permit the Premises or any portion thereof to be used for the service of any foods or drinks other than light refreshments, without the prior written consent of LANDLORD.

TENANT shall not allow the release of hazardous substances in violation of any law or regulation in, on, under, or from the Premises. A release shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, or otherwise disposing of hazardous substances. "Hazardous substances" shall mean those hazardous substances listed by the Environmental Protection Agency in regularly released reports and any other substances incorporated into California's list of hazardous substances. A copy of the presently effective EPA and California lists are on file in the Office of the City Clerk as Document 769704-1 and by this reference incorporated herein. In the event of any release of a hazardous substance due to TENANT'S operation on premises, TENANT shall be responsible for all costs of remediation and removal of such substances in accordance with all applicable rules and regulations of governmental authorities. TENANT agrees to assume the defense of, indemnify, and hold LANDLORD and the City harmless from any and all claims, costs, and expenses related to environmental liabilities to the extent resulting from TENANT'S operations on the Premises, including but not limited to costs of environmental assessments, cost or remediation and removal, any necessary response costs, damages for injury to natural resources or the public, and costs of any health assessment or health effect studies. Notwithstanding the foregoing, however, TENANT's obligation to indemnify LANDLORD and the city shall not apply to any claim to the extent arising from or in connection with any negligent or intentional conduct of the indemnified party or of any agent, contractor, employee or invitee of such party.

TENANT shall be required to abide by the omnibus drug legislation passed by United State's Congress on November 18, 1988, by adopting and enforcing a policy to maintain a drug-free workplace by doing all of the following:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances are prohibited on the Premises and specifying the actions that will be taken against employees for violations of the prohibition.
- (b) Establishing a drug-free awareness program to inform employees about all of the following:
 - (i) The dangers of drug abuse in the workplace.

- (ii) The TENANT's policy of maintaining a drug-free workplace.
- (iii) Any available drug counseling, rehabilitation, and employee assistance programs.
- (iv) The penalties that may be imposed upon employees for drug abuse violations.

TENANT shall not use or permit others to use the Premises or any portion thereof for political activities as described in the Master Lease.

6. ACCEPTANCE; AS IS CONDITION

LANDLORD warrants to TENANT that as of the Commencement Date the building has been constructed in full compliance with all laws, regulations and ordinances, including, without limitation, laws pertaining to disabled access and laws pertaining to hazardous substances (as defined in Section 5) in order to make the Premises and the building suitable for public use and occupancy. In addition, LANDLORD warrants to TENANT that as of the Commencement Date, the Premises do not contain any hazardous substances. LANDLORD shall be fully responsible for making all alterations and repairs to the building, at its cost and expense, required in order to comply with the Americans with Disabilities Act of 1990, 42 U.S.C. 12101, et seq., as amended, or required to remove any hazardous substances discovered to have existed in the Premises prior to the Commencement Date. Subject to the foregoing warranty, TENANT hereby accepts the Premises in the condition existing as of the date that TENANT possesses the Premises, subject to all applicable city, municipal, county and state laws, ordinances and regulations governing the use of the Premises. TENANT has independently inspected the Premises and made all tests, investigations and observations necessary to satisfy itself of the condition of the Premises, and is relying solely on the same in entering into this Agreement. TENANT hereby acknowledges that neither LANDLORD nor LANDLORD's agents have made any representations or warranties to TENANT as to the suitability of the Premises for the conduct of TENANT's activities and business.

7. ALTERATIONS

TENANT shall have the right to construct on and within the Premises all of the improvements, modifications and additions depicted on the attached Exhibit "C" ("Tenant Improvements") without the obligation to provide a performance bond as provided below. The Tenant Improvements shall include a demising wall separating the Premises from the contiguous suite. TENANT shall not, without LANDLORD's and the City's prior written consent, make any alterations, improvements or additions in or about the Premises. Any such alterations, improvements or additions shall be completed in accordance with the Design Manual for the House of Hospitality. LANDLORD may require TENANT to remove any such alterations, improvements, or additions (but not any portion of the Tenant Improvements) at the expiration of the term of this Agreement, and to restore the Premises to condition existing after construction of the Tenant Improvements by giving TENANT written notice prior to or upon the expiration of the term of this Agreement that LANDLORD requires TENANT to remove any such alterations, improvements or additions. Unless LANDLORD requires their removal, all alterations, improvements or additions which are made on the Premises by TENANT shall become the property of the LANDLORD and remain upon and be surrendered with the Premises at the expiration of the term of this Agreement. Notwithstanding the provisions of this paragraph, TENANT's trade fixtures, furniture, equipment and other machinery, other than that which is affixed to the Premises so that it cannot be removed without material or structural damage to the Premises, shall remain the property of TENANT and shall be removed by TENANT at the expiration of the term.

Before commencing any work relating to the alteration or improvement of the Premises, TENANT shall notify LANDLORD in writing of the expected date of the commencement of such work so that LANDLORD can post and record the appropriate notices of non-responsibility to protect LANDLORD from any mechanic's liens, materialmen's liens, or any other liens. In any event, TENANT shall pay, when due, all claims for labor or material furnished to TENANT or claimed to have been furnished to TENANT or TENANT's agent or contractors in connection with work of any character performed or claimed to have been performed on the Premises by or at the direction of TENANT. TENANT shall have the right to contest the validity of any such lien if, immediately on demand by LANDLORD, TENANT procures and records a lien

release bond meeting the requirements of California Civil Code Section 3143.

Whenever there is any construction to be performed on the Premises, TENANT shall deposit with LANDLORD prior to commencement of said construction, a faithful performance bond in the amount of one hundred percent (100%) of the estimated construction cost of the work to be performed. The bond may be in cash or may be a corporate surety bond or other security satisfactory to LANDLORD. The bond shall insure that the construction commenced by TENANT shall be completed in accordance with the plans approved by LANDLORD and the City or, at the option of LANDLORD, that the uncompleted construction shall be removed and the Premises restored to a condition satisfactory to LANDLORD. The bond or cash will be held in trust by LANDLORD for the purpose specified above or, at LANDLORD's option, it may be placed in an escrow or other trust approved by LANDLORD.

8. INSURANCE

TENANT shall take out and maintain during the term of this Agreement with an insurance carrier acceptable to LANDLORD and the City (a) public liability insurance protecting against loss from public liability arising from the use or condition of, or operations conducted on, the Premises with minimum coverage of \$1,000,000 COMBINED SINGLE LIMIT LIABILITY with minimum coverage of \$250,000. A copy of the policy or policies of insurance shall be filed with LANDLORD and the City and shall name "House of Hospitality Association, Inc." and the "City of San Diego" as additional insureds. Said policy shall specify that the policy may not be terminated, altered or canceled without 30 (thirty) days prior written notice to LANDLORD and to the City by the insurance company.

If TENANT shall fail to procure and maintain such insurance, LANDLORD may, but shall not be required to, procure and maintain the same at the expense of TENANT and the cost thereof, together with interest thereon at the rate of ten percent (10%) per annum, shall become due and payable as additional rent to LANDLORD together with TENANT's next rent installment.

LANDLORD shall be obligated to maintain during the entire term of this Agreement all of the insurance coverage required of lessee in the master lease.

TENANT and LANDLORD each release each other and waive any and all rights of recovery against the other, and against the officers, employees, agents, and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured or is required to be insured by this Agreement. Each party shall cause each insurance policy obtained by it hereunder to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any such policy.

9. INDEMNITY; EXEMPTION FROM LIABILITY

TENANT shall assume the defense of, indemnify and save harmless LANDLORD and the City from all claims, expenses and liability of every nature, to the extent arising from, or alleged to have arisen from, the operations conducted on the Premises, from the condition of the Premises, or from any act or omission of TENANT, its agents and invitees. LANDLORD shall defend, indemnify and hold TENANT harmless from and against any and all claims for damages, expenses and liability to the extent arising from, or alleged to have arisen from, any act or omission of LANDLORD, its agents and invitees.

Except for LANDLORD's negligent conduct, TENANT hereby agrees that LANDLORD and the City shall not be liable for any injury to TENANT's business or loss of income therefrom or for damage to the goods, wares, merchandise, or other property of TENANT, TENANT's employees, invitees, customers or any other person in or about the Premises; nor shall LANDLORD or the City be liable for injury to the person of TENANT, TENANT's employees, agents, contractors, or invitees, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defect of pipes, sprinklers, wires, appliances, plumbing, air-conditioning, or lighting fixtures, or from any other cause, whether such damage results from conditions arising upon the Premises or upon other portions of the House of Hospitality, or from any other sources or places. LANDLORD shall not be liable to TENANT for any

damage arising from any act or neglect of any other tenant of the House of Hospitality.

10. ASSIGNMENT AND SUBLETTING

TENANT shall not voluntarily or by operation of law assign, transfer, sublet, mortgage, or otherwise transfer or encumber all or any part of TENANT's interest in this Agreement or in the Premises without the prior written consent of LANDLORD and the City. Any attempted assignment, transfer, mortgage, encumbrance, or subletting without such consent shall be void and shall constitute a breach of this Agreement. An assignment by operation of law shall automatically terminate this Agreement.

Regardless of LANDLORD's or the City's consent, no subletting or assignment shall release TENANT of TENANT's obligation to pay the rent and to perform all other obligations to be performed by TENANT hereunder for the term of this Agreement. The acceptance of rent by LANDLORD from any other person shall not be deemed a waiver by LANDLORD of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

11. DEFAULT

(a) EVENTS OF DEFAULT

The occurrence of any one or more the following events shall constitute a default and breach of this Agreement by TENANT:

(i) Failure to pay rent when due, if the failure continues for five (5) business days after written notice has been given to TENANT.

(ii) Failure to perform any other provision of this Agreement if the failure to perform is not cured within thirty (30) days after written notice thereof has been given to TENANT by LANDLORD. If the default cannot reasonably be cured within said thirty (30) day period, TENANT shall not be in default under this Agreement if TENANT commences to cure the default within the thirty (30) day period and diligently prosecutes the same to completion.

(iii) The making by TENANT of any general assignment, or general arrangement, for the benefit of creditors; the filing by or against TENANT of a petition to have TENANT adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy unless the same is dismissed within sixty (60) days following the filing of such petition; the appointment of a trustee or receiver to take possession of substantially all of TENANT's assets located at the Premises or of TENANT's interest in this Agreement, where possession is not restored to TENANT within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of TENANT's assets located at the Premises or of TENANT's interest in this Agreement, where such seizure is not discharged within thirty (30) days.

Notices given under this paragraph shall specify the alleged default and the applicable provision of this Agreement and shall demand that TENANT perform the provision of this Agreement or pay the rent that is in arrears, as the case may be, within the applicable period of time. No such notice shall be deemed a forfeiture or a termination of this Agreement unless LANDLORD so elects in the notice.

(b) LANDLORD'S REMEDIES

LANDLORD shall have the following remedies if TENANT commits a default under this Agreement. These remedies are not exclusive but are cumulative and in addition to any remedies now or hereafter allowed by law.

LANDLORD can continue this Agreement in full force and effect, and the Agreement will continue in effect so long as LANDLORD does not terminate TENANT's right to possession, and LANDLORD shall have the right to collect rent when due. During the period that TENANT is in default, LANDLORD can enter the Premises and relet them, or any part of them, to third parties for TENANT's account. TENANT shall be liable

immediately to LANDLORD for all costs LANDLORD incurs in reletting the Premises, including, without limitation, broker's commissions, expenses of remodeling the Premises required by the reletting, costs of repair and like costs. Reletting can be for a period shorter or longer than the remaining term of this Agreement. TENANT shall pay to LANDLORD the rent due under this Agreement on the date the rent is due, less the rent LANDLORD receives from any reletting. No act by LANDLORD allowed by this paragraph shall terminate this Agreement unless LANDLORD notifies TENANT that LANDLORD elects to terminate this Agreement. After TENANT's default and for so long as LANDLORD has not terminated TENANT's right to possession of the Premises, if TENANT obtains LANDLORD's and the City's consent, TENANT shall have the right to assign or sublet its interest in this Agreement, but TENANT shall not be released from liability hereunder. LANDLORD's and the City's consent to the proposed assignment or subletting shall not be unreasonably withheld.

If LANDLORD elects to relet the Premises as provided in this paragraph, any rent that LANDLORD receives from such reletting shall apply first to the payment of any indebtedness from TENANT to LANDLORD other than the rent due from TENANT to LANDLORD; secondly to all costs, including maintenance, incurred by LANDLORD in such reletting; and third, to any rent due and unpaid under this Agreement. After deducting the payments referred to in this paragraph, any sum remaining from the rent LANDLORD receives from such reletting shall be held by LANDLORD and applied in payment of future rent as rent becomes due under this Agreement. In no event shall TENANT be entitled to any excess rent received by LANDLORD. If, on the date rent is due under this Agreement, the rent received from the reletting is less than the rent due on that date, TENANT shall pay to LANDLORD, as additional rent, in addition to the remaining rent due, all costs, including maintenance, that LANDLORD shall have incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

LANDLORD can, at its option, terminate TENANT's right to possession of the Premises at any time. No act by LANDLORD other than giving written notice to TENANT shall terminate this Agreement. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on LANDLORD's initiative to protect LANDLORD's interest in this Agreement shall not constitute a termination of TENANT's right to possession. In the event of such termination, LANDLORD has the right to recover from TENANT the following:

- (i) The worth at the time of award of the unpaid rent which had been earned at the time of the termination of this Agreement;
- (ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after the date of the termination of this Agreement until the time of the award exceeds the amount of such rental loss that TENANT proves could have been reasonably avoided;
- (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of such rental loss that TENANT proves could have been reasonably avoided; and
- (iv) Any other amount necessary to compensate LANDLORD for all detriment proximately caused by TENANT's failure to perform its obligations under this Agreement or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award," as used in (1) and (2) of this paragraph is to be computed by allowing interest at the maximum legal rate. The "worth at the time of the award" as referred to in (3) of this paragraph is to be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one (1%) percent.

If TENANT is in default under the terms of this Agreement, LANDLORD shall have the additional right to have a receiver appointed to collect rent and conduct TENANT's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by LANDLORD to terminate this Agreement.

LANDLORD at any time after TENANT commits a default, can cure the default at TENANT's cost and expense. If LANDLORD at any time, by reason of TENANT's default, pays any sum or does any act that requires the payment of any sum, the sum paid by LANDLORD shall be due immediately from TENANT to LANDLORD at the time the sum is paid, and if paid at a later date shall bear interest at ten percent (10%) per annum from the date the sum is paid by LANDLORD until LANDLORD is reimbursed by TENANT. The sum, together with interest thereon, shall be considered additional rent.

12. SURRENDER

On the last day of the term of this Agreement, or on any sooner termination, TENANT shall surrender the Premises to LANDLORD in good condition, broom clean, ordinary wear and tear excepted. TENANT shall remove all of its fixtures, furnishings and equipment on the Premises, and, if required by LANDLORD, any alterations, improvements and additions made by TENANT to the Premises (except the Tenant Improvements), prior to the expiration of the term of this Agreement. If TENANT fails to surrender the Premises to LANDLORD on the expiration of this Agreement as required by this paragraph, TENANT shall hold LANDLORD harmless from all damages resulting from TENANT's failure to vacate the Premises, including, without limitation, claims made by any succeeding tenant resulting from TENANT's failure to surrender the Premises.

13. HOLDING OVER

If TENANT, with LANDLORD's and the City's consent, remains in possession of the Premises after the expiration or termination of the term of this Agreement, such possession by TENANT shall be deemed to be a tenancy from month-to-month at a rent in the amount of the last monthly rent plus all other charges payable hereunder, and upon all other provisions of this lease.

14. SUCCESSORS AND ASSIGNS

The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto, their heirs, personal representatives, successors and assigns.

15. NOTICES

Whenever under this Agreement a provision is made for any demand, notice or declaration of any kind, it shall be in writing and served either personally or sent by registered or certified United States mail, postage prepaid, addressed at the addresses as set forth below:

TO LANDLORD AT: House of Hospitality Association, Inc.

1549 El Prado
Balboa Park
San Diego, Ca. 92101
(619) 232-2053

TO TENANT AT : School in the Park
San Diego State University
5250 Campanile Drive
San Diego, CA 92182

Such notice shall be deemed to be received when served, if personally served, and upon the expiration of forty-eight (48) hours from the time of mailing, if mailed as provided for in this paragraph.

16. LANDLORD'S RIGHT TO INSPECTIONS

LANDLORD and LANDLORD's agent shall have the right to enter the Premises at all reasonable times after twenty-four (24) hours notice to TENANT for the purpose of inspecting same, and making such

alterations, repairs, improvements or additions to the Premises or to the House of Hospitality as LANDLORD may deem necessary or desirable.

17. ATTORNEY'S FEES

In the event of any litigation or arbitration regarding this lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

18. NO WAIVERS

No waiver by LANDLORD of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by TENANT of the same or any other provision. LANDLORD's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of LANDLORD's consent to or approval of any subsequent act by TENANT. The acceptance of rent hereunder by LANDLORD shall not be a waiver of any preceding breach by TENANT of any provision hereof, other than the failure of TENANT to pay the particular rent so accepted, regardless of LANDLORD's knowledge of such preceding breach at the time of its acceptance of such rent.

19. TIME

Time is of the essence with respect to all provisions of this Agreement.

20. SEVERABILITY

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

21. COVENANTS AND CONDITIONS

Each provision of this Agreement performable by TENANT shall be deemed both a covenant and a condition.

22. ADMINISTRATIVE PROCESSING FEE

TENANT understands that this Agreement is subject to prior approval by the City and shall not be effective unless and until the City gives its approval. Upon execution of this Agreement by TENANT, TENANT shall pay to LANDLORD the sum of Three Hundred Ten Dollars (\$310.00) which LANDLORD shall in turn pay to the City as an administrative processing fee.

23. NONDISCRIMINATION

The general public shall not be excluded from the Premises or any portion thereof nor shall TENANT discriminate on the basis of race, color, creed, national origin, ancestry, sex, religious creed, marital status, disability or age in its use of the Premises.

TENANT agrees to comply with the California Government Code, Sections 11135-11139.5; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (the "ADA"); and any other applicable state and federal laws and regulations hereafter enacted protecting the rights of people with disabilities. TENANT's compliance shall include but not necessarily be limited to the following:

(a) TENANT shall not discriminate against qualified persons with disabilities in any aspects of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment.

(b) No qualified individual with a disability may be excluded on the basis of disability from participation in, or be denied the benefits of, services, programs, or activities of TENANT.

(c) TENANT shall post a statement addressing the requirements of the ADA in a prominent place at the work site.

(d) Where required by law, TENANT shall comply with the City's disabled access requirements by bringing up to code and making accessible any areas of the Premises which deny access to disabled persons. All such improvements and alterations shall be at the sole cost of TENANT.

24. RULES AND REGULATIONS

TENANT shall comply with all reasonable rules and regulations promulgated by LANDLORD with respect to the House of Hospitality in effect as of the date of this Agreement. LANDLORD reserves the right to promulgate from time to time reasonable rules and regulations concerning the use and occupancy of the House of Hospitality, subject to such approval of the City as may be required provided that TENANT is given a copy of any such rules and/or regulations prior to the effective date thereof.

25. AUTHORITY

The persons executing this Agreement on behalf of LANDLORD and TENANT, respectively, represent and warrant that they have the authority to execute this Agreement on behalf of LANDLORD and TENANT, respectively.

IN WITNESS WHEREOF, LANDLORD and TENANT have executed this Agreement as of the day and year first above written.

LANDLORD: HOUSE OF HOSPITALITY ASSOCIATION, INC.

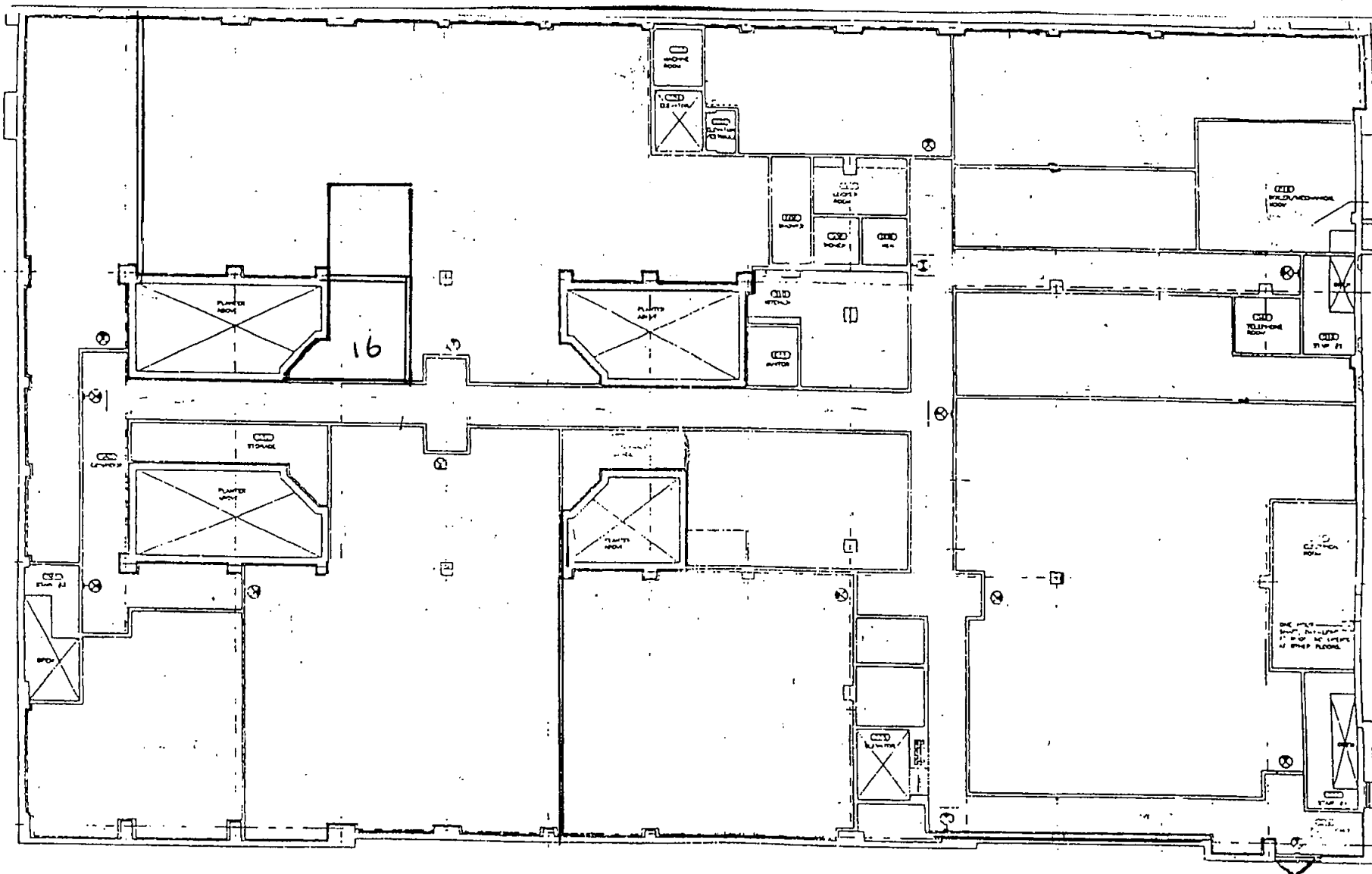
By: [Signature] 12.17.08
Its: Executive Director

TENANT:

By: [Signature] 12/15/08
Its: DIRECTOR, FACILITIES
SAGE Research Foundation

Exhibit A
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suite 16

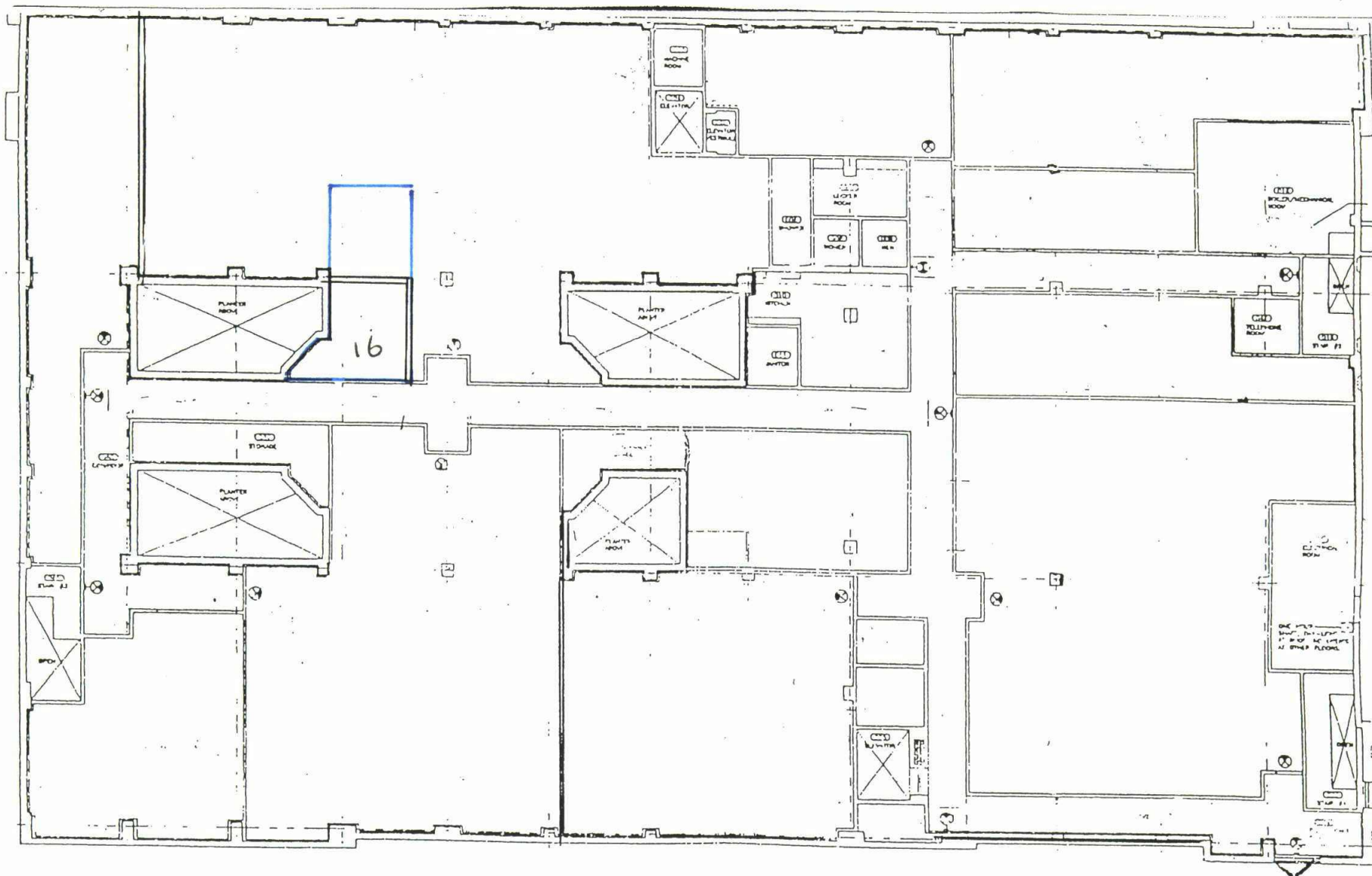
NORTH



Basement - House of Hospitality, Balboa Park

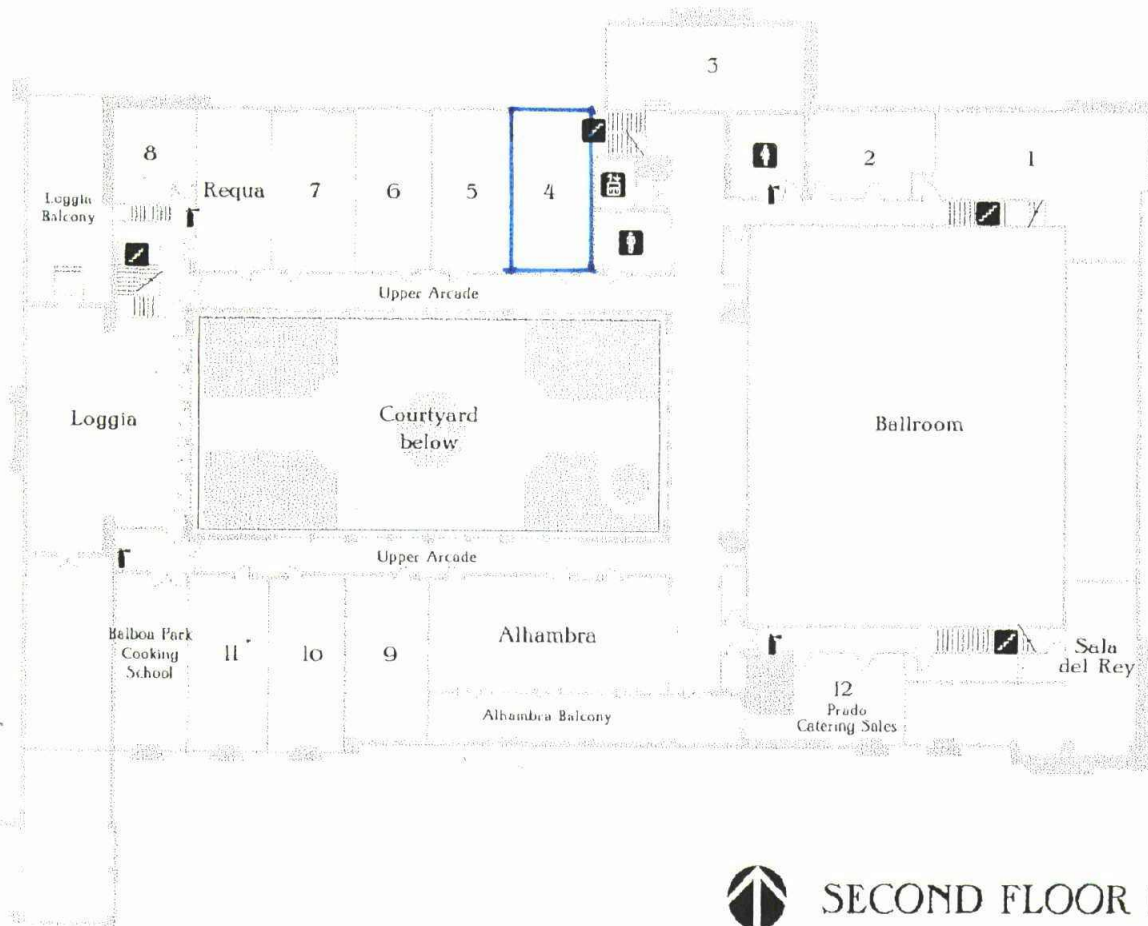
EXHIBIT A
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NORTH



Basement - House of Hospitality, Balboa Park

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Suite 4



SECOND FLOOR PLAN