

LS: Boys + Girls club of SD Inc.

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with

Boys & Girls Club of San Diego, Inc.

(LESSEE) and filed in the Office of the City Clerk as Document RR-279236 , hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR) and

Neighborhood House Association

(SUBLESSEE) dated _____. Said Sublease shall be subordinate to the Master Lease in all respects. The CITY is merely approving the SUBLESSEE and the proposed use, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Sublease. The CITY is not bound by any term or condition in the Sublease which in any way conflicts with or is additional to the provisions of the Master Lease.

In addition, this consent is subject to the following conditions:

LEGAL PROCEEDINGS: Should it become necessary for Lessee or City to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

THE CITY OF SAN DIEGO

Dated 12-4-97

By [Signature]

APPROVED AS TO FORM:

CASEY GWINN, City Attorney

Dated 11/14/97

By [Signature]
Deputy City Attorney

CBK:vms

10/31/97

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SUBLEASE

This **SUBLEASE** (the "Sublease"), dated effective _____, 1997, is made and entered into by and between **THE BOYS CLUBS OF SAN DIEGO, INC.**, a California nonprofit corporation, d.b.a. **BOYS AND GIRLS CLUB OF SAN DIEGO** ("Sublessor") and **NEIGHBORHOOD HOUSE ASSOCIATION, INC.**, a California nonprofit corporation ("Sublessee"), with reference to the following recitals of essential facts.

RECITALS

A. Pursuant to that certain Nonprofit Lease dated on or about December 13, 1992 by and between THE CITY OF SAN DIEGO, a California municipal corporation, as Lessor ("Master Lessor" or "City") and Sublessor, as Lessee (the "Master Lease"), Sublessor leased that certain real property located in the City of San Diego, County of San Diego, State of California (the "Property"), which, together with the improvements thereon, shall be referred to hereafter as the "Premises", as more particularly described on Exhibit "A" attached hereto and by reference incorporated herein. The Master Lease was approved by the City Council of City by resolution number 279236 dated January 6, 1992. A true and correct copy of the Master Lease is attached hereto as Exhibit "B".

B. Sublessee desires to sublease all of the Premises from Sublessor and Sublessor desires to sublease all of the Premises to Sublessee, on the terms and conditions set forth below.

C. Pursuant to Section 4.2 of the Master Lease, Sublessor is granted the right to sublet the Premises only with the prior written consent of the Master Lessor; therefore, the effectiveness of this Sublease is expressly made contingent upon Sublessor's receipt of Master Lessor's written consent, as set forth below.

NOW, THEREFORE, with reference to the foregoing Recitals which are hereby incorporated in and made a part of this Sublease, and for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Sublessor and Sublessee hereby agree as follows:

AGREEMENT

1. Sublease subject to Master Lease. This Sublease is subject to the provisions of the Master Lease, excluding Sections 1.2, 2.3, 2.4, and 7.12 of the Master Lease, and subordinates to the applicable covenants and conditions of the Master Lease. The parties acknowledge that this Sublease does not violate any provision of the Master Lease, and that no provision of this Sublease is in conflict with any provision of the Master Lease.

2. Interpretation. In the event of a conflict between the provisions of this Sublease and those of the Master Lease, the Master Lease shall control. Terms with initial capital letters are defined terms which shall have the respective meanings given them in the Master Lease, unless the context of this Sublease requires otherwise.

3. Sublease of Premises; Possession. Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor the Premises, on the terms and conditions hereinafter set forth and subject to applicable terms and conditions of the Master Lease. The right of possession of the Premises shall vest in Sublessee on the date Sublessor receives all necessary approvals from Master Lessor, and has delivered the fully executed Sublease and the key(s) to the Premises to Sublessee (the "Date of Possession"). Sublessor shall deliver possession of the Premises to Sublessee not later than on Target Commencement Date (as defined below).

4. Term.

4.1 Target Commencement Date. The "Target Commencement Date" means September 9, 1997.

4.2 Consent Date. The "Consent Date" means the date on which Master Lessor consented to this Sublease according to Section 4.2 of the Master Lease.

4.3 Sublease Commencement Date. The initial term of this Sublease (the "Term") shall commence on the date (the "Commencement Date") which is the last to occur of, (i) the Date of Possession, (ii) the Consent Date, or (iii) the Target Commencement Date.

4.4 Expiration. The Term of this Sublease shall expire on January 31, 2002 or whenever the Master Lease terminates, whichever is sooner, subject to Sublessee's exercise of extensions to the Term pursuant to Section 4.5 below.

4.5 Optional Extensions to Term. Subject to Section 2.1 of the Master Lease, Sublessee shall have the right, but not the obligation, to extend the Term of this Sublease by one (1) period of ten (10) years on condition that Sublessee tenders to Sublessor its written notice of intent to exercise such option, in conformity with the terms of Section 28 below, within six (6) months of the expiration of the Term, or in the case of each option period, within six (6) months of the expiration of such option period. Rent during the option periods shall be as set forth in Section 5 hereunder.

5. Rent.

5.1 The consideration for the granting of this lease shall be, (i) rent payable to Sublessor in the sum of Six Hundred Dollars (\$600) per year, payable in equal monthly installments, each in advance, on or before the first day of each and every month, without setoff, deduction or offset of any kind whatsoever (except as expressly permitted hereunder), at the address designated by Sublessor, (ii) Sublessee's continuous operation and maintenance of the Premises at no cost to Sublessor or City, and (iii) Sublessee's payment to a third party agent of the sum of \$800.00 per month to maintain the exterior landscaping at the westerly end of the Property, including the playground area. If the Term commences other than on the first day of a year, or ends other than on the last day of the year, the Rent for such year(s) shall be prorated on a three hundred sixty (360) day basis and the Rent installment(s) for the first and/or last month of the Term shall be prorated on a thirty (30) day basis.

5.2 Rental Abatements. To the extent that Sublessor receives any abatements of Rent under the terms of the Master Lease, then Sublessee shall receive a commensurate abatement of its Rent owing under the terms of this Sublease.

5.3 Late Charge. If Sublessee fails to pay the rent when due, Sublessee will pay in addition to the unpaid rents, five percent (5%) of the delinquent rent. If the rent is still unpaid at the end of fifteen (15) days, Sublessee shall pay an additional ten percent (10%) which is hereby agreed by the parties to be appropriate to compensate Sublessor for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account.

6. Representations and Warranties. Sublessor represents and warrants to Sublessee as follows:

6.1 The Master Lease is in full force and effect and has an original expiration date of January 31, 2002. Sublessor has not received any notice of default from Master Lessor and is not aware of any condition which would, with the passage of time, constitute a condition of default of the terms of the Master Lease. To the best of Sublessor's knowledge, there has been no notice from any relevant governmental authority indicating that the Premises, or any part thereof, either contain any hazardous materials or are in any way a violation of any federal, state or environmental ordinance or law; and

6.2 The electrical system and roof at the Premises are in proper working condition; and

6.3 Sublessor has full corporate authority and power to enter into and perform under the terms of this Sublease.

7. Use of Premises. Subject to Sections 1.8 through 1.10 of the Master Lease, Sublessee shall continuously use and occupy the Premises only for the purposes of a "Head Start Program" and for such other related or incidental purposes as may be first approved by the City Manager and for no other purpose whatsoever.

8. Alteration of Premises. Sublessee shall not make any alterations of the Premises, or any part thereof, without the prior written consent of Sublessor and Master Lessor, which consent will not be unreasonably withheld based on the intended use of the Premises by Sublessee. Any additions to, or alterations of the Premises, except freestanding furniture, shall become at once a part of the realty as provided under the terms of the Master Lease. Sublessee shall keep the Premises free from any liens arising out of any work performed, material furnished, or obligations incurred by Sublessee and shall fully indemnify Sublessor and Master Lessor against all such liens or claims which may ripen into liens and against all attorneys' fees and other costs arising out of any such claim or lien. Sublessee's proposed alterations to the Premises are attached hereto as Exhibit "C" and are incorporated herein by reference.

9. Repairs and Maintenance of Premises.

9.1 By signing this lease, Sublessee represents and warrants that it has independently inspected the Premises and made all tests, investigations, and observations necessary to satisfy itself of the condition of the Premises. Sublessee accepts the Premises in their "AS IS" condition. Throughout the term of this Sublease, Sublessee shall, at its sole cost, make all repairs and replacements necessary to maintain and preserve the Property in a decent, safe, healthy, and sanitary condition satisfactory to Sublessor and City.

9.2 Sublessee shall install a new HVAC system at the Property and maintain a regular maintenance contract for the HVAC system throughout the term of this Sublease.

10. Utilities. All utilities will be installed underground.

11. Indemnity. Sublessee shall indemnify and hold Sublessor, its agents and employees, and City, its agents and employees free and harmless of and from any and all demands, claims, causes of action, fines, penalties, damages (including consequential damages), losses, liabilities, judgments and expenses (including without limitation, attorneys' fees and court costs) incurred in connection with or arising from (except City use or public use, as defined in Sections 1.8 and 1.10 of the Master Lease): (a) the use or occupancy of the Premises by Sublessee or any person claiming under Sublessee; (b) any activity, work or thing done, or permitted or suffered by Sublessee in or about the Premises; (c) any acts, omissions or negligence of Sublessee or any person claiming under Sublessee, or the contractors, agents, employees, invitees, or visitors of Sublessee or any such person; (d) any breach, violation or nonperformance by Sublessee or any person claiming under Sublessee or the employees, agents, contractors, invitees, or visitors of Sublessee or any such person

of any term, covenant or provision of this Sublease or any law, ordinance or government requirement of any kind; or (e) (except for loss of use of all or any portion of the Premises or Sublessee's property located within the Premises which is proximately caused by or results proximately from the negligence of Sublessor or Master Lessor), any injury or damage to the person, property or business of Sublessee, its employees, agents, contractors, invitees, visitors or any other person entering upon the Premises under the express or implied invitation of Sublessee. If any action or proceeding is brought against Sublessor, its employees or agents or against City, its employees or agents by reason of any such claim, Sublessee, upon notice from Sublessor or City, shall defend the claim at Sublessee's expense with counsel reasonably satisfactory to Sublessor or City.

12. Inspection of Premises. Sublessee shall permit Sublessor and/or City and its agents to enter into and upon the Premises at reasonable times for the purpose of inspecting the same or for the purpose of posting notices of nonliability for alterations, additions or repairs.

13. Destruction of Premises. If the Premises shall be damaged or destroyed due to any cause whatsoever, Sublessee shall give immediate notice thereof to Sublessor, and Sublessee shall cause said improvements to be repaired and restored to the same general condition to which same existed immediately prior to the time of the occurrence of said damage or destruction with reasonable diligence, but in no event later than as provided by the Master Lease. All other terms and conditions in the Master Lease pertaining to Waste, Damage or Destruction of Premises, Section 5.3 of the Master Lease, shall apply as if Sublessee was the Lessee under the terms of the Master Lease. Notwithstanding the foregoing, Sublessee shall not be obligated to incur any costs or expenses for repairing or restoring the Premises, and all costs and expenses for repairing or restoring the Premises shall be paid from the trust funds maintained according to Section 18 hereof.

14. Condemnation. The terms and conditions in the Master Lease pertaining to Eminent Domain, Section 4.5 of the Master Lease, shall apply as if Sublessee was the Lessee under the terms of the Master Lease. Specifically, the parties understand and acknowledge that the City of San Diego has targeted the Property as part of a redevelopment portion of the City. In the event that the Property is taken by the City, neither Sublessor nor Sublessee shall have any further obligations to each other under the terms of this Sublease.

15. Encumbrances. The terms and conditions in the Master Lease pertaining to Encumbrances, Section 4.3 of the Master Lease, shall apply as if Sublessee was the Lessee under the terms of the Master Lease.

16. Assignment. Sublessee shall not assign this Sublease, or any interest herein, and shall not sublet the Premises or any part thereof, or suffer any other person (agents and servants of Sublessee excepted) to occupy or use the Premises or any portion thereof without the prior written consent of Sublessor and Master Lessor, which consent shall not be unreasonably withheld. A consent to one

shall any interest therein, be assignable as to the interest of Sublessee, by operation of law, without the written consent of Sublessor. In no event shall any assignment of this Sublease relieve Sublessee of any obligations arising under this Sublease, unless expressly agreed to, in writing, by Sublessor.

17. Waiver. No covenant or condition of this Sublease can be waived except by the written consent of Sublessor. Forbearance or indulgence by Sublessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Sublessee to which the same may apply, and until complete performance by Sublessee of said covenant or condition, Sublessor shall be entitled to pursue any remedy available under this Sublease, by law or in equity.

18. Property Insurance. From and after the Date of Possession, Sublessee, at its own cost and expense, shall keep all buildings, structures and improvements situated on the Premises insured against fire and/or other loss, and all hazards included in extended coverage insurance, to their **full insurable value**, with responsible insurance companies, with any loss payable to Sublessee, Sublessor and City as additional loss payee. Any proceeds from such insurance shall be payable jointly to Sublessee, Sublessor and Master Lessor. The proceeds shall be placed in a trust fund to be reinvested in rebuilding or repairing the Premises. If there is a mortgage or trust deed on the leasehold in accordance with Section 15 hereof, the proceeds may be paid to the approved mortgagee or beneficiary so long as adequate provision reasonably satisfactory to Sublessor and City has been made in each case for the use of all proceeds for repair and restoration of damaged or destroyed improvements on the Premises.

19. Liability Insurance. From and after the Date of Possession, Sublessee shall maintain in force public liability insurance covering the Premises against liability for personal injuries or property damage arising out of the use, occupation or condition of the Premises in the amount of **\$1,000,000** combined single limit with an insurance carrier reasonably acceptable to Sublessor and City. All policies of liability insurance to be maintained by Sublessee shall contain a separate endorsement naming Sublessor and the Master Lessor each as an additional insured. Certificates of Insurance shall be provided to both Sublessor and Master Lessor.

20. Default by Sublessor. In the event Sublessor defaults under the terms of the Master Lease during the Term of this Sublease or any extension to the Term, Sublessee may cure such defaults, and deduct from the amounts owing to Sublessor under this Sublease the costs of such cure.

21. Default by Sublessee. If Sublessee shall abandon the Premises before the end of the Term or any extension, and/or be in default with respect to any obligations, covenants, or agreements to be performed by Sublessee as set forth herein, and if such default is not cured by Sublessee within **ten (10)** days after Sublessor has specifically notified Sublessee in writing of such default (excepting therefrom the event when Sublessee may be in default but has undertaken to cure the default and thereafter diligently pursues the cure to completion), Sublessor may

(exclusive of any rights of forfeiture) exercise any right or remedy provided by law or this Sublease including its election to cure any monetary default not cured by Sublessee within the time frame set forth above and to charge Sublessee the late charge provided in Section 5.3 hereof.

22. Taxes and Assessments. Sublessee shall be obligated to pay its pro rata share of all taxes and assessments, general and special, charges for water, sewer and other public utilities, excises, levies, license and permit fees and all other governmental charges, general and special, ordinary and extraordinary, of any kind and nature whatsoever (hereafter, "Impositions"), which at any time during the Term of this Sublease may be assessed, levied, confirmed, imposed upon, or become due and payable out of or in respect of, or become a lien on, the Premises or any part thereof. The Impositions shall be paid by Sublessee on or before the last day on which payment may be made without penalty or interest; provided, however, that Sublessee may permit any assessment to go to bond and shall pay each installment of principal and interest of such bonds on or before the last day on which payment may be made without penalty. If the bond period of any such assessment shall extend beyond the end of the term of this Lease, Sublessor and Sublessee shall prorate the installments for the period which includes the last day of the Term of this Sublease, and the installments maturing thereafter shall be the responsibility of Sublessor. All taxes becoming a lien upon the Premises during the Term of this Sublease shall be prorated between Sublessor and Sublessee to the first and last day of this Sublease. Upon request by Sublessor, Sublessee shall furnish to Sublessor proof satisfactory to Sublessor of payment of the Impositions.

23. Quiet Enjoyment. Sublessor covenants that Sublessee shall be entitled to quiet enjoyment of the Premises, provided that Sublessee complies with the terms of this Sublease.

24. Assumption. Sublessee expressly assumes and agrees to perform and comply with all the obligations required to be kept or performed by the Lessee under the provisions of the Master Lease with the following exception: The obligation and covenant to pay rent to the Master Lessor required by Section 3 of the Master Lease shall be considered performed by Sublessee to the extent and in the amount rent is paid to Sublessor in accordance with Section 5 of this Sublease.

25. Sublessee's Rights Regarding Continuing Possession. Sublessee shall have the right at any time, at Sublessor's expense, to take any action required to be taken, but not timely taken, by Sublessor, that may be necessary to prevent a default under the terms of the Master Lease. If Sublessor is provided with the right, under the terms of the Master Lease, to terminate the Master Lease before the expiration of its term, Sublessee, rather than Sublessor, shall have the right to make that decision. Nothing contained in this Sublease shall be construed so as to deprive Sublessee of Sublessee's right to surrender or otherwise terminate this Sublease as provided by law.

26. Obligations of Sublessor. Sublessor agrees to maintain the Master Lease during the entire term of this Sublease, subject, however, to any earlier termination of the Master Lease without the fault of Sublessor. Sublessor also agrees to comply with or perform all obligations of the Lessee under the Master Lease that Sublessee has not expressly assumed under this Sublease. Further, Sublessor agrees not to modify or surrender the Master Lease without the prior consent of Sublessee. Any modification or surrender made without that consent shall be null and void and shall have no effect on the rights of Sublessee under this Sublease.

27. Issuance of Nondisturbance Agreement and Attornment.

27.1 If the Master Lease is terminated for any reason before the natural expiration of its term, the termination shall not terminate or affect the continuing validity of this Sublease, if the Master Lessor under the Master Lease has entered into a nondisturbance agreement with Sublessee. If Sublessee desires to enter into such an agreement, Sublessee shall submit to Master Lessor a written request for a nondisturbance agreement, stating the reason or reasons it is desired and including a copy of this Sublease. The request must be submitted to Master Lessor at the address set forth in the Master Lease. Within ten (10) days after Master Lessor receives the request, Master Lessor shall, if Master Lessor is satisfied with Sublessee's integrity and financial stability, notify Sublessee of this decision and arrange to enter into a nondisturbance agreement with Sublessee. The agreement shall be in a form to be agreed upon by Master Lessor and Sublessee. Among other things, that agreement shall provide that the following shall apply on termination of the Master Lease:

(a) All Sublessor's interests under this Sublease shall be deemed automatically assigned, transferred, and conveyed to Master Lessor;

(b) Master Lessor shall be bound on this Sublease to the same extent Sublessor was bound on it; provided, however, that any amendments to this Sublease made after Master Lessor and Sublessee enter into the nondisturbance agreement shall not be binding on Master Lessor; and

(c) Sublessee shall attorn to Master Lessor, provided that Sublessee shall be under no obligation to pay rent to Master Lessor until Sublessee receives written notice from Master Lessor that Master Lessor has succeeded to the interests of Sublessor under this Sublease.

27.2 If Master Lessor does not enter into a nondisturbance agreement with Sublessee and the Master Lease is terminated for any reason before the natural expiration of its term, the following shall occur: This Sublease shall immediately terminate; after termination, Sublessor and Sublessee shall be released from all obligations under this Sublease; and, Sublessor shall refund to Sublessee any unearned rent paid in advance.

28. Notices. All notices to be given to Sublessor and Sublessee shall be given by depositing the same in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed as follows or by personal delivery or a national overnight delivery service:

To Sublessor:

Boys Clubs of San Diego, Inc.
Attn: Thomas B. Hazard
1761 Hotel Circle South, Suite 123
San Diego, CA 92108

To Sublessee:

Neighborhood House Association, Inc.
Attn: Facility Dept.
3043 Fourth Avenue
San Diego, CA 92103

29. Binding on Assignees. The covenants and conditions herein contained shall, subject to the provisions as to assignments, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

30. Expenses. The prevailing party as to any disputes relating to this Sublease shall be entitled to recover from the unsuccessful party to this Sublease all costs, expenses and actual attorneys' fees relating to the enforcement or interpretation of, or any litigation or arbitration relating to, this Sublease. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment. For purposes of this paragraph, attorneys' fees shall include, without limitation, fees incurred in the following: (1) post judgment motions; (2) contempt proceedings; (3) garnishment, levee, and debtor and third party examinations; (4) discovery; and (5) bankruptcy litigation.

31. Counterparts. This Sublease may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one document. The facsimile signatures of the parties shall be deemed to constitute original signatures, and facsimile copies hereof shall be deemed to constitute duplicate original counterparts.

32. Titles. The titles of the sections of this Sublease are solely for the convenience of the parties, and are not to be used as an aid in the interpretation of the terms and conditions thereof.

33. Choice of Law. This Sublease shall be governed by and construed in accordance with the laws of the State of California.

34. Entire Agreement. This Sublease contains the entire agreement between the parties to this Sublease with respect to the subject matter herein and supersedes all prior understandings, agreements, representations and warranties, if any, whether oral or written, express or implied, with respect to said subject matter.

35. Interpretation. Whenever the context so requires in this Sublease, all words used in the singular shall be construed to have been used in the plural (and vice versa), each gender shall be construed to include any other genders, and the word "person" shall be construed to include a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate, or any other entity.

36. Partial Invalidity. The provisions of this Sublease shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Sublease or the application of such provision to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability, unless such provision or the application of such provision is essential to the Sublease.

37. Modification in Writing. This Sublease may be modified only by an agreement in writing executed by the parties to this Sublease against whom enforcement of such modification is sought.

38. Waiver. Any waiver of a default under this Sublease must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Sublease. No delay or omission in the exercise of any rights or remedies shall impair its right or remedy or be construed as a waiver. A consent to or approval of any act shall not be deemed to waive or render unnecessary consent to or approval of any other or subsequent act.

39. Drafting Ambiguities. Each party to this Sublease and its counsel have reviewed and revised this Sublease. The rule of construction that any ambiguities are to be resolved against the drafting parties shall not be employed in the interpretation of this Sublease or of any amendments or exhibits to this Sublease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Sublease as of the date set forth above.

"SUBLESSEE:"

NEIGHBORHOOD HOUSE ASSOCIATION, INC.,
a California nonprofit corporation

By: Howard H. Carey, Ph.D.
[Name]

Its: President & CEO

SUBLESSOR:

BOYS CLUBS OF SAN DIEGO, INC.
a California nonprofit corporation

By: Thomas B. Hazard
[Name]

Its: President

MASTERLESSOR:

THE CITY OF SAN DIEGO, INC.
a California municipal corporation

By: _____
[Name]

Its: _____

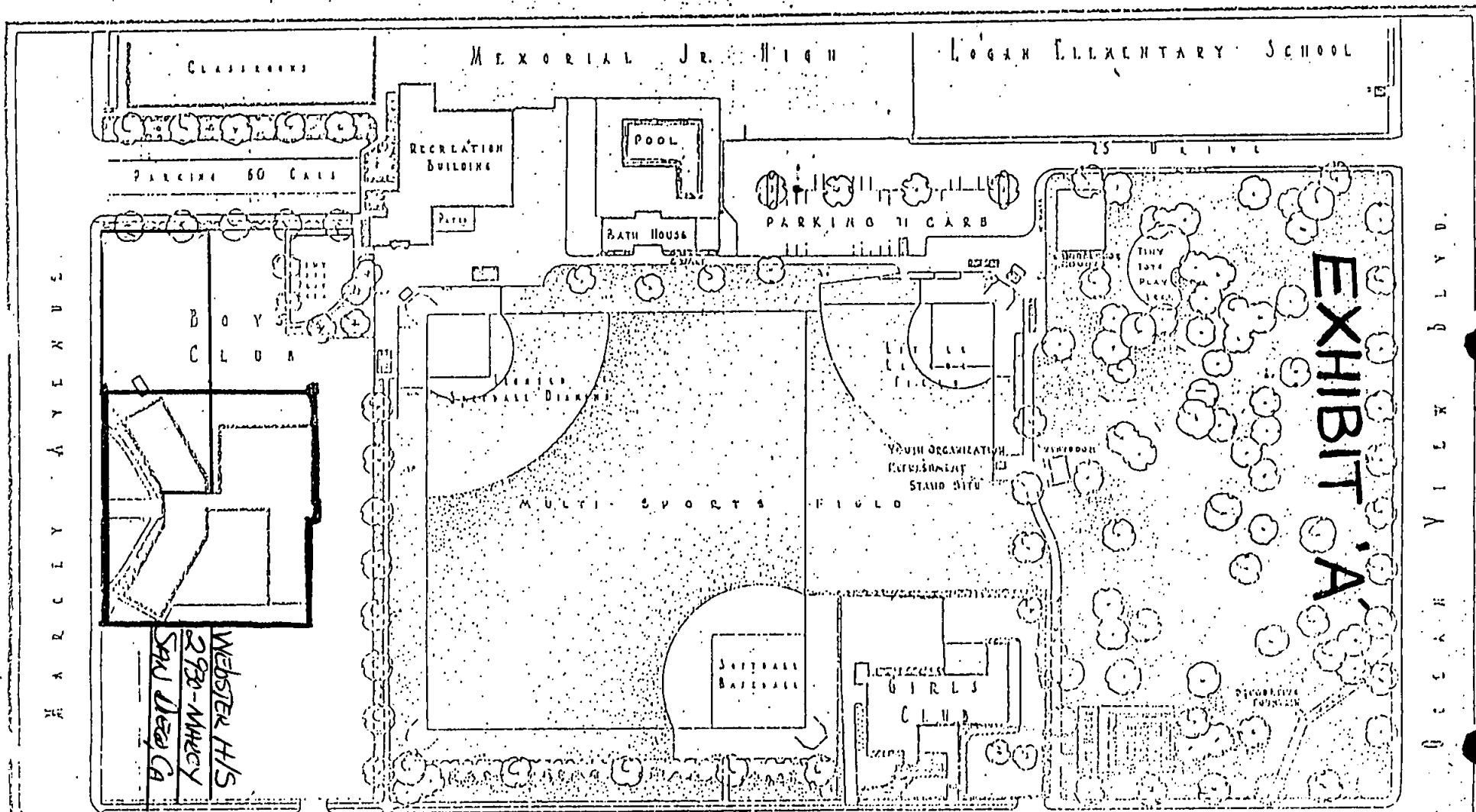


EXHIBIT 'A'

THE PROPOSED DEVELOPMENT PLAN

MEMORIAL

PARK AND RECREATION CENTER

SAN DIEGO, CALIFORNIA

SCALE 1" = 50 FT.

Prepared in the Office of the Park and Recreation Department

APPROVALS

[Signature]
[Signature]
[Signature]
 Park and Recreation Director

NOTE 12.11.46

EXHIBIT "B"

MASTER LEASE

EXHIBIT "C"

BUILDING REPAIRS/RENOVATIONS

1997

Neighborhood House Association will be making the following improvements totaling \$65,850 at the William J. Oakes Branch located at 2930 Marcy Avenue, San Diego to our demised premises.

Exterior

- Install additional exterior lights for security purposes.
- Install playground equipment, bicycle paths, matting, storage shed, sand box, gazebo and additional small toys.
- Replace exterior chain link fencing and fencing around playground area to comply with State Licensing regulations.
- Install Sod and trees.
- Install drinking fountain and shade structure.
- Sod and trees in sublessee's area and front of total premises.
- Install sprinkler system in area being sodded.

Interior

- Paint interior of demised premises.
- Install new interior lighting.
- Install new VCT Floors.
- Install new HVAC systems.
- Install new children's restrooms.
- Enclose electrical panel with partitions.
- Replace exterior door exiting premises.
- Remove drywall and window A/C unit from staff conference room.

EXHIBIT "D"

ADDENDUM TO ARTICLE 10 (UTILITIES)

Landlord agrees to pay utilities, including gas, electricity, and water. Landlord will annually review utility with Tenant.

Landlord has established a "Baseline Utility Index" (Exhibit "G") based on utility expenses (gas & electricity) for Encanto Boys & Girls Club for the period 9/1/97 to 8/31/98. The amount of this index is

Landlord agrees to pay any amount up to \$ _____ over the Baseline Utility Index. Any amount that exceed of & over the Baseline Utility Index will be paid by Tenant.

Every six (6) months Landlord and Tenant will review utility expenses and Landlord will refund to Tenant deposit monies not spent on excess utilities.

After the first year, Landlord and Tenant will review utility expenses and make agreed upon adjustment to Baseline Utility Index.

Sublessee will pay 1/3 of monthly cost for
BURGLAR & FIRE ALARM MONITORING. 8/28/97 JBA

EXHIBIT "D"

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Landlord agrees to pay utilities, including gas, electricity, and water. Landlord will annually review utility with Tenant.

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Landlord agrees to pay any amount up to \$ _____ over the Baseline Utility Index. Any amount that exceed of & over the Baseline Utility Index will be paid by Tenant.

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Neighborhood House Association
Howard H. Carey, Ph.D.
President & CEO

Date

Boys & Girls Clubs of San Diego
Thomas B. Hazard
President

Date

IN WITNESS WHEREOF, the parties have executed this Sublease as of the date set forth above.

"SUBLESSEE:"

NEIGHBORHOOD HOUSE ASSOCIATION, INC.,
a California nonprofit corporation

By: Howard H. Carey
Howard H. Carey, Ph.D.
[Name]

Its: President & CEO

SUBLESSOR:

BOYS CLUBS OF SAN DIEGO, INC.
a California nonprofit corporation

By: Thomas B. Hazard
Thomas B. Hazard
[Name]

Its: President

MASTERLESSOR:

THE CITY OF SAN DIEGO, INC.
a California municipal corporation

By: _____
[Name]

Its: _____

