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11 **SUPERIOR COURT OF CALIFORNIA**
12 **COUNTY OF SOLANO**

13 ALPHA PREGNANCY CLINICS OF
14 NORTHERN CALIFORNIA,

15 Plaintiff,

16 vs.

17 THE BEARD FAMILY TRUST U/D/T Sept.
18 2, 1982, KENNETH A. BEARD TRUST
19 U/D/T July 10, 1984, PACIFIC MEDIA
20 PROPERTIES, LLC,
21 and DOES 1-100,

22 Defendants.

Case No. **FC044551**

**VERIFIED COMPLAINT FOR SPECIFIC
PERFORMANCE AND VIOLATION OF
UNRUH CIVIL RIGHTS ACT**

**ASSIGNED TO
JUDGE Scott L. Kays
FOR ALL PURPOSES**

23 COMES NOW PLAINTIFF who alleges as follows:

24 **Parties**

25 1. Plaintiff, Alpha Pregnancy Clinics of Northern California (herein "Alpha") is a religious
26 nonprofit corporation incorporated in the State of California and doing business in the County of
27 Solano, California.

28 2. Defendant, The Beard Family Trust U/D/T Sept. 2, 1982, is a business entity, form

1 unknown, located in the County of Orange, California.

2 3. Defendant, Kenneth A. Beard Trust U/D/T July 10, 1984, is a business entity, form
3 unknown, located in the County of Orange, California.

4 4. Defendant, Pacific Media Properties, LLC, is a business entity, form unknown, located
5 in the County of Orange, California. Pacific Media Properties does business as Nut Tree Professional
6 Center.

7 5. Alpha is unaware of the true names, capacities, or basis for liability of Defendants Does
8 1 through 20, inclusive, and therefore sues said defendants by their fictitious names. Plaintiff will
9 amend this complaint to allege their true names, capacities, or basis for liability when the same
10 have been ascertained. Alpha is informed and believes and on that basis alleges that Defendants
11 Does 1 through 20, inclusive, and each of them, are in some manner liable to Plaintiff, or claim
12 some right, title, or interest in the subject property that is junior and inferior to that of Plaintiff,
13 or both.
14

15 6. At all times relevant to this action, each Defendant, including those fictitiously named,
16 was the agent, servant, employee, partner, joint venturer, or surety of the other Defendants and was
17 acting within the scope of said agency, employment, partnership, venture, or suretyship, with the
18 knowledge and consent or ratification of each of the other Defendants in doing the things alleged in this
19 complaint. Collectively, the Defendants are referred to as "Owners."
20

21
22 **Venue**

23 7. Venue in the Superior Court for the County of Solano is proper because the property at
24 issue is located in Vacaville, County of Solano, California.

25 **Facts**

26 8. At all times herein, Defendants were and are the owners of real property located
27 in Solano County, California, commonly known as 600 Nut Tree Road, Suite 230 Vacaville, CA 95687
28

1 (herein "Suite 230"). Suite 230, which is the subject property of this dispute, is 1,424 square feet and is
2 located in property commonly known as the Nut Tree Professional Center.

3 9. In early October, 2014, the authorized representative from Alpha, Diedre Eckle (herein
4 "Alpha Representative"), was shown Suite 230 by the agent of Defendants, Chris Wallace (herein
5 "Agent").

6 10. On October 8, the Alpha Representative sent an e-mail to the Agent requesting to look at
7 Suite 230 again. The Agent responded by e-mail that same day, writing: "I can meet you at the
8 property at 12:30 if that works for you?"

9 11. On October 15, 2014, the Owners' Agent e-mailed the first draft of a lease for Suite 230
10 to Alpha's Representative.

11 12. Through telephone and e-mail correspondence, Alpha's Representative and the Owners'
12 Agent communicated potential changes to the draft of the lease.

13 13. On October 29, the Owners, through their Agent, drafted and dispatched a fifty-page
14 revised lease to Alpha's Representative. The message in the e-mail in which the revised draft was
15 attached read: "Here is the revised lease for your review and signature, per our phone conversation
16 today. Please let me know if you have any questions."

17 14. Alpha reviewed the lease and on the following afternoon, October 30, Alpha's
18 Representative wrote in an e-mail, "Can I bring the lease and payment by tomorrow. Where and
19 when?" The Owner's Agent responded seven minutes later, "Sure thing. My office is at 1300 Oliver
20 Road, Suite 300, Fairfield, CA 94534. The office is open 8:30am to 5:00PM."

21 15. Alpha's Representative signed the lease and hand-delivered it to the address described in
22 the previous paragraph along with a check in the amount of \$6,475.76 to the Owners' Agent on October
23 31, 2014. The essential terms of the revised lease are:

- 24 • occupancy of Suite 230

- 1 • 1 year term
- 2 • commencing November 15, 2014
- 3 • Base rent is \$30,823.20

4 A true and correct copy of the lease is attached as "Exhibit A." A true and correct copy of the check is
5 attached as "Exhibit B." Both Exhibits A and B are incorporated in full.

6 16. Alpha did not make any changes to the terms of the revised lease dispatched by the
7 Owners' Agent, but signed and delivered exactly what was offered by the Owners through their Agent.

8 17. On November 10 the Owners' Agent wrote the Representative for Alpha stating, in part,
9 "It is with great regret that I am returning un-cashed the check for first month's rent and security
10 deposit...." He further states that "the building ownership" decided not to move forward with the lease
11 because it was "not a good fit for the building." A true and correct copy of the letter is attached as
12 "Exhibit C" and incorporated in full.

13 18. Alpha is a religious nonprofit which provides alternatives to pregnant women
14 considering whether or not to keep their baby or terminate the pregnancy through abortion.

15 19. Planned Parenthood also leases space at the Nut Tree Professional Business Center.
16 One of Planned Parenthood's undertakings is to provide abortions.

17 20. Suite 230 is in close proximity to the space that Planned Parenthood leases. As a
18 business and ideological competitor of Planned Parenthood, having a clinic in close proximity to
19 Planned Parenthood is highly important to Alpha.

20 21. Alpha is informed and believes and thereon alleges that the Owners will not perform on
21 the lease because of Alpha's actual or perceived membership in a protected religious class, Alpha's
22 actual or perceived religiously based practices, and Alpha's actual or perceived religiously based views
23 on the sanctity of human life. In sum, Alpha opposes abortion.

24 22. Refusing to engage in commerce because of actual or perceived membership in a
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protected class is against public policy as codified in the Unruh Act.

**FIRST CAUSE OF ACTION
Action For Specific Performance
Against All Defendants**

23. Alpha hereby realleges and incorporates by reference the allegations in paragraphs 1 through 22 as though fully set forth in this cause of action.

24. Alpha has performed all duties, promises, and obligations required of Alpha and all conditions precedent that Alpha agreed to perform in the revised lease attached as Exhibit A.

25. The Owners made an offer to Alpha for the lease of Suite 230. Alpha unconditionally accepted said offer.

26. Under the terms of the revised lease agreement the Owners were obligated to lease Suite 230 to Alpha.

27. The Owners have failed and refused, and continues to fail and refuse, to lease Suite 230 to Alpha.

28. The Owners' failure and refusal to lease Suite 230 constitutes a breach of the revised lease agreement.

29. The consideration Alpha was to pay under the revised lease was adequate and the agreement is just and reasonable as to the Owners, as the agreed rent reflected, at the time the agreement was entered, the fair market value for the lease of Suite 230 property.

30. Pursuant to the revised lease, Alpha "shall pay to Landlord the first payment of Monthly Rent upon Tenant's execution of this Lease. This sum shall be applied to the Base Rent for the first month of the Term. Additionally, upon Tenant's execution of this Lease, Tenant shall pay to Landlord the security deposit...as security for Tenant's faithful performance of this Lease." Alpha executed the revised lease and delivered a check for the first month's rent and the security deposit as per the terms of the revised lease, i.e., \$6,475.76.

31. Alpha continues to be ready, willing, and able to tender payments as per its obligations under the revised lease.

1 32. Alpha has demanded that the Owners lease Suite 230.

2 33. The Owners have refused and continue to refuse to lease Suite 230 to Alpha.

3 34. Alpha has no adequate remedy at law to enforce the provisions of the revised lease
4 agreement other than specific enforcement of the agreement.

5 35. Alpha is entitled to specific performance of the terms, conditions, and provisions of the
6 revised lease by court decree, among other things, ordering the Owners to lease Suite 230.

7
8 **SECOND CAUSE OF ACTION**
9 **Action For Violation of Civil Rights**
10 **Against All Defendants**

11 36. Alpha hereby realleges and incorporates by reference the allegations in paragraphs 1
12 through 35 as though fully set forth in this cause of action.

13 37. Owners are a business establishment.

14 38. The Owners refused to contract with Alpha. A substantial motivating reason for the
15 Owners' conduct was its perception regarding Alpha's actual or perceived membership in a religious
16 group, and/or Alpha's actual or perceived religious practices, and/or Alpha's actual or perceived
17 beliefs.

18 39. The Owners' conduct was a substantial factor in causing harm to Alpha.


19 40. Alpha is informed and believes and thereon alleges that the Owner's disagree with
20 Alpha's religiously based views on the sanctity of life. The Owners refusal to engage in commerce
21 with Alpha was willful, oppressive, and done with malice because of an underlying animus towards
22 Alpha's membership in a protected religious group. Alpha seeks punitive damages against the
23 Owners.
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PRAYER

WHEREFORE, Alpha prays for reliefs as follows:

- a. An order decreeing that Defendants shall lease Suite 230 as per the terms of the revised lease found in Exhibit A attached hereto;
- b. Statutory damages;
- c. Damages according to proof;
- d. Punitive damages;
- e. Attorneys fees;
- f. Costs;
- g. Such other and further relief as the court deems just and proper.

Dated: December 2, 2014


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Verification

I, Diedre Eckle, am the Executive Director of Alpha Pregnancy Clinics of Northern California which is the Plaintiff in the above-captioned matter. I have read the VERIFIED COMPLAINT FOR SPECIFIC PERFORMANCE AND VIOLATION OF UNRUH CIVIL RIGHTS ACT and am familiar with same. The contents are true and accurate and known to me by personal knowledge except for those matters asserted on information and belief. As to those matters, I believe them to be true.

I declare under penalty of perjury, under the laws of the United States and the State of California, that the foregoing is true and correct. Executed this Third day of December, 2014, in the County of Solano, City of Vacaville, State of California.



Diedre Eckle

Exhibit A

BASIC LEASE INFORMATION
600 NUT TREE ROAD, SUITE 230

Lease Date: October 27, 2014
Landlord: The Beard Family Trust U/D/T Sept. 2, 1982 and Kenneth A.
Beard Trust U/D/T July 10, 1984, Pacific Media Properties, LLC
dba: Nut Tree Professional Center

Address of Landlord: Nut Tree Professional Center
P.O. Box 2248
Orange, CA 92859

Tenant: Alpha Pregnancy Clinics.
Address of Tenant: 600 Nut Tree Road, Suite 230
Vacaville, CA 95687

Contact for Tenant: Attn: Diedre Eckle

Contact for Landlord: Warren L. Owens, Manager
Phone: (714) 289-1193
Fax: (714) 289-0998

Section 1:

Premises: Suite 230
The Building: 600 Nut Tree Road
Vacaville, CA 95687

Building Rentable Area: 26,598 square feet

Premises Rentable Area: Suite 230: 1,424 square feet

Lease Term: 1 year
Term

Commencement Date: November 15, 2014

Term Expiration Date: 1 year – November 30, 2015

Section 3:

Use: General Office

Section 4: Base Rent

Base Rent: \$30,823.20

Monthly Rent:	\$ 2,568.60
Monthly CAM	\$ 669.28
Monthly Base Rent and CAM	\$ 3,237.88
Security Deposit:	\$ 3,237.88

Section 5:

Tenant's Expense Share: 5.36%

Section 42:

Landlord's Broker: Premier Commercial Real Estate Services
Tenant's Broker: Premier Commercial Real Estate Services

The Basic Lease Information is incorporated into and made a part of this Lease. Each reference in this Lease to any of the Basic Lease Information shall mean the information set forth above. In the event of a conflict between any Basic Lease Information and the Lease, the Lease shall control.

DEFINITIONS:

The following terms are defined in the Sections of this Lease listed below. The definitions shall include the singular as well as the plural, as applicable.

"ADA Requirements" Section 3.3
"Additional Rent" Section 4.1
"Alterations" Section 15.1
"Applicable Taxes" Section 5.1
"Base Rent" Section 4.1
"Building" Section 1. 1
"Commencement Date" Section 2.1
"Equipment" Section 9
"Event of Default" Section 22.1
"Expiration Date" Section 2.1
"Guarantor" Section 22.1
"Hazardous Substances" Section 33
"Hazardous Substances Laws" Section 33
"Late Charge" Section 4.2
"Laws" Section 34
"Premises" Section 1. 1
"Monetary Default" Section 22.1
"Monthly Rent" Section 4.1
"Operating Expenses" Section 5.1
"Real Property" Section 1. 1
"Reference Rate" Section 4.4
"Renewal Option" Section 2.3
"Renewal Term" Section 2.3
"Rent" Section 4.1
"Rentable Area" Section 1.2
"Security Deposit" Section 4.6
"Tenant Improvement Allowance" Section 14
"Tenant Improvement Work" Section 14
"Tenant's Expense Share" Section 5.1
"Tenant's Property" Section 16.1
"Term" Section 2.3
"Termination Date" Section 2.1

TABLE OF CONTENTS

	Page
Section 1. Premises	6
Section 2. Term	7
Section 3. Use, Nuisance or Hazard	7
Section 4. Rent	8
Section 5. Operating Expenses	10
Section 6. Services to be Provided by Landlord	14
Section 7. Repairs and Maintenance by Landlord	15
Section 8. Repairs and Care of Building by Tenant	16
Section 9. Tenant's Equipment and Installations; Excess Utilities	16
Section 10. Force Majeure	17
Section 11. Mechanic's and Materialman's Liens	17
Section 12. Insurance	18
Section 13. Quiet Enjoyment	19
Section 14. Deleted	19
Section 15. Alterations	19
Section 16. Furniture, Fixtures and Personal Property	21
Section 17. Taxes	21
Section 18. Assignment and Subletting	22
Section 19. Fire and Casualty	25
Section 20. Condemnation	26
Section 21. Indemnification	27
Section 22. Default by Tenant	28
Section 23. Lien for Rent	31
Section 24. Right to Relocate	31
Section 25. Attorneys= Fees	31
Section 26. NonWaiver	32
Section 27. Rules and Regulations	32
Section 28. Assignment by Landlord	32
Section 29. Liability of Landlord	32
Section 30. Subordination and Attornment	33
Section 31. Holding Over	33
Section 32. Signs	34
Section 33. Hazardous Substances	34
Section 34. Compliance with Laws and Other Regulations	35
Section 35. Governing Law; Severability	35

Section 36. Notices	36
Section 37. Obligations of Successors, Plurality, Gender	36
Section 38. Entire Agreement	37
Section 39. Section Captions	37
Section 40. Changes	37
Section 41. Authority	37
Section 42. Brokerage	37
Section 43. Additions to	38
Lease Signature Page	38

EXHIBIT A LOCATION OF PREMISES

EXHIBIT B RULES AND REGULATIONS

EXHIBIT C TENANT IMPROVEMENT WORK

Alpha Pregnancy Clinics
10/27/14

600 NUT TREE ROAD
OFFICE LEASE AGREEMENT

This Office Lease Agreement ("Lease") is made and entered into as of October 27, 2014, by and between Nut Tree Professional Center, ("Landlord"), and Alpha Pregnancy Center. ("Tenant"). The Landlord and Tenant agree as follows:

Section 1. Premises

1.1 Subject to all of the terms and conditions set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those certain premises (the "Premises"), as described in the attached Exhibit A. The Premises are part of the office building known as 600 Nut Tree Road (the "Building" located in Vacaville, California. The Premises and the Building contain the Rentable Area set forth in the Basic Lease Information. The Building, the land and improvements under and surrounding the Building and designated from time to time by Landlord as land or common areas appurtenant to the Building, together with utilities, facilities, drives, parking lots, walkways and other amenities appurtenant to or servicing the Building are herein sometimes collectively called the "Real Property." Tenant is hereby granted the right to the nonexclusive use of the common corridors and hallways, stairwells, elevators, electrical and telephone closets, restrooms and other public or common areas; provided, however, that the manner in which the public and common areas are maintained and operated shall be at Landlord's sole discretion and the use of the same shall be subject to such rules, regulations and restrictions as Landlord may make from time to time. Subject to the Rules and Regulations attached as Exhibit B, Tenant shall have the right to use the parking areas that are part of the Real Property; provided that Landlord shall have the right to restrict the number of spaces Tenant is entitled to use or to institute other restrictions on such parking areas, including, without limitation, requiring parking permits or charging a fee for parking. Landlord reserves the right to make alterations or additions to or to change the location of elements of the Real Property and the common areas of the Real Property and the Building.

1.2 The term "Rentable Area" shall be computed by measuring from the inside surface of the exterior glass of the outer building walls, to the center of corridor walls, and to the center of all partitions which separate the Premises from adjoining areas, plus Tenant's pro rata portion of areas common to all tenants of the Building including, without limitation, corridors,

lobbies, rest rooms, public areas, mechanical, electrical, telephone, janitorial or equipment room, closet or space, and spaces within the entire Building. Elevator shafts shall be excluded in computing Rentable Area.

Section 2. Term

2.1 This Lease shall remain in effect for a term (the "Term") commencing on the Commencement Date specified in the Basic Lease Information (the "Commencement Date" and expiring at 6:00 P.M. on the Expiration Date specified in the Basic Lease Information (the "Expiration Date") unless sooner terminated or extended as provided in this Lease. The earlier of the Expiration Date or the date this Lease is terminated is herein referred to as the "Termination Date".

2.2 Tenant shall have the option (the "Renewal Option") to extend the Term of this Lease for one additional period of five years (the "Renewal Term"). The Renewal Option shall not be effective if (a) there exists an Event of Default (as defined in Section 22), either at the time of exercise of the Renewal Option or the time of commencement of the Renewal Term; or (b) an Event of Default has occurred on two or more occasions. The Renewal Option must be exercised, if at all, by written notice from Tenant to Landlord given not less than 180 days prior to the expiration of the Term of this Lease. Such notice shall be irrevocable. The Renewal Term shall be upon the same terms and conditions as the Term, except that the annual Base Rent applicable beginning upon the commencement of the Renewal Term shall be equal to the greater of the Prevailing Market Rental (determined as provided in the attached Exhibit D) or the Base Rent applicable immediately preceding commencement of the Renewal Term. Unless otherwise indicated, reference to the "Term" in this Lease shall refer to both the Term and Renewal Term, if the Renewal Option is exercised.

2.3 Tenant accepts the Premises in its "as is" condition, as of the date hereof. Landlord shall have no obligation to modify or improve the Premises and shall not be liable for any claims or damages arising in connection with any modifications or improvements. Landlord represents and warrants, to the best of Landlord's knowledge, that the premises are in compliance with all applicable laws, rules and regulations.

Section 3. Use, Nuisance or Hazard

3.1 The Premises shall be used and occupied by Tenant solely for a Medical Practice and for no other purposes without Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion.

3.2 Tenant shall not use, occupy or permit the use or occupancy of the Premises for any purpose which Landlord, in its reasonable discretion, deems to be illegal, immoral or dangerous; permit any public or private nuisance; do or permit any act or thing which may disturb the quiet enjoyment of any other tenant or occupant of the Building; keep any substance or carry on or permit any operation which might introduce offensive odors or conditions into other portions of the Building; use any apparatus which might make undue noise or set up vibrations in or about the Building; pennit anything to be done which would increase the premiums paid by Landlord for fire and extended coverage insurance on the Building or its contents or cause a cancellation of any insurance policy covering the Building or any part thereof or any of its contents; or permit anything to be done which is prohibited by or which shall in any way conflict with any Law. Should Tenant do any of the above without Landlord's prior written consent, it shall constitute an Event of Default and Landlord shall be entitled to exercise any of its rights and remedies under this Lease, at law or in equity.

3.3 Without limiting the generality of the above, Tenant shall promptly comply with all requirements of the Americans with Disabilities Act (codified at 42 U.S.C. ññ 12101, et seq.) and the regulations promulgated under it in effect from time to time (collectively, the "ADA Requirements") relating to the conduct of Tenant's business.

Tenant shall have exclusive responsibility for compliance with ADA Requirements pertaining to the interior of the Premises, including the design and construction of access and egress. Landlord shall have responsibility, without liability to Tenant, for compliance with ADA Requirements which affect the common areas of the Building, subject to Tenant's obligation to pay for its share of the expense of such compliance pursuant to Section 5 of this Lease. Tenant shall comply promptly with any direction of any governmental authority having jurisdiction which imposes any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupancy thereof. Tenant shall furnish Landlord with a copy of any such direction promptly after receipt of the same. In addition, Tenant shall comply with any reasonable plan adopted by Landlord which is designed to fulfill the requirements of any Laws, including ADA Requirements.

Should compliance by Tenant with this Section 3.3 require Landlord's consent under Section 15. 1, Tenant shall promptly seek such consent, provide the assurances and documents required by Section 15.1 and, following receipt of such consent, promptly comply with the provisions of Section 15.1 and this Section 3.3.

If Tenant fails to comply with ADA Requirements as required in this Section 3.3, then, after notice to Tenant, Landlord may comply or cause such compliance, in which case

Tenant shall reimburse Landlord upon demand for Landlord's costs incurred in effecting compliance.

Section 4. Rent

4.1 Tenant shall pay to Landlord an initial base annual rental ("Base Rent") in the amount specified in the Basic Lease Information. Reference to "Base Rent" shall refer both to the initial Base Rent and the adjustment to it specified in Section 4.2 below. The Base Rent shall be due and payable, without notice, in twelve equal installments ("Monthly Rent") in the amount described in the Basic Lease Information by check or money order, in advance, on or before the first day of each calendar month. In addition to the Base Rent, Tenant shall pay any and all other sums of money as shall become due and payable by Tenant as set forth in this Lease ("Additional Rent") The Monthly Rent and/or Additional Rent are sometimes collectively called the "Rent" and shall be paid when due in lawful money of the United States without demand, deduction, abatement or offset at the address specified in the Basic Lease Information or such other place as Landlord may designate from time to time. All Rent and any other charges due and unpaid as of the Termination Date shall be deemed due and payable on the Termination Date and, if unpaid as of such date, shall survive the Termination Date. Landlord expressly reserves the right to apply the payment of Base Rent to any other items of Rent that are not paid by Tenant.

4.2 Beginning on the first anniversary of the Commencement Date and on each anniversary date thereafter during the Term (the "Adjustment Date") Base Rent shall be increased to reflect any increase shown by the Consumer Price Index for all Urban Consumers, (Sacramento if available, otherwise) Oakland/San Francisco/Bay Area – All Items (base years 1982-1984=100), as published by the United States Department of Labor's Bureau of Labor Statistics ("CPI") for the month immediately preceding the Adjustment Date as compared with the CPI for the month immediately preceding the Commencement Date. Landlord shall provide Tenant with written notice of the amount of this increase; provided, however, that any delay by Landlord in doing so shall not be considered a waiver of Landlord's right to adjust the Base Rent. If CPI is discontinued or revised during the Term, then the government index or computation with which it is replaced shall be used to obtain substantially the same result as if the CPI had not been discontinued or revised. In no event shall Base Rent be decreased as a result of changes in CPI or be less than the amount specified in the Basic Lease Information.

4.3 If any Rent or other amounts owing under this Lease are not paid within five (5) days after the date due under this Lease, then Landlord and Tenant agree that Landlord will incur additional administrative expenses, the amount of which will be difficult, if not impossible, to determine. Accordingly, in addition to such required payment, Tenant shall pay to Landlord, upon demand, an additional late charge ("Late Charge"), as Additional Rent, for any such late

payment in the amount of ten percent (10%) of the amount of such late payment. Failure to pay any applicable Late Charge shall be deemed a Monetary Default (as defined in Section 22). This provision for the Late Charge is in addition to all other rights and remedies available to Landlord under this Lease, at law or in equity, and shall not be construed as liquidated damages or limiting Landlord's remedies in any manner. Failure to charge or collect such Late Charge in connection with any one or more such late payments shall not constitute a waiver of Landlord's right to charge and collect such Late Charges in connection with any other late payments.

4.4 If the Term commences on a date other than the first day of a calendar month or terminates on a date other than the last day of a calendar month, the Rent for such partial months shall be prorated to the actual number of days the Lease is in effect for said partial months.

4.5 All Rents and any other amounts payable by Tenant to Landlord, if not paid when due, shall bear interest from the date due until paid at the rate of interest publicly announced from time to time by Bank of America National Trust and Savings Association as its Reference Rate (the "Reference Rate") plus four percent (4%) per annum, but not in excess of the maximum legal rate permitted by law. Failure to charge or collect such interest in connection with any one or more such late payments shall not constitute a waiver of Landlord's right to charge and collect such interest in connection with any other payments.

4.6 If Tenant fails to timely make two consecutive payments of Monthly Rent or makes two consecutive payments of Monthly Rent which are returned to Landlord by Tenant's financial institution for insufficient funds, Landlord may require, by giving written notice to Tenant, that all future payments of Rent shall be made in cashier's check or money order. The above is in addition to all other remedies available to Landlord under this Lease, at law or in equity.

4.7 Tenant shall pay to Landlord the first payment of Monthly Rent upon Tenant's execution of this Lease. This sum shall be applied to the Base Rent for the first month of the Term. Additionally, upon Tenant's execution of this Lease, Tenant shall pay to Landlord the security deposit (the "Security Deposit" in the amount specified in the Basic Lease Information as security for Tenant's faithful performance of this Lease. Without waiving any of Landlord's other rights and remedies under this Lease, Landlord may apply any part or all of the Security Deposit to remedy any failure by Tenant to perform its obligations under this Lease or to compensate Landlord for damages incurred in connection with such failure. If Landlord so applies the Security Deposit, Tenant shall within ten days after demand from Landlord restore the Security Deposit to the full amount required. Tenant's failure of Tenant to do so shall be an Event of Default under this Lease. Landlord's application of the Security Deposit shall in no event be

construed as in any way limiting Tenant's liability or obligation with respect to any such default. If Tenant has kept and performed all terms, covenants and conditions of this Lease, Landlord will, within thirty days following termination of this Lease, return the Security Deposit to Tenant or the last permitted assignee of Tenant's interest under this Lease. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. No trust or fiduciary relationship is created by this Lease between Landlord and Tenant with respect to the Security Deposit. If the Security Deposit is in the form of a letter of credit, the letter of credit shall conform to the Letter of Credit Requirements provided by Landlord to Tenant and shall be drawable at a location in the San Francisco Bay Area.

Section 5. Additional Rent; Operating Expenses and Applicable Taxes

5.1 As used in this Lease, the following terms have the meanings set forth below:

(a) "Tenant's Expense Share" shall mean the percentage of Operating Expenses set forth in the Basic Lease Information. Tenant's Expense Share was calculated by dividing the Rentable Area of the Premises by the total Rentable Area of the Building. In the event either the Rentable Area of the Premises and/or the total Rentable Area of the Building is changed, whether by additions to the Building or remeasurement, Tenant's Expense Share shall be appropriately adjusted, and, as to the Expense Comparison Year in which such change occurs, Tenant's Expense Share for such year shall be prorated for the periods before and after such change on the basis of the number of days during such Expense Comparison Year.

(b) "Operating Expenses" shall mean any and all costs and expenses paid or incurred by Landlord in connection with the operation, maintenance, management, repair and replacement of the Real Property. By way of illustration but not limitation, Operating Expenses shall include the following: (I) the cost of heating, ventilating, air conditioning, electricity, steam, water, sanitary and storm drainage, refuse disposal and all other utilities, escalator and elevators and the cost of supplies, equipment, maintenance, service contracts and repairs and replacements of the systems referenced above in connection with the same, including without limitation, costs, fees and expenses incurred by Landlord in connection with any change of the entity providing electric service; (ii) the cost of repairs and general maintenance, cleaning and landscaping, including all services and supplies purchased by Landlord in connection with the same; (iii) any fees or costs relating to the operation or maintenance of the parking area that is part of the Real Property; (iv) the cost of fire, extended coverage, boiler, sprinkler, liability, property damage, loss of rent, earthquake and other insurance covering operations of the Building, including endorsements, all in such amounts as Landlord may reasonably determine, and the cost of any losses payable by Landlord as a deductible; (v) wages, salaries and other labor costs, including

supplying, replacing and cleaning uniforms, taxes, insurance, retirement, medical and other employee benefits; (vi) reasonable fees, charges and other costs of all lawyers, accountants, consultants and other independent contractors engaged by Landlord in connection with the Real Property; (vii) the cost of licenses, permits and inspections and the cost of contesting the validity or applicability of any Laws which may affect Operating Expenses; (viii) the cost of repairs, changes, alterations or improvements of any kind to the Building (collectively, "Changes") in a good faith effort to comply with the requirements of any Laws that were not applicable to the Building at the time that permits for construction of the Building were issued, the entire cost of such changes ("Code Costs") to be deemed Operating Expenses in the year in which they accrue or are paid by Landlord, except that if Landlord's accountants determine that any portion of Code Costs must be capitalized rather than expensed, then each year Landlord shall include in Operating Expenses only the properly chargeable portion of capitalized Code Costs during such year based on a determination of the useful life of the Changes for which the Code Costs were incurred together with interest on the unamortized balance at the Reference Rate plus two percent (2%) per annum; (ix) the cost of window coverings, carpeting and other wall or floor coverings furnished by Landlord from time to time in public corridors and common areas, to be capitalized, if appropriate, under clause (viii); (x) the cost of any capital improvements made to the Building after completion of its construction as a laborsaving or energy conservation device or to effect other economies in the operation or maintenance of the Building, to be capitalized if appropriate under clause (viii); (xi) Applicable Taxes (defined below); and (xii) management fees paid by Landlord to third parties or to management companies owned by, or management divisions of, Landlord for management services directly rendered to the Building.

For purposes of this Lease, Operating Expenses shall not include depreciation on the improvements contained in the Building (except as provided above) or the cost of capital improvements (except as provided above). The computation of Operating Expenses, and whether a particular item must be capitalized or expensed, shall be consistent with generally accepted real estate accounting practices, consistently applied.

(c) "Applicable Taxes" shall mean all taxes, assessments and charges levied on or with respect to the Building, the Real Property, or any personal property of Landlord used in the operation of the same and payable by Landlord. Applicable Taxes shall include, without limitation, all general real property taxes and general and special assessments; fees, assessments or charges for transit, police, fire, housing, other governmental services, or purported benefits to the Building; service payments in lieu of taxes; and any tax, fee or excise on the act of entering into this Lease or on the use or occupancy of the Building or any part of it, or on the rent payable under any lease or in connection with the business of renting space in the Building, that are now or hereafter levied on or assessed against Landlord by, or payable by Landlord as a result of, the

requirements of the United States of America, the State of California, or any political subdivision, public corporation, district or other political or public entity. Applicable Taxes shall also include any other tax, fee or other excise, however described, that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any of taxes specified above.

Applicable Taxes shall not include franchise, transfer, inheritance or capital stock taxes or income taxes measured by the net income of Landlord from all sources, unless, due to a change in the method of taxation, any of such taxes are levied or assessed against Landlord as a substitute for, in whole or in part, any other tax which would otherwise constitute an Applicable Tax. Applicable Taxes shall also include reasonable legal fees, costs and disbursements incurred in connection with proceedings to contest, determine or reduce Applicable Taxes.

Notwithstanding anything to the contrary in this Lease, if any Applicable Taxes are payable in installments, such Applicable Taxes shall be deemed to have been paid in installments over the longest period available, and Tenant's share of such Applicable Taxes shall only include those installments which would become due and payable during the Term.

5.2 Tenant shall pay to Landlord, as Additional Rent, Tenant's Expense Share of Operating Expenses for each calendar year or partial calendar year during the Term (each a "Lease Year") or any renewal or extension thereof.

The payments contemplated under Section 5.2 shall be made as follows:

(a) During each month during the Term, Tenant shall pay to Landlord, with each installment of Monthly Rent, such amounts as are reasonably estimated by Landlord to be onetwelfth (1/12th) of the amounts payable under this Section 5.2 for the applicable Lease Year. Landlord may, by written notice to Tenant, reasonably revise its estimates for such Lease Year and subsequent payments shall be based upon the revised estimates.

(b) With reasonable promptness after the end of each Lease Year, Landlord shall deliver to Tenant a statement setting forth the actual Operating Expenses for such Lease Year, and a comparison of any amounts payable under Section 5.2 with the estimated payments made by Tenant. If the amounts payable under Section 5.2 are less than the estimated payments made by Tenant, the statement shall be accompanied by a refund of the excess by Landlord to Tenant, or, at Landlord's election, a notice that Landlord shall credit the excess to the next succeeding monthly installment(s) of the Monthly Rent. If the amounts payable under Section 5.2 are more than the estimated payments made by Tenant, Tenant shall pay the deficiency to Landlord within ten (10) days after delivery of such statement. Statement as provided by Landlord shall be final and binding upon Tenant if Tenant fails to contest the same within ninety (90) days after the date of delivery to Tenant.

~~5.4 Notwithstanding anything to the contrary in this Lease, if during any Lease Year the Building is less than 95% occupied, for the purposes of computing Tenant's share of Operating Expenses for said year, those Operating Expenses which vary based upon occupancy levels shall be adjusted as though the Building were 95% occupied; provided, however, in no event shall the aggregate amount billed by Landlord to all tenants in the Building exceed the actual Operating Expenses for said year.~~

5.5 Tenant shall reimburse Landlord upon demand for any and all taxes required to be paid by Landlord (subject to the same exclusions provided for in Section 5. 1 in connection with Applicable Taxes), whether or not now customary or within the contemplation of the parties, when:

(a) Said taxes are measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises or by 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 shall be vested in Tenant or Landlord;

(b) Said taxes are measured by or reasonably attributable to the Base Rent and/or Additional Rent payable hereunder, or either of them, including, without limitation, any gross income tax or excise tax levied by any governmental entity (local, state or federal), with respect to the receipt of such Base Rent and/or Additional Rent;

(c) Said taxes are assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof, or

(d) Said taxes are assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

The portion of any taxes payable by Tenant under this Section 5.5 and other tenants of the Building under similar provisions in their leases shall be excluded from Applicable Taxes for purposes of computing Tenant's share of Operating Expenses.

5.6 In the event that it shall not be lawful for Tenant to reimburse Landlord for the items specified in Section 5.5, the Monthly Rent payable to Landlord under this Lease shall be increased to net Landlord the same net rent, after imposition of any such tax upon Landlord, as would have been payable to Landlord if any such tax had not been imposed.

5.7 If Tenant disputes the amount set forth in the statement delivered by Landlord to Tenant as required by Section 5.2 (the "Statement") then Tenant shall have the right, at Tenant's sole expense not later than sixty (60) days following receipt of such Statement, to cause Landlord's books and records with respect to the Lease Year which is the subject of the Statement to be audited by a certified public accountant mutually acceptable to Landlord and Tenant. The audit shall take place at the offices of Landlord where its books and records are located at a mutually convenient time during Landlord's regular business hours. Tenant's Expense Share of Operating Expenses shall be appropriately adjusted based upon the results of such audit, and the results of such audit shall be final and binding upon Landlord and Tenant. If the audit does not show a discrepancy of at least 5% in favor of Tenant, then Tenant shall pay Landlord's administrative expenses relating to the audit. Tenant shall have no right to conduct an audit or to give Landlord notice that it desires to conduct an audit at any time Tenant is in default under the Lease. The accountant conducting the audit shall be compensated on an hourly basis and shall not be compensated based upon a percentage of overcharges it discovers. No subtenant shall have any right to conduct an audit and no assignee shall be entitled to conduct an audit for any period during which such assignee was not in possession of the Premises. Tenant's right to undertake an audit with respect to any Lease Year shall expire sixty (60) days after Tenant's receipt of the Statement for such Lease Year, and such Statement shall then be final and binding upon Tenant and shall, as between the parties, be conclusively deemed correct, unless prior thereto Tenant shall have given Landlord written notice of its intention to audit Operating Expenses for the Lease year which is the subject of the Statement. If Tenant gives Landlord notice of its intention to audit Operating Expenses, it must commence such audit within sixty (60) days after such notice is delivered to Landlord, and the audit must be completed within one hundred twenty (120) days after such notice is delivered to Landlord. If Tenant does not commence and complete the audit within such periods, the Statement which Tenant elected to audit shall be deemed final and binding upon Tenant and shall, as between the parties, be conclusively deemed correct. The results of any Operating Expense audit shall be kept strictly confidential by Tenant and shall not be disclosed to any other person or entity.

Section 6. Services to be Provided by Landlord

6.1 Landlord shall furnish to Tenant, while Tenant is occupying the Premises, the following services:

(a) Electrical facilities sufficient to furnish electric power to the connection points within the Premises; provided that Tenant shall be responsible for initiating service with the electric service provider which provides electric service to the Building and shall also be responsible for all costs for electricity supplied to the Premises, including, without limitation,

any hookup fees. Tenant's failure to obtain or receive such services shall not relieve Tenant of any of its obligations under the Lease.;

(b) Water for lavatory and drinking purposes at those points of supply provided for general use of all tenants in the Building;

(c) Common Area air conditioning and heating as reasonably required for comfortable use and occupancy under ordinary office conditions during reasonable and customary office hours, as determined by Landlord; provided that Landlord shall have the right to charge Tenant for any afterhours or excessive use thereof, and

(d) Replacement of all light bulbs in common areas of the Building, rest room areas and stairwells, elevator service, routine maintenance and electric lighting service for all common areas of the Building and the Real Property, not including the Premises, in a manner and to the extent deemed by Landlord to be standard.

6.2 Landlord shall not be liable for any loss or damage arising or alleged to arise in connection with the failure, stoppage or interruption of any such services; nor shall the same be construed as an eviction of Tenant, result in an abatement of Rent, entitle Tenant to any reduction in Rent, or relieve Tenant from the operation of any covenant or condition of this Lease. Landlord reserves the right to temporarily discontinue such services or any of them at such times as may be necessary or appropriate by reason of accident, unavailability of employees, repairs, alterations, or improvements, or strikes, lockouts, riots, acts of God or any other happening or occurrence beyond Landlord's reasonable control. In the event of any such failure, stoppage or interruption of services, Landlord shall use reasonable diligence to have the same restored. Neither diminution nor shutting off of light or air or both nor any other effect on the Building by any structure erected or condition now or subsequently existing on lands adjacent to the Building shall affect this Lease, abate Rent, or otherwise impose any liability on Landlord.

6.3 Landlord shall have the right to reduce heating, cooling or lighting within the Premises and in the public area in the Building as required by any mandatory fuel or energysaving program. Landlord shall be entitled to cooperate voluntarily in a reasonable manner with the efforts of national, state or local governmental bodies or of utilities suppliers in reducing energy or other resources consumption. Landlord's acts under this Section 6.3 shall not affect this Lease, abate Rent or otherwise impose any liability on Landlord.

6.4 Unless otherwise provided by Landlord, Tenant shall separately arrange with the applicable local public authorities or utilities, as the case may be, for the furnishing of and

payment for all telephone services as may be required by Tenant in the use of the Premises. Tenant shall directly pay for such telephone services, including the establishment and connection thereof, at the rates charged for such services by said authority or utility. Tenant's failure to obtain or to continue to receive such services for any reason whatsoever shall not relieve Tenant of any of its obligations under this Lease.

6.5 Landlord shall have the right to contract for electrical service with a different entity than currently providing electrical service to the Building. Tenant shall cooperate with Landlord at all times, and as reasonably necessary, shall allow Landlord or any electrical service provider designated by Landlord, access to the electric lines, wiring, feeders, risers and other machinery in the Premises. Landlord shall in no way be liable or responsible for any loss, damage or expense that Tenant may sustain by reason of any change, failure, interference, disruption or defect in the supply or character of the electricity supplied to the Premises as a result of such change in the electric service provider.

6.6 The above services are the only services which Landlord shall be required to provide to Tenant. Without limiting the above, Landlord shall not be required to provide, and Tenant expressly waives, any right to receive, any security services with respect to the Premises or the Building. It is expressly understood and agreed that Landlord shall have no liability to Tenant for injury or losses due to theft, burglary or vandalism caused by unauthorized persons in the Building.

Section 7. Repairs and Maintenance by Landlord

7.1 Landlord shall provide for the cleaning and maintenance of the Building, except for the Premises, in keeping with the ordinary standard for office buildings similar to the Building as a part of Operating Expenses. Unless otherwise expressly stated in this Lease, Landlord shall not be required to make any improvements or repairs of any kind or character to the Premises during the Term, except such repairs as may be required to the Building's exterior walls, corridors, windows, roof and other structural elements and equipment of the Building.

7.2 Landlord, or Landlord's officers, agents and representatives (subject to any security regulations imposed by any governmental authority) shall have the right to enter all parts of the Premises at all reasonable hours - with twenty four (24) hours prior notice, except in the case of emergency, in which case notice is waived - to inspect, make repairs, alterations, and additions to the Building or the Premises which Landlord may deem necessary or desirable, to make repairs to adjoining spaces, to cure any Event of Default that Landlord elects to cure, to show the Premises to prospective Tenants or purchasers of the Building, or to provide any service which it is obligated or elects to furnish to Tenant. Tenant shall not be entitled to any

abatement or reduction of Rent by reason of Landlord's right of entry regardless of the length of time of such entry. Landlord shall have the right to enter the Premises at any time and by any means in the case of an emergency. Tenant hereby waives and releases its right to make repairs at Landlord's expenses under Sections 1932(1), 1941 and 1942 of the California Civil Code or under any similar law, statute or ordinance now or subsequently in effect.

Section 8. Repairs and Care of Building by Tenant

8.1 If the Building or any portion of the Building, including without limitation, the elevators, boilers, engines, pipes and other apparatus, or elements of the Building (or any of them) used for the purpose of climate control of the Building or operating the elevators, or if the water pipes, drainage pipes, electric lighting or other equipment of the Building or the roof or outside walls of the Building or the Premises' improvements, including without limitation, the carpet, wall covering, doors and woodwork, become damaged or are destroyed through negligence, carelessness or misuse by Tenant, its agents, employees, licensees or invitees, then the cost of the necessary repairs, replacements or alterations shall be borne by Tenant, who shall promptly pay the same on demand to Landlord as Additional Rent. Landlord shall have the exclusive right, but not the obligation, to make any repairs necessitated by such damage.

8.2 At its sole cost and expense, Tenant shall repair or replace any damage or injury done to the Building, or any part of the Building, caused by Tenant, Tenant's agents, employees, licensees or invitees which Landlord elects not to repair. Tenant shall not damage or injure the Building or the Premises and shall maintain the Premises in a clean, attractive condition and in good repair. If Tenant fails to keep the Premises in such good order, condition and repair as required under this Lease to Landlord's satisfaction, Landlord may restore the Premises to such good order and condition and make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's Property or business by reason of the same, Tenant shall pay to Landlord the cost of repairs and of restoring the Premises to good order and condition, plus an additional charge of fifteen percent (15 %) upon billing by Landlord. Upon the Termination Date, Tenant shall surrender and deliver up the Premises to Landlord in the same condition as existed at the Commencement Date, excepting only ordinary wear and tear and damage arising from any cause not required to be repaired by Tenant.

Section 9. Tenant's Equipment and Installations; Excess Utilities

9.1 Except for the diagnostic imaging equipment installed in the Premises as of the date of this Lease and standard office equipment such as fax machines, personal computers and standard office photocopiers, Tenant shall not install in the Premises any trade fixtures, medical equipment or other equipment, whether attached to the Premises or not without

Landlord's specific prior written consent. Such items, together with the items approved in this Section 9.1, shall be referred to herein as the "Equipment. "

9.2 Tenant shall not, without Landlord's prior written consent, use heat generating machines other than normal fractional horsepower office machines, or equipment or lighting, other than building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the electricity or water normally furnished for the Premises. If such consent is given for either of the above, Landlord shall have the right to install supplementary air conditioning units or other facilities in the Premises, and the cost thereof, including the cost of installation, operation and maintenance, increased wear and tear on existing equipment and other similar charges, shall be paid by Tenant to Landlord upon billing by Landlord. Said costs shall include the cost of electrical metering or surveying necessary to determine the additional operating cost attributable to the supplementary equipment. Landlord shall also have the right to impose reasonable additional charges (payable by Tenant to Landlord upon billing) by reason of Tenant's offhours or additional use of utilities or services, for the use of nonstandard machines, equipment or lighting, and because of the carelessness of Tenant or the nature of Tenant's business. Tenant shall not, without Landlord's prior written consent, install additional lighting or equipment requiring electric current to be supplied to the Premises in excess of the building standard. If such consent is given, Tenant shall pay to Landlord upon billing for the cost of such excess consumption.

Section 10. Force Majeure

Landlord shall not be liable for, and Tenant shall not be entitled to any reduction of the Base Rent or Additional Rent by reason of, Landlord's failure to furnish any of the services or utilities described in this Lease whether such failure is caused by acts of God, accident, breakage, repairs, strikes, lockouts or other labor disturbances or disputes of any character, interruption of service by suppliers thereof, unavailability of materials or labor, or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord, or by rationing or restrictions on the use of said services and utilities due to energy shortages or other causes, or the making of repairs, alterations or improvements to the Premises or Building, whether or not any of the above result from acts or omissions of Landlord. Furthermore, Landlord shall not be liable under any circumstances for a loss of or injury to Tenant's Property or for injury to or interference with Tenant's business, including without limitation, loss of profits, however occurring, and Tenant shall not be relieved of its obligation to pay the full Base Rent or Additional Rent by reason of the same.

Section 11. Mechanic's and Materialman's Liens

11.1 Tenant shall not suffer or permit any mechanic's or materialman's lien to be filed against the Premises or any portion of the Building by reason of work, labor, services, or materials supplied or claimed to have been supplied to Tenant. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, expressed or implied, by inference or otherwise, for any contractor, subcontractor, laborer or materialman to perform any labor or to furnish any materials or to make any specific improvement, alteration or repair of or to the Premises or any portion of the Building, nor of giving Tenant any right, power or authority to contract for, or permit the rendering of, any services or the furnishing of any materials that could give rise to the filing of any mechanic's or materialman's lien against the Premises or any portion of the Building. Landlord shall have the right at all times to post and keep posted on the Premises any notices which it deems necessary for protection from such liens.

11.2 If any such mechanic's or materialman's lien shall at any time be filed against the Premises or any portion of the Building as the result of any act or omission of Tenant, Tenant covenants that it shall, within ten (10) days after Tenant has notice of the claim for lien, procure the discharge thereof by payment or by giving security or in such other manner as may be required or permitted by law or which shall otherwise satisfy Landlord. If Tenant fails to take such action, Landlord, in addition to any other right or remedy it may have, may take such action as may be reasonably necessary to protect its interests. Any amounts paid by Landlord in connection with such action and all reasonable legal and other expenses of Landlord incurred in connection with the same, including reasonable attorney's fees and costs, court costs and other necessary disbursements shall be repaid by Tenant to Landlord on billing by Landlord as Additional Rent.

Section 12. Insurance

12.1 Landlord may maintain during the Term a commercial (comprehensive) liability insurance policy (written on an occurrence, not claims made, basis) including coverage for contractual liability, public liability and property damage in a commercially reasonable amount, as determined by Landlord, covering the Building. Landlord may maintain during the Term a policy of insurance insuring the Building against loss or damage due to fire and other casualties covered by a standard "all risk" coverage policy. Such coverage in such amounts as Landlord may from time to time determine may include the risks of lightning, vandalism and malicious mischief, and, at the option of Landlord, the risks of earthquakes and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the

holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Building or the ground or underlying lessors. The parties acknowledge that the premiums for insurance specified in Section 12.1 are Operating Expenses, as defined in Section 5.

12.2 At its own expense, Tenant shall maintain during the Term a commercial (comprehensive) liability insurance policy (written on an occurrence, not claims made, basis), including coverage for contractual liability, public liability and property damage in the amount of Two Million and 00/100 Dollars (\$2,000,000.00) per person and per occurrence for personal injuries or deaths of persons occurring in or about the Premises.

12.3 At its own expense, Tenant shall maintain during the Term "all risk" casualty insurance for the full replacement value of all Alterations and all of Tenant's Property and other items in the Premises.

12.4 At its own expense, Tenant shall maintain during the Term workers' compensation insurance and all such other insurance as may be required by applicable Laws.

12.5 All insurance required of Tenant shall: (a) as to any liability policies, name Landlord, and any other party which Landlord so specifies, as additional insureds; (b) specifically cover the liability assumed by Tenant under this Lease; (c) be issued by an insurance company which has a general policy holder's rating of not less than "A", and a financial rating of not less than Class "X", in the most current edition of Best's Insurance Reports, and which is licensed to do business in the State of California; (d) be primary insurance as to all claims thereunder; (e) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord, any other named insured and the holders of any mortgages or deeds of trust referred to above; and shall not eliminate crossliability and shall contain a severability of interest clause. Tenant may provide the insurance coverage required by Section 12 of this Lease in Tenant's blanket insurance coverage, provided that such blanket coverage explicitly includes requirements of this Section 12. Tenant shall deliver certificates thereof to Landlord on or before the Commencement Date and at least thirty (30) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such certificates, Landlord may, without waiving any of its rights or remedies, procure such policies for the account of Tenant, and the cost thereof shall be paid by Tenant as Additional Rent upon billing by Landlord. Tenant's compliance with the provisions of this Section 12 shall in no way limit Tenant's liability under any of the other provisions of this Lease. The limits of insurance required to be maintained by Tenant shall not be a limitation on any obligation of Tenant, including Tenant's indemnification obligations under Section 21 below. Not more frequently than once every two years, Landlord may require Tenant to increase the amount of liability insurance coverage if, in the opinion of Landlord's lender or insurance

consultant, the amount of such coverage is not then adequate.

12.6 Landlord and Tenant shall have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be, so long as the insurance carried by Landlord and Tenant, respectively, is not invalidated thereby. As long as such waivers of subrogation are contained in their respective insurance policies, Landlord and Tenant hereby waive any right that either may have against the other on account of any loss or damage to their respective property to the extent such loss or damage is insured under policies of insurance for fire and all risk coverage, theft, public liability, worker's compensation or other similar insurance.

Section 13. Quiet Enjoyment

Provided Tenant has performed all its obligations under this Lease, including but not limited to the payment of Rent and all other sums due, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance by Landlord, subject to the provisions and conditions set forth in this Lease.

Section 14. Deleted

Section 15. Alterations

15.1 Tenant shall not make or allow to be made any alterations, physical additions, or improvements in or to the Premises (collectively, "Alterations") without first obtaining Landlord's written consent in each instance, which consent may be given or withheld in Landlord's sole discretion. At the time of said request, Tenant shall submit to Landlord plans and specifications of the proposed Alterations. Landlord shall have a period of not less than sixty (60) days in which to review and approve or disapprove said plans. Tenant shall pay upon demand the reasonable costs of Landlord's review of such plans and specifications, not to exceed One Thousand Dollars (\$1,000.00). The contractor or person selected by Tenant to make Alterations must be approved in writing by Landlord prior to commencement of any work. Such contractor or person shall carry insurance in forms and amounts reasonably satisfactory to Landlord and shall at all times be subject to Landlord's rules and regulations while in the Building. All Alterations shall be performed in full compliance with plans and specifications approved by Landlord, all applicable Laws and the requirements of the Board of Underwriters, Fire Rating Bureau or similar body. All Alterations shall be performed at Tenant's sole cost and expense (including reasonable costs for Landlord's supervision), at such time and in such manner as Landlord may designate, and shall be promptly completed in a good and workmanlike manner.

Tenant shall pay to Landlord its review and supervision costs upon billing by Landlord. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all applicable Laws.

15.2 In addition to, and not in limitation of, the sixty (60) day period Landlord has to review Tenant's plans and specifications for the Alterations, Tenant shall give to Landlord at least fifteen (15) business days' prior written notice of commencement of construction of any Alterations. Landlord shall have the right to require that (a) any contractor hired by Tenant shall, prior to commencing work in the Premises, provide Landlord with a performance bond and labor and materials payment bond in the amount of the contract price for the work, naming Landlord and Tenant (and any other persons designated by Landlord) as coobligees, and that (b) any such contractor employ such labor as necessary to avoid any delay in or interruption to the progress of work undertaken in the Premises or elsewhere in the Building due to union picket lines. Tenant's contractors shall not use any portion of the common areas of the Building for performance of the work unless Landlord's written consent is first obtained. The granting or withholding of such consent shall be at Landlord's sole discretion.

15.3 All Alterations, whether made by Tenant or Landlord or at either's expense, including, without limitation, all Tenant Improvement Work and all carpeting and fixtures of any kind, shall become a part of the Building immediately upon installation in the Premises, and shall be and remain the property of Landlord, except for any Equipment approved by Landlord under Section 9, provided that the Equipment is removable without damage to the Building or the Premises that cannot be fully repaired by Tenant, and subject to Section 16. Notwithstanding any other provisions of this Lease, upon Landlord's written request made within thirty (30) days prior to the expiration or termination of this Lease, Tenant, at Tenant's sole cost and expense shall promptly remove any Alterations or Tenant Improvement Work (if any), designated by Landlord to be removed, and promptly repair any damage to the Premises or the Building resulting from such removal.

15.4 Tenant shall be responsible for the entire cost of the Alterations and Tenant Improvement Work (subject to Landlord's obligation to fund the Tenant Improvement Allowance), including any cost or expense of Landlord, relating to the interior of the Premises, on account of the need to comply with ADA Requirements or other Laws. Under no circumstances shall Landlord be responsible to Tenant or any third party for determining whether the Alterations comply with all applicable Laws, including ADA Requirements, regardless of whether Tenant must obtain Landlord's approval of the Alterations or the plans and specifications therefor as a condition to making them.

15.5 Should any construction, alteration, addition, improvements or decoration of the Premises, or moving into or out of Building, by Tenant interfere with harmonious labor relations in the Building, all such work shall be halted immediately by Tenant until such time as construction can proceed without such interference.

Section 16. Furniture, Fixtures and Personal Property

16.1 Tenant, at its sole cost and expense, may remove its office supplies, moveable office furniture and other personal property not attached to the Building or the Premises and its Equipment ("Tenant's Property") provided:

- (a) such removal is made prior to the Termination Date;
- (b) no Event of Default exists at the time of such removal; and
- (c) Tenant promptly repairs all damage to the Premises or the Building caused by such removal.

16.2 If Tenant does not remove Tenant's Property prior to the Termination Date (unless prior arrangements have been made with Landlord and Landlord has agreed in writing to permit Tenant to leave any items of Tenant's Property in the Premises for an agreed period), then, in addition to its other remedies at law or in equity, Landlord shall have the right to have such items removed and stored at Tenant's sole cost and expense and all damage to the Building or the Premises resulting from said removal shall be repaired at Tenant's cost. Any such items not removed prior to the Termination Date, shall, at Landlord's option, subject to applicable Laws, become the property of Landlord upon the Termination Date, and Tenant shall not have any further rights with respect thereto or reimbursement therefor.

16.3 All furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the Term or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere in the Building shall be at the sole risk and hazard of Tenant. If the whole or any part thereof is destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft, or from any other cause, no part of said loss or damage is to be charged to or be borne by Landlord.

Section 17. Taxes

During the Term, Tenant shall pay, prior to delinquency, all business and other

taxes, charges, notes, duties and assessments levied, and rates or fees imposed, charged, or assessed against or in respect of Tenant's occupancy of the Premises or in respect of the trade fixtures, furnishings, equipment, and all other personal property of Tenant contained in the Building, and shall hold Landlord harmless from and against all payment of such taxes, charges, notes, duties, assessments, rates, and fees. Tenant shall cause said fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from the real and personal property of Landlord. In the event any or all of Tenant's fixtures, furnishings, equipment, and other personal property shall be assessed and taxed with Landlord's real property, Tenant shall pay to Landlord Tenant's share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's Property.

Section 18. Assignment and Subletting

18.1 Neither Tenant nor Tenant's legal representatives nor successors in interest by operation of law or otherwise shall assign this Lease or sublease the Premises or any part thereof or mortgage, pledge or hypothecate its leasehold interest, nor make any attempt to do so, without Landlord's prior written consent. Any such attempt shall be void and constitute an Event of Default. This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law. The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of it shall not work a merger and shall, at the option of Landlord, terminate all or any existing subleases or may, at the option of Landlord, operate as an assignment to Landlord of Tenant's interest in any or all such subleases.

18.2 The following shall constitute a prohibited assignment subject to Section 18.1: (a) a sale, transfer, pledge or hypothecation by Tenant of all or substantially all of its assets; (b) a sale of all or substantially all of its stock, if Tenant's stock is publicly traded; (c) a merger of Tenant with another corporation (provided Tenant is not the surviving entity) ; (d) the sale, transfer, pledge or hypothecation of fifty percent or more of Tenant's stock if Tenant's stock is not publicly traded; or (e) the sale, transfer, pledge or hypothecation of fifty percent (50%) or more Tenant's beneficial ownership interest if Tenant is a partnership, limited liability company or other entity. Landlord's consent shall not be required for the assignment of the Lease or subletting of the Premises to a Permitted Affiliate (defined below) (a "Permitted Assignment") provided that: (I) at the time Tenant proposes and at the time of the Permitted Assignment no Event of Default exists or would exist with notice or passage of time; (ii) Landlord is provided with written notice of the Permitted Assignment describing in reasonable detail the transaction giving rise to the Permitted Assignment, along with any reasonable documentation requested by Landlord; (iii) the Permitted Affiliate agrees in writing to be bound by the terms of this Lease; (iv) Landlord is provided with a copy of the proposed assignment or sublease; and (v) Tenant

promptly delivers to Landlord any Excess Rent (defined below) or other consideration paid to Tenant by the Permitted Affiliate relating to the Permitted Assignment as further described in Section 18.4. A Permitted Assignment shall not constitute a release of Tenant (or any guarantor of Tenant's) from further performance by Tenant or such guarantor of covenants undertaken to be performed by Tenant. Tenant and/or such guarantor shall remain liable and responsible for Rent and all other obligations of Tenant under this Lease.

18.3 For purposes hereof, the term "Permitted Affiliate" means an entity that: (a) controls, is controlled by or is under common control with Tenant; and (b) has an independent net worth as of the date of the proposed assignment or subletting equal to or greater than the net worth of Tenant as of the date of this Lease. "Control" means the direct or indirect ownership of more than fifty percent (50%) of the voting securities of an entity or possession of the right to vote more than fifty percent (50%) of the voting interest in the ordinary direction of the entity's affairs.

18.4 Tenant shall give Landlord written notice of its desire to assign this Lease or sublease the Premises or any portion thereof. At the time of giving such notice, Tenant shall provide Landlord with a copy of the proposed assignment or sublease document, which shall include a covenant by the proposed assignee or sublessee in favor of Landlord to abide by the terms of this Lease, and such information as Landlord may reasonably request concerning the proposed sublessee or assignee to assist Landlord in making an informed judgment regarding the financial condition, reputation, operation and general desirability of the proposed sublessee or assignee. Landlord shall then have a period of 30 days following receipt of such notice within which to notify Tenant in writing of Landlord's election to:

(a) terminate this Lease as to the space so affected as of the date specified by Tenant, in which event Tenant shall be relieved of all obligations accruing under this Lease after the termination as to the Premises or such portion, after paying all Rent due as of the Termination Date; or

(b) permit Tenant to assign or sublet the Premises or such portion; or

(c) refuse to consent to Tenant's assignment or subletting of the Premises or such portion and to continue this Lease in full force and effect as to the entire Premises.

If Landlord should fail to notify Tenant of its election within the 30day period, Landlord shall be deemed to have elected option (c). In the event of any approved assignment or subletting, the rights of any such assignee or sublessee shall be subject to all of the terms, conditions and provisions of this Lease, including without limitation restrictions on use and the

covenant to pay Rent. If Landlord approves the proposed assignment or subletting, Tenant may, not later than 90 days thereafter, enter into such assignment or sublease with the proposed assignee or sublessee upon the terms and conditions set forth in the notice provided to Landlord, and one hundred percent (100%) of the Excess Rent received by Tenant shall be paid to Landlord as and when received by Tenant. "Excess Rent" means any rent or other consideration received by Tenant in excess of the Base Rent and Additional Rent payable hereunder (or the amount thereof proportionate to the portion of the Premises subject to such sublease in the case of a sublease of a portion of the Premises). The Excess Rent shall be the property of and paid over to Landlord in consideration of Landlord's consent to the applicable assignment or sublease.

18.5 Landlord may, at its option, collect directly from an assignee or sublessee all rents becoming due to Tenant under such assignment or sublease and apply such rent against any sums due to Landlord from Tenant hereunder. Tenant hereby authorizes and directs such assignee or sublessee to make such payments of rent direct to Landlord upon receipt of notice from Landlord, and Tenant agrees that any such payments made by an assignee or sublessee to Landlord shall, to the extent of the payments so made, be a full and complete release and discharge of rent owed to Tenant by such assignee or sublessee. No direct collection by Landlord from any such assignee or sublessee shall be construed to constitute a novation or a release of Tenant or any guarantor of Tenant from the further performance of its obligations hereunder. Receipt by Landlord of rent from any assignee, sublessee or occupant of the Premises or any part thereof shall not be deemed a waiver of the above covenant in this Lease against assignment and subletting or a release of Tenant under this Lease. In the event that, following an assignment or subletting, this Lease or the rights and obligations of Tenant hereunder are terminated for any reason, including, without limitation, in connection with default by or bankruptcy of Tenant (which, for the purposes of this Section 18.5, shall include all persons or entities claiming by or through Tenant), Landlord may, at its sole option, consider this Lease to be thereafter a direct lease to the assignee or subtenant of Tenant upon the terms and conditions contained in this Lease.

18.6 No consent to or recognition of any such assignment or subletting by Landlord shall constitute a release of Tenant or any guarantor of Tenant's performance from further performance by Tenant or such guarantor of covenants undertaken to be performed by Tenant. Tenant and/or such guarantor shall remain liable and responsible for all Rent and other obligations of Tenant under this Lease. Consent by Landlord to a particular assignment, sublease or other transaction shall not be deemed a consent to any other or subsequent transaction. Whether or not Landlord consents to any assignment, sublease or other transaction, Tenant shall pay Landlord an administrative fee of Five Hundred Dollars (\$500) and any reasonable attorneys' fees or accountant's fees and costs actually incurred by Landlord in connection with such transaction. All documents utilized by Tenant to evidence any subletting or assignment for which

Landlord's consent has been requested, shall be subject to prior approval by Landlord or its attorney.

18.7 If this Lease is assigned to any person or entity under the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Bankruptcy Code"), any and all monies or other consideration payable or otherwise to be delivered in connection with such assignment shall be paid or delivered to Landlord, shall be and remain the exclusive property of Landlord, and shall not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any such monies or other consideration not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and shall be promptly paid or delivered to Landlord. Any person or entity to whom this Lease is so assigned shall be deemed, without further act or deed, to have assumed all of the obligations arising under this Lease as of the date of such assignment. Upon demand therefor, any such assignee shall execute and deliver to Landlord an instrument confirming such assumption. In no event shall Tenant have any right to sublet or assign if there exists any Event of Default or circumstances which, with notice or passage of time, would constitute an Event of Default.

18.8 Subject to the above, any consents required by Landlord under this Section 18 shall not be unreasonably withheld or untimely delayed. In considering a proposed assignment or sublease, it shall not be unreasonable for Landlord to consider: (a) whether a proposed use is compatible with the tenant mix in the Building; (b) the extent of Alterations required by the proposed assignee or sublessee; (c) the financial condition, character and reputation of the proposed assignee or sublessee; and (d) other noneconomic factors, in considering whether to give its consent. It shall also not be unreasonable for Landlord to withhold consent if the proposed sublessee or assignee is a tenant of the Building or has discussed with Landlord the possibility of becoming a tenant of the Building within one year from the date of the proposed assignment or sublease.

Section 19. Fire and Casualty

19.1 Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. Subject to the remaining provisions of this Section 19, if the Premises or the Building are damaged by fire or other casualty insured against by Landlord's fire and all risk coverage insurance policy, and sufficient proceeds (apart from any applicable deductible) are made available to Landlord to fully cover the cost of repair, Landlord shall promptly undertake such repairs, so long as such repairs can, in Landlord's reasonable opinion, be made within one hundred eighty (180) days after the date of such damage and this Lease shall remain in full force and effect. If (a) such repairs cannot, in Landlord's reasonable opinion, be

made within one hundred eighty (180) days after the date of such damage; or (b) insufficient proceeds are made available to Landlord to fully cover the cost of repair; or (c) the casualty is not covered by insurance policies Landlord has elected to carry pursuant to Section 12. 1, then Landlord may elect, by written notice to Tenant given within sixty (60) days after the date of such damage, to either: (I) restore or repair such damage, in which event this Lease shall continue in full force and effect; or (ii) terminate this Lease as of a date specified in such notice, which date shall not be less than thirty (30) nor more than sixty (60) days after the date such notice is given. In calculating the cost of repair, Landlord shall be entitled to take into account the cost of bringing the damaged, destroyed or remaining portions of the Premises and the Building into compliance with any thenapplicable Laws (including, without limitation, ADA Requirements).

19.2 If such fire or other casualty shall have damaged the Premises, and if such damage is not the result of the negligence or willful misconduct of Tenant or any persons claiming by, through or under Tenant or any of their employees, agents, contractors, invitees or licensees, then during the period a portion of the Premises is rendered unusable by such damage Tenant shall be entitled to a reduction in the Base Rent and Additional Rent in the proportion that the Rentable Area of the Premises rendered unusable as a result of such damage bears to the total Rentable Area of the Premises. If any damage to the Premises is due to the negligence or willful misconduct of Tenant or any of the other parties described in the preceding sentence, then there shall be no abatement of the Base Rent or Additional Rent by reason of such damages, except to the extent Landlord is reimbursed for such abatement of the Base Rent or Additional Rent pursuant to any rental insurance policies Landlord has chosen to obtain pursuant to Section 12. 1.

19.3 Notwithstanding any other provision of this Lease, Landlord shall not be required to repair any injury or damage to or to make any repairs to or replacements of any Alterations, Tenant's Property or any other improvements installed in the Premises by or for Tenant, other than the Tenant Improvements, and Tenant shall, at Tenant's sole cost and expense, repair and restore all such Alterations and improvements in the same condition as existed prior to such event. Except as specifically provided in Section 19.2, Tenant shall not be entitled to any compensation or damages from Landlord for damage to any Alterations, or Tenant's Property, for loss of use of the Premises or any part thereof, for any damage to or interference with Tenant's business, loss of profits, or for any disturbance to Tenant caused by any casualty or the restoration of the Premises following such casualty.

19.4 The provisions of this Lease, including this Section 19, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or any other portion of the Real Property, and any statute or regulation of the State of California, including without limitation, Sections 1932(2) and

1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties and any other statute or regulation, now or subsequently in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or any other portion of the Real Property. Tenant hereby specifically waives all rights to terminate this Lease under said Civil Code sections or any similar laws.

19.5 If the Building or the Premises are damaged to any extent during the last twelve months of the Term, then Landlord or Tenant may elect to terminate this Lease by written notice to the other within thirty (30) days after the damage occurs.

Section 20. Condemnation

20.1 If a substantial portion of the Rentable Area of the Premises is taken under power of eminent domain or sold, transferred or conveyed in lieu thereof, such that Tenant can no longer perform Tenant's normal service operations at the Premises, then either Landlord or Tenant shall have the right to terminate this Lease as of the earliest of the date of vesting of title or the date possession is taken by the condemning authority. Such right shall be exercised by giving of written notice to the other party on or before said date. If any part of the Building other than the Premises is taken under power of eminent domain or sold, transferred or conveyed in lieu thereof, Landlord may terminate this Lease at its option as of the earlier of the date of vesting of title or the date possession is taken by the condemning authority. In either of such events, Landlord shall receive the entire award which may be made in such taking or condemnation, and Tenant hereby assigns to Landlord any and all rights of Tenant now or hereafter arising in or to the same whether or not attributable to the value of the unexpired portion of this Lease; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for the taking of Tenant's Property or for the interruption of or damage to Tenant's business or for Tenant's moving expenses.

20.2 In the event of a taking of any portion which is less than fifty percent (50%) of the Rentable Area of the Premises, or a sale, transfer, or conveyance in lieu thereof, or if this Lease is not terminated by Landlord or Tenant as provided above, then this Lease shall automatically terminate as to the portion of the Premises so taken as of the earlier of the date of vesting of title or the date possession is taken by the condemning authority, and the Base Rent as well as the Additional Rent shall be apportioned according to the ratio that the remaining Rentable Area of the Premises bears to the total original Rentable Area of the Premises. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of California Code of Civil Procedure or any similar provisions of Laws now or hereafter in effect.

20.3 In the event of temporary taking of all or any portion of the Premises for a period of ninety days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the remaining Rentable Area of the Premises bears to the total Rentable Area of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

Section 21. Indemnification

21.1 Landlord shall not be liable to Tenant for and Tenant hereby waives all claims against Landlord for damage to any property or injury, illness or death of any person in, upon, or about the Premises, the Building or the Real Property arising at any time and from any cause whatsoever except to the extent caused by the gross negligence or willful misconduct of Landlord or its employees or agents. Without limiting the generality of the foregoing, Landlord shall not be liable for any damage or damages of any nature whatsoever to persons or property caused by explosion, fire, theft, breakage or the misconduct of third parties, by sprinkler, drainage or plumbing systems, by failure for any cause to supply adequate drainage, by the interruption of any public utility or service, by steam, gas, water, rain or other substances leaking, issuing or flowing into any part of the Premises, by natural occurrence, acts of a public enemy, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, or for any damage or inconvenience which may arise through repair, maintenance or alteration of any part of the Building, or by anything done or omitted to be done by any tenant, occupant or person in the Building. In addition, Landlord shall not be liable for any loss or damage for which Tenant is required to insure or for any loss or damage resulting from any construction, alterations or repair by Landlord or by others.

21.2 Tenant shall defend, with counsel approved by Landlord, indemnify and save harmless, Landlord, any partner, trustee, stockholder, officer, director, employee or beneficiary of Landlord, holders of mortgages or deed to trust covering the Premises or the Building and any other party having an interest therein ("Indemnified Parties") from and against any and all liabilities, losses damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature arising from or relating to: (a) injury to or death of any person, or damage to or loss of property, on, in or about the Premises, or relating to, in any manner, the use, condition or occupancy of the Premises (except to the extent caused by the gross negligence or willful misconduct of Landlord or its agents or employees); (b) any violation by Tenant in the observance or performance of its obligations under this Lease, or (c) any act or omission of Tenant or its agents, employees, contractors, licenses, sublessees or invitees. Tenant shall use and occupy the Premises and other facilities of

the Building at its own risk, and hereby releases the Indemnified Parties from any and all claims for any damage or injury to the fullest extent permitted by Law.

21.3 The provisions of this Section 21 shall survive the expiration or sooner termination of this Lease.

Section 22. Default by Tenant

22.1 The term 'Event of Default' refers to the occurrence of any one or more of the following:

(a) failure of Tenant to pay when due any Base Rent, Additional Rent or any other monetary sum required to be paid hereunder (a "Monetary Default");

(b) failure of Tenant, after ten (10) days written notice, to observe and perform any other of Tenant's obligations, covenants or agreements under this Lease; provided, however, that if such monetary default cannot reasonably be cured within ten (10) days, then the default shall not be deemed to be uncured if Tenant commences to cure the default promptly, and in any event within ten (10) days from Landlord's notice, and continues to diligently complete the cure within a reasonable time;

(c) if Tenant, or any guarantor of Tenant's obligations under this Lease (a "Guarantor"), admits in writing that it cannot meet its obligations as they become due; or is declared insolvent according to any law; or assignment of Tenant's or Guarantor's property is made for the benefit of creditors; or a receiver or trustee is appointed for Tenant or Guarantor or its property; or the interest of Tenant or Guarantor under this Lease is levied on under execution or other legal process; or any petition is filed by or against Tenant or Guarantor to declare Tenant bankrupt or to delay, reduce or modify Tenant's debts or obligations; or any petition is filed or other action taken to reorganize or modify Tenant's or Guarantor's capital structure, if Tenant is a corporation or other entity; provided that, any involuntary levy, execution, legal process or petition filed against Tenant or Guarantor shall not constitute an Event of Default provided Tenant or Guarantor shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within sixty days from the date of its creation, service or filing;

(d) the abandonment of the Premises by Tenant, which shall mean that Tenant has vacated the Premises for ten (10) consecutive days, whether or not Tenant is in Monetary Default; or that Tenant, in the judgment of Landlord, is vacating the Premises by removing furniture and fixtures;

(e) the discovery by Landlord that any financial statement given by Tenant or any of its assignees, subtenants or successors in interests, or Guarantors, was materially false; or

(f) if Tenant or any Guarantor shall die, cease to exist as a corporation or partnership or be otherwise dissolved or liquidated or become insolvent, or shall make a transfer in fraud of creditors.

22.2 Upon the occurrence of any Event Default by Tenant, Landlord may at any time thereafter, without limiting Landlord in the exercise of any right or remedy which Landlord may have under this Lease, at law or in equity by reason of such Event of Default:

(a) Terminate this Lease and recover from Tenant as provided by California Civil Code Section 1951.2: (i) the worth at the time of award of the unpaid Rent and other amounts which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom. The "worth at the time of award" of the amount referred to in (iii) shall 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 percent (1%). For purposes of computing unpaid Rent which would have accrued and become payable under this Lease pursuant to the provisions of this subsection (a), unpaid Rent shall consist of the sum of the unpaid Base Rent and the Additional Rent as reasonably estimated by Landlord for the balance of the Term; or

(b) Continue this Lease in effect and enforce all of its rights and remedies under this Lease, as provided by California Civil Code Section 1951.4, including the right to recover Base Rent and Additional Rent as they become due, for so long as Landlord does not terminate Tenant's right to possession; provided, however, if Landlord elects to exercise its remedies described in this subsection (b) and Landlord does not terminate this Lease, and if Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord shall not unreasonably withhold its consent to such assignment or sublease. Acts of maintenance or preservation, efforts to relet the Premises, or the appointment of a receiver upon Landlord's initiative to protect its interest under this Lease, shall not constitute a termination of Tenant's right to possession; or

(c) With or without terminating this Lease, to reenter the Premises and remove all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. No such reentry shall constitute an election to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. In addition to its other rights under this Lease, Landlord shall have the right, even though tenant is in default and has abandoned the Premises, (I) to maintain this Lease in effect and not terminate Tenant's right to possession, and (ii) to enforce its rights and remedies under this Lease, including the right to recover Base Rent and Additional Rent as they become due under this Lease.

22.3 If Tenant fails to make any payment or cure any Event of Default hereunder within the time permitted, Landlord, without being under any obligation to do so and without thereby waiving such Event of Default, may make the payment and/or remedy the Event of Default for the account of Tenant (and enter the Premises for such purpose), and Tenant shall pay Landlord, upon demand, all reasonable costs, expenses and disbursements plus fifteen percent (15%) overhead cost, incurred by Landlord in connection with such payment or cure.

22.4 Nothing contained in this Section 22 shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding, an amount equal to the maximum allowed by applicable Law, whether or not such amount is greater, equal to or less than the amounts recoverable, either as damages or Rent, referred to in any of the preceding provisions of this Section 22. Notwithstanding anything contained in this Section 22 to the contrary, any such proceeding or action involving bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, or appointment of a receiver or trustee, shall be considered to be an Event of Default only when such proceeding, action or remedy shall be taken or brought by or against the then holder of the leasehold estate under this Lease or the guarantor under a Guaranty of this Lease.

22.5 In connection with an Event of Default, Tenant shall also be liable and shall pay to Landlord, in addition to any sums provided to be paid above, broker's fees incurred by Landlord in connection with reletting the whole or any part of the Premises, the costs of removing and storing Tenant's or other occupants' property, the costs of repairing, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant or tenants, and all reasonable expenses incurred by Landlord in enforcing or defending Landlord's rights and/or remedies, including reasonable attorneys' fees whether suit was actually filed or not.

22.6 Landlord is entitled to accept, receive, in check or money order, and deposit any payment made by Tenant for any reason or purpose or in any amount whatsoever, and apply them at Landlord's option to any obligation of Tenant, and such amounts shall not constitute payment of any amount owed except that to which Landlord has applied them. No endorsement or statement on any check or letter of Tenant shall be deemed an accord and satisfaction or recognized for any purpose whatsoever. The acceptance of any such check or payment shall be without prejudice to Landlord's rights to recover any and all amounts owed by Tenant and shall not be deemed to cure any other default nor prejudice Landlord's rights to pursue any other available remedy.

22.7 Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice thereof from Tenant to Landlord, and after the notice and other requirements of Section 36 have been met; provided that, if such default cannot reasonably be cured within thirty (30) days then Landlord shall not be in default if it commences to cure the default within the thirty (30) day period and continues diligently to complete the cure within a reasonable time. Any such notice of default shall specify the obligation Landlord has allegedly failed to perform, and shall identify the Lease provision containing such obligation. If, by reason of the occurrence of any of the events specified in Section 10 hereof, Landlord is unable to fulfill or is delayed in fulfilling any of Landlord's obligations under this Lease or any collateral instrument, no such inability or delay shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Base Rent or Additional Rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant or by reason of injury to or interruption of Tenant's business, loss of profits, or otherwise. Tenant hereby waives and releases its right to terminate this Lease under Section 1932(l) of the California Civil Code or under any similar law, statute or ordinance now or later in effect.

Section 23. Lien for Rent

To secure the payment of all Rent and the faithful performance of all the other covenants of this Lease to be performed by Tenant, Tenant hereby gives to Landlord an express contract lien on and first security interest in and to all property, equipment, machinery, trade fixtures, chattels and merchandise ("Lien") which may be placed in the Premises and also upon all proceeds of any insurance which may accrue to Tenant by reason of damage to or destruction of any such property, and agrees that this Lease shall constitute a security agreement with respect thereto. All exemption laws are hereby waived by Tenant. This Lien is given in addition to any statutory liens and shall be cumulative thereto. Tenant agrees to execute from time to time at the

request of Landlord UCC1 Financing Statements referencing this security agreement in a form satisfactory to Landlord, and to file originals of such statements with the clerk of the cities or towns where (a) the Premises are located, and (b) Tenant maintains its principal business office or residence, or wherever else such statements would ordinarily be filed to protect creditor's rights under California law. In addition to all other rights of Landlord under this Lease, upon Tenant's default, Landlord shall have all of the remedies of a secured party with respect to said property, equipment, machinery, trade fixtures, chattels and merchandise.

Section 24. Right to Relocate

Notwithstanding anything in this Lease to the contrary, Landlord in all cases shall retain the right and power to relocate Tenant, upon thirty (30) days' written notice, within the Building to space which is comparable in size and location and suited to Tenant's use, such right and power to be exercised reasonably. Landlord shall not be liable or responsible for any claims, damages or liabilities in connection with such relocation. Landlord's reasonable exercise of such right and power shall include, but not be limited to, a relocation to consolidate the Rentable Area occupied in order to provide Landlord's services more efficiently or a relocation to provide contiguous vacant space for a prospective tenant. If Landlord shall exercise said option, the substituted premises shall thereafter be deemed the "Premises" under this Lease, and a new amended Exhibit A showing the new Premises will be substituted for the original Exhibit A. Landlord agrees to pay the Tenant's expenses to move its furniture, fixtures and equipment, to such substituted Premises. Landlord also agrees to pay the Tenant's expenses to replace Tenant's existing stock of stationary.

Section 25. Attorneys' Fees

If either party commences litigation against the other in connection with this Lease, the parties hereby waive any right to a trial by jury. In the event of such litigation, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred. The "prevailing party" shall be the party who receives substantially the result sought, whether by settlement, dismissal or judgment and shall be conclusively determined by the court. Further, if for any reason Landlord consults legal counsel or otherwise incurs any costs or expenses as a result of its rightful attempt to enforce the provisions of this Lease, even though no litigation is commenced, or if commenced is not pursued to final judgment, Tenant shall pay to Landlord, in addition to all other amounts for

which Tenant is obligated, all of Landlord's reasonable costs and expenses incurred in connection with any such acts, including reasonable attorneys fees.

Section 26. NonWaiver

Neither acceptance of any payment by Landlord from Tenant nor failure by Landlord to complain of any action, nonaction, or default of Tenant shall constitute a waiver of any of Landlord's rights. No action of Landlord shall be deemed to be an acceptance of a surrender of this Lease by Tenant, including without limitation, the acceptance of keys from Tenant, unless stated in a written agreement or other written document signed by Landlord. Time is of the essence with respect to the performance of every obligation of Tenant under this Lease. Waiver by Landlord of any right in connection with any Event of Default shall not constitute a waiver of such right or remedy or any other right or remedy arising in connection with either a subsequent Event of Default with respect to the same obligation or any other obligation. No right or remedy of Landlord or covenant, duty, or obligation of Tenant shall be deemed waived by Landlord unless such waiver is in writing, signed by Landlord or Landlord's duly authorized agent.

Section 27. Rules and Regulations

Tenant shall comply with the rules and regulations set forth in Exhibit B (Such rules and regulations shall be uniform for all tenants of the Building, but only with respect to leases directly entered into between Landlord and the other tenants). Landlord shall have the right at all times to change such rules and regulations or to amend them in any manner as may be deemed advisable by Landlord for the security or good order and maintenance of the Building, all of which changes and amendments shall be sent by Landlord to Tenant in writing. Tenant shall thereafter comply with the changed or amended rules and regulations. Landlord shall have no liability to Tenant for any failure of any other tenants of the Building to comply with such rules and regulations, or for failure of the rules and regulations to be uniform for all tenants of the Building.

Section 28. Assignment by Landlord

Landlord shall have the right to transfer, in whole or in part, all its rights and obligations under this Lease and in the Premises and the Building, and in such event Landlord shall have no further liability under this Lease.

Section 29. Liability of Landlord

The obligations of Landlord under this Lease shall be binding upon Landlord and its successors and assigns and any future owner of the Building only with respect to events occurring during its and their respective ownership of the Building. In addition, Tenant shall look solely to Landlord's interest in the Building for recovery of any judgment against Landlord arising in connection with this Lease, it being agreed that neither Landlord nor any successor or assign of Landlord nor any future owner of the Building, nor any trustee, director, officer, employee, beneficiary, partner, shareholder, or agent of any of the foregoing shall ever be personally liable for any such judgment. In no event shall Landlord be liable to Tenant for lost profits, consequential or special damages or punitive damages.

Section 30. Subordination and Attornment

At Landlord's option, this Lease shall be subordinate to any mortgage, deed of trust (now or subsequently placed upon the Building or the Real Property), ground lease, declaration of covenants (subsequently placed upon the Building or the Real Property) regarding maintenance and use of any areas contained in any portion of the Building or the Real Property, and to any and all advances made under any mortgage or deed of trust and to all renewals, modifications, consolidations, replacements and extensions of the same, provided that with respect to any lender, Tenant's rights under this Lease shall not be disturbed so long as Tenant is not then in default hereunder. With respect to any of the above documents, Tenant agrees that no documentation other than this Lease shall be required to evidence the subordination. Any holder of a mortgage or deed of trust may elect, by written notice to Tenant, to make this Lease superior to the lien of its mortgage or deed of trust, in which case this Lease shall automatically be deemed prior to such mortgage or deed of trust, whether this Lease is dated earlier or later than the date of the mortgage or deed of trust or the date the same was recorded. Tenant shall execute such documents as may be required to evidence the subordination or to make this Lease prior to the lien of any mortgage or deed of trust, as the case may be. By failing to do so within five days after written demand, Tenant does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney-in-fact to do so. This power of attorney is coupled with an interest. Tenant hereby attorns to all successor owners of the Building, whether or not such ownership is acquired as a result of a sale through foreclosure of a deed of trust or mortgage, or otherwise. Additionally, at such time or times as Landlord may request, upon not less than five (5) days' prior written request by Landlord, Tenant shall sign and deliver to Landlord an estoppel certificate stating whether this Lease is in full force and effect; whether any amendments or modifications exist; whether there are any Events of Default or circumstances that, with notice or the passage of time may become an Event of Default; current Rent and such other information and agreements as may be reasonably requested. Any such statement delivered pursuant to this Section 30 may be relied upon by Landlord and by any prospective purchaser of all or any portion of Landlord's interest, or a holder or prospective holder of any mortgage or deed of trust encumbering the

Building. Tenant's failure to deliver such statement within such time shall constitute an Event of Default and shall conclusively be deemed to be an admission by Tenant of the matters set forth in the request for an estoppel certificate.

Section 31. Holding Over

In the event Tenant, or any party claiming under Tenant, retains possession of the Premises after the Termination Date, the possession shall be an unlawful detainer. No tenancy or interest shall result from such possession, and such parties shall be subject to immediate eviction and removal. Tenant or any such party shall pay Landlord, as Rent for the period of such holdover, an amount equal to two hundred percent (200%) of the Rent otherwise provided for in this Lease during the time of holdover. Tenant also shall be liable for any and all damages sustained by Landlord as a result of such holdover. Tenant shall vacate the Premises and deliver the Premises to Landlord immediately upon Tenant's receipt of notice from Landlord to so vacate. The Rent during such holdover period shall be payable to Landlord on demand. No holding over by Tenant, whether with or without Landlord's consent, shall operate to extend this Lease.

Section 32. Signs

No sign, symbol or identifying marks shall be put upon the Building or the Real Property, or in the halls, elevators, staircases, entrances, parking areas or upon the doors or walls, without Landlord's prior written approval, which may be given or withheld in Landlord's sole discretion. Landlord shall provide a directory with the names of tenants in the lobby of the Building. Any necessary revision to such directory shall be made by Landlord at Tenant's expense within a reasonable period of time after Tenant notified Landlord of the need for such change. Should such approval be granted, the signs or lettering shall conform in all respects to the sign and/or lettering criteria established by Landlord. Landlord, at Landlord's sole cost and expense, reserves the right to change the door plaques as Landlord deems reasonably desirable.

Section 33. Hazardous Substances

With respect to Tenant's use of the Building, Tenant at all times, at its own cost and expense, shall comply with all Laws relating to the use, analysis, production, storage, sale, disposal or transportation of any hazardous materials ("Hazardous Substance Laws"), including, without limitation, oil or petroleum products or their derivatives, solvents, PCB's, explosive substances, asbestos, radioactive materials or waste, medical waste as defined by Section 25023.2 of the California Health and Safety Code, and any other toxic, ignitable, reactive, corrosive, infectious, contaminating or pollution materials ("Hazardous Substances") which now

or in the future are subject to any governmental regulation.

Tenant shall not use, generate, store or dispose of any Hazardous Substances in or on the Premises or the Building, except to the extent and in the quantities any such Hazardous Substances are commonly used for diagnostic imaging and then only in strict accordance with all Hazardous Substance Laws. Tenant shall be responsible for the proper disposal of all such Hazardous Substances in accordance with all Hazardous Substance Laws. Except in emergencies or as otherwise required by Hazardous Substance Laws, Tenant shall not take any remedial action in response to the presence or release of any Hazardous Substances on or about the Building without first giving written notice of the same to Landlord. Tenant shall not enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to any Hazardous Substances in any way connected with the Building without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to participate in any such proceedings.

Landlord shall have the right at all reasonable times to: (a) inspect the Premises; (b) conduct tests and investigations to determine whether Tenant is in compliance with the above provisions; and (c) request lists of all Hazardous Substances used, stored or located on the Premises by Tenant. All costs and expenses incurred by Landlord in connection with any environmental investigation shall be paid by Landlord (and may be included in Operating Expenses), except that if any such environmental investigation shows that Tenant has failed to comply with the provisions of this Section 33, or that the Building or the Real Property (including surrounding soil and any underlying or adjacent groundwater) have become contaminated due to the operations or activities in any way attributable to Tenant, then all of the costs and expenses of such investigation shall be paid by Tenant. Tenant's indemnity under Section 21 shall specifically extend to all liability, including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, disposal or storage of Hazardous Substances by Tenant, including without limitation the costs of any required repair, cleanup or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following the termination of this Lease, to the full extent that such action is proximately caused by the use, generation, storage, or disposal of Hazardous Substances by Tenant. Neither the written consent by Landlord to the use, generation, disposal or storage of Hazardous Substances by Tenant nor the strict compliance by Tenant with all Hazardous Substances Laws shall excuse Tenant from its indemnity obligation.

In the event Tenant's occupancy or conduct of business in or on the Premises, whether or not Landlord has consented to the same, results in any increase in premiums for the insurance carried from time to time by Landlord with respect to the Building, Tenant shall pay any such increase in premiums upon billing by Landlord. In determining whether increased

premiums are a result of Tenant's use or occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Building showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. Tenant shall promptly comply with all reasonable requirements of the insurance authority or of any insurer now or later in effect relating to the Premises.

Section 34. Compliance with Laws and Other Regulations

At its sole cost and expense, Tenant shall promptly comply with: (a) all laws, statutes, ordinances, decrees, orders, and governmental rules, regulations or requirements now in force or which may later become in force, of federal, state, county, and municipal authorities, including but not limited to ADA Requirements; (b) with the requirements of any board of fire underwriters or other similar body now or hereafter constituted; (c) with any occupancy certificate issued pursuant to any law by any public officer or officers; and (d) with any covenants, conditions and restrictions encumbering the Building or the Real Property, which impose any duty upon Landlord or Tenant, insofar as any thereof relate to or affect the condition, use, alteration or occupancy of the Premises (collectively, "Laws").

Section 35. Governing Law; Severability

This Lease shall be construed in accordance with the laws of the State of California. If any provision of this Lease or the application of it to any person or circumstance shall be invalid or unenforceable to any extent, it shall be adjusted, if possible, rather than voided, in order to achieve the intent of the parties. In any event, the remainder of this Lease and the application of such provision to the other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by Law. This Lease shall be construed as though the covenants between Landlord and Tenant are independent. Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations, Tenant shall not be entitled to make any repairs or perform any acts at Landlord's expense or to any setoff of Rent or other amounts owing to Landlord.

Section 36. Notices

All notices, demands, statements or communications (collectively, "Notices") given or required to be given by either party to the other shall be in writing, shall be sent by nationally recognized overnight courier service, or United States certified or registered mail, postage prepaid, return receipt requested, or delivered personally addressed as follows:

TO THE LANDLORD:

Nut Tree Professional Center
c/o Pacific Media Properties, LLC
P.O. Box 2248
Orange, California 92859
Attn: Warren L. Owens

TO THE TENANT: Alpha Pregnancy Clinics.
600 Nut Tree Road, Suite 230
Vacaville, CA 95687
Attn: Diedre Eckle

Any Notice will be deemed given upon the date actually received. If Tenant is notified of the identity and address of the holder of any mortgage or deed of trust given by Landlord, or any ground or underlying lessor, Tenant shall give to such holder or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such holder or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any termination remedy available to Tenant. Such addresses may be changed from time-to-time by either party serving notice as provided above.

Section 37. Obligations of Successors, Plurality, Gender

Except as otherwise expressly provided, this Lease shall bind and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns. Any obligation of Tenant to pay money to Landlord shall expressly survive the expiration or termination of this Lease. If the rights of Tenant are owned by two or more parties or two or more parties are designated as Tenant, then all such parties shall be jointly and severally liable for the obligations of Tenant. Whenever the singular or plural number, masculine or feminine or neuter gender is used, it shall equally include the other.

Section 38. Entire Agreement

This Lease and any attached addenda or exhibits constitute the entire agreement between Landlord and Tenant. No prior or contemporaneous written or oral representations shall be binding. This Lease shall not be amended, changed or extended except by written instrument signed by Landlord and Tenant. This Lease may be executed in two or more counterparts, each of which shall be deemed an original hereof, but all of which together shall constitute a single agreement. This Lease may also be executed by facsimile.

Section 39. Section Captions

Section captions are for Landlord's and Tenant's convenience only, and neither limit nor amplify the provisions of this Lease.

Section 40. Changes

Tenant shall consent to a modification of this Lease requested by any mortgagee or beneficiary under a deed of trust as long as the modification does not increase Tenant's costs or substantially change Tenant's rights and obligations.

Section 41. Authority

All rights and remedies of Landlord under this Lease, or those which may be provided by Law, may be exercised by Landlord in its own name individually, or in its name by its agent, and all legal proceedings for the enforcement of any such rights or remedies, including actions for Rent, unlawful detainer, and any other legal or equitable proceedings, may be commenced and prosecuted to final judgment and be executed by Landlord in its own name individually or in its name by its agent. Landlord and Tenant each represent to the other that each has full power and authority to execute this Lease and to make and perform the agreements contained in it. Tenant expressly stipulates that any rights or remedies available to Landlord, either by the provisions of this Lease or otherwise, may be enforced by Landlord in its own name individually or in its name by its agent or principal.

Section 42. Brokerage

Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in the Basic Lease Information, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party shall defend, indemnify and hold the other party harmless from and against all claims, actions, loss, cost, damage, expense and liability (including without limitation reasonable attorneys' fees and court costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than that specified herein. Additionally, Tenant acknowledges and agrees that Landlord shall have no obligation for payment of any brokerage fee or similar compensation to any person with whom Tenant has dealt or may in the future deal with respect to leasing of any additional or expansion space in the Building or renewals or extensions of this Lease.

Section 43. Additions to Lease

Exhibits "A" through "B" are attached hereto and incorporated in this Lease for all purposes and are hereby acknowledged by both parties to this Lease.

IN WITNESS WHEREOF, Landlord and Tenant, acting herein through duly authorized individuals, have caused this Lease to be executed as of the date first above written.

TENANT: Alpha Pregnancy Clinics.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

TAX ID OR TAX EXEMPT NO.

LANDLORD: Nut Tree Professional Center

By: _____

Name: Warren L. Owens

Its: Manager

EXHIBIT A

EXHIBIT B

Rules and Regulations 600 Nut Tree Road Building

- 1) Tenant shall require its staff to park in the peripheral parking spaces as far from the front door as possible to let patients and clients of all other tenants have the closest parking spaces to the front door.
- 2) Tenant shall notify Landlord as soon as possible if any problems occur in the common areas, parking lot or the landscaping. This includes any vandalism, abnormal conditions, leaking pipes, or defects in the building security system, elevators, or restrooms.
- 3) All entry after hours shall be by security card access. Tenant shall be issued four cards. It will be necessary to charge Tenant \$50.00 for any additional cards whether these requests are for card loss or damage or any additional card requests for other staff members.
- 4) No vehicles will be allowed to remain in the parking lot for over 21 consecutive hours. There will be no parking of oversize vehicles (such as tour buses, recreational vehicles, etc.) that interfere with the normal daily functioning of the building. Any such vehicles will be towed away at their owner's expense.
- 5) Trash shall be placed in the trash enclosure provided, and the doors shall be secured by each user.
- 6) Tenant shall make its own arrangements for infectious waste disposal (anything containing blood products or body fluids) to be picked up from their individual suites. Infectious waste will not be permitted to be placed in the common trash enclosure. A list of vendors who perform this service will be provided at lessee's request.
- 7) Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon termination of the Lease, all keys to the Building and the Premises shall be surrendered to Landlord.
- 8) All doors opening to public corridors shall be kept closed at all times except for normal

ingress to and egress from the Premises.

9) Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the City of Vacaville. Tenant and its employees and agents shall ascertain that the Building doors are securely closed and locked when leaving the Premises after normal business hours. When entering or leaving the Building after normal business hours Tenant and its employees and agents may be required to sign the Building Register. Access to the Building may be refused unless the person seeking access has proper identification or a previously arranged pass. Landlord and its agents shall in no event be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In the event of invasion, mob riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building by any means Landlord deems appropriate for the protection of life and property.

10) No furniture, freight or equipment of any kind shall be brought into the Building without prior written notice to Landlord. All moving of the same into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building. Landlord may require safes and other heavy objects to stand on supports to properly distribute the weight. All damage done to any part of the Building, its contents, occupants or visitors by the moving or maintenance of such safes or other property shall be the sole responsibility of Tenant.

11) No furniture, packages, supplies, equipment or merchandise shall be received in the Building or carried up or down in the elevators, except between such hours and in such elevator as shall be designated by Landlord.

12) Landlord shall have the right to control and operate the public portions of the Building, the public facilities, the heating and air conditioning, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the City of Vacaville.

13) Landlord shall furnish heating and air conditioning from 8:00 a.m. to 6:00 p.m., Monday through Friday. In the event Tenant requires heating and air conditioning during off hours, Saturdays, Sundays, or holidays, Landlord, on 24 hours prior written notice from Tenant, shall provide such services at an hourly rate to be established by Landlord from time to time.

14) Tenant shall apply to Landlord for any work or maintenance to be provided by Landlord.

Employees of Landlord shall not perform any work other than their regular duties except when so directed by Landlord.

- 15) Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate with Landlord or Landlord's agent to prevent same.

- 16) The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule by Tenant or its employees, agents and visitors shall be borne by Tenant.

- 17) Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof.

- 18) No vending machine or machines of any description other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without Landlord's prior written consent.

- 19) Tenant shall not use or keep in or on the Premises or the Building any kerosene, gasoline or other inflammable or combustible fluid or material. Tenant shall not use, keep or permit to be used or kept foul or noxious substances in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, or interfere in any way with other tenants or persons having business in the Building.

- 20) Tenant shall not use any heating or air conditioning equipment other than that supplied by Landlord without Landlord's prior written consent.

- 21) Tenant shall not bring into or keep within the Building or the Premises any animals, bicycles or other vehicles.

- 22) No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for the storage of merchandise (other than business samples), for lodging, or for any improper purposes. Notwithstanding the above, Underwriters' Laboratory approved equipment may be used in the Premises for brewing coffee, tea, hot chocolate and similar beverages, and microwave heating of already prepared foodstuffs, provided that such use is in

accordance with all applicable Federal, state and city laws, codes, ordinances, rules and regulations.

23) Introduction of telephone wires to the Premises and the location of telephone, call boxes and other office equipment affixed to the Premises shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld or delayed.

24) Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's sole judgment, appears under the influence of liquor or drugs, or who violates these rules and regulations.

25) Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building.

26) Tenant shall not employ or admit any person or persons other than janitors approved by Landlord for the purpose of cleaning or maintaining the Premises, at Tenant's sole cost. Any damage to the Premises caused by Tenant or its employees or agents while engaged in the cleaning or maintaining of the Premises shall be Tenant's sole responsibility.

27) Tenant and its employees and agents shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only for ingress to and egress from the Premises.

28) In all carpeted areas Tenant shall place protective mats under every chair at Tenant's sole cost.

29) Tenant shall not waste electricity, water or air conditioning. Tenant shall cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning, and shall not adjust any controls.

30) Tenant shall store all trash and garbage within the interior of the Premises. No material shall be placed in trash boxes or receptacles if disposal in the ordinary and customary manner in the City of Vacaville would violate any applicable law or ordinance. All trash, garbage and refuse disposal shall occur only through entryways and elevators provided for such purposes at times designated by Landlord.

31) Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

32) Tenant shall assume all responsibility for protecting the Premises from theft, robbery and pilferage, including without limitation preventing entry to the Premises by unauthorized persons.

33) 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 tenants of the Building.

34) Landlord reserves the right to make other reasonable rules and regulations as in its judgment may from time to time be needed for security or for the preservation of good order and such other rules and regulations shall apply to all tenants of the Building, and Tenant shall abide by all such rules and regulations.

TENANT: Alpha Pregnancy Clinics.

By: _____

Name: _____

Title: _____

TAX ID OR TAX EXEMPT NO.

LANDLORD: Nut Tree Professional Center

By: _____

Warren L. Owens

Its: Manager

EXHIBIT C

Tenant Improvement Work:

It is the understanding of the Landlord that there will be minor changes to the room configuration in Suite 230, including the installation of a new sink and counter in one of the exam rooms. Tenant agrees to accept suite on an "AS IS" basis.

TENANT: Alpha Pregnancy Clinics.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

TAX ID OR TAX EXEMPT NO.

LANDLORD: Nut Tree Professional Center

By: _____

Warren L. Owens
Its: Manager

Exhibit B

① 80-1170 (Rev. 04-08) (P.O. Box 9800, San Francisco, CA 94169)

000697

Bank of the West
330 Davis St
Vacaville, CA 95688
90-78/1211
90-78/1211

10/30/2014

Alpha Clinics
138 S Orchard Ave
Vacaville, CA 95688

PAY TO THE ORDER OF Pacific Media Properties, LLC

**6,475.76

\$

Six Thousand Four Hundred Seventy-Five and 76/100*****

DOLLARS

Pacific Media Properties, LLC
Nut Tree Professional Center
PO Box 2248
Orange, CA 92859

FOR

Diane Collier AP

Exhibit C



November 10, 2014

Alpha Clinics
c/o Diedre Eckle
138 S. Orchard Ave.
Vacaville, CA 95688

Sent via overnight delivery

RE: 600 Nut Tree Road, Vacaville,

Dear Diedre:

It is with great regret that I am returning un-cashed the check for first month's rent and security deposit for the above referenced property. As we discussed via telephone on November 5th, the building ownership has decided not to move forward with the lease for Suite 230.

As I explained in that conversation, the ownership informed me only of their decision not to move forward, stating that the lease was not a good fit for the building and that they did not like the short term nature of the lease. At that time you asked that I hold onto the check in the event that a resolution could be reached. However, I have made several attempts to reach out to the ownership to have a discussion with them about reconsidering their position, but none of my phone calls have been returned.

The ownership has the original lease agreements and did not return them to me, so I am returning to you the only thing in my possession, which is the un-cashed deposit check.

I believe that I have done everything possible to assist you in securing this location for lease, but finally the decision to lease is not mine to make. In the event that the ownership contacts me, I will update you further.

A handwritten signature in black ink, appearing to read 'Chris Wallace', with a large, sweeping flourish at the end.

Chris Wallace
Broker Associate

Enclosure: check# 000697

73

PACIFIC JUSTICE INSTITUTE

SUPERIOR COURT OF CALIFORNIA

Receipt Number: DMF 267103
Date: 03-DEC-2014
Cashier: ANARCIA
Comments:

Payee: PACIFIC JUSTICE INSTITUTE
Address:

Description	Amount
Case: PDS044521	
CLINIC PREGNANCY CLINICS OF THE	
ATHEISM 271 W. The Sea-	
Range St. 40 PREGNANCY CLINICS	
3070610 UNITS DIV	435.00
0000	-435.00

Total Fees	435.00

Total Payments	435.00