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THE OMEGA GROUP

3540 Wilshire Boulevard  
Los Angeles, California 90010

LEASE  
(California)

THIS LEASE is made as of the 5th day of May, 19 91 between

THE OMEGA GROUP

by The Omega Group, its agent (hereinafter called "Landlord"), and HUBBARD COLLEGE OF ADMINISTRATION INTERNATIONAL, INC.

(hereinafter called "Tenant").

1. **PREMISES.** Landlord hereby leases to Tenant and Tenant hereby hires and takes from Landlord the premises (the "Premises") consisting of 4933 rentable sq. ft. including tenant's portion of common area. located in the building (the "Building") commonly known as 3540 Wilshire Blvd, Suite #811 Los Angeles, California 90010 The Premises are more particularly shown on Exhibit "A" attached hereto and incorporated herein by this reference.

2. **TERM.**

2.1 The term of this Lease shall be 2 years and -0- months commencing June 1, 1991 to May 31, 1993. (the "Commencement Date") In the event that Landlord, for any reason, cannot tender possession of the Premises to Tenant on or before the Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant in any way as a result of such failure to tender possession. In the event that Landlord cannot tender possession of the Premises to Tenant for any reason other than the acts or omissions of Tenant, Tenant shall not be obligated to pay rent hereunder until such time as Landlord tenders possession of the Premises to Tenant, and if such inability to tender possession of the Premises for reasons other than the acts or omissions of Tenant continues for a period in excess of 90 days after the Commencement Date, Tenant shall have the right, exercisable by notice to Landlord, to terminate this Lease, but the suspension of rent obligations and the right of termination pursuant to this Paragraph 2.1 shall be Tenant's sole remedies in the circumstances herein described.

2.2 In the event that Tenant is allowed to enter into possession of the Premises prior to the Commencement Date, such possession shall be deemed to be pursuant to, and shall be governed by, the terms, covenants and conditions of this Lease, including without limitation the covenant to pay rent, as though the Commencement Date occurred upon the date of taking of possession by Tenant.

2.3 In the event that the Commencement Date falls on other than the first day of a month, rent for any initial partial month of the term hereof shall be appropriately prorated; and if the date of commencement of Tenant's rent obligations pursuant to Paragraph 2.1, above, is other than the Commencement Date, the end of the term hereof shall be adjusted to the end of the month in

which the date 2 years and -0- months after the date of commencement of Tenant's rent obligations falls. At the request of either party hereto, both parties shall execute a memorandum confirming the date of commencement of Tenant's rent obligations.

3. **RENT.** Beginning on the June 1, 1991 (subject to adjustment pursuant to Paragraph 2.1, above), the base rent for the Premises shall be an annual sum of \$ 82,872.00 payable in monthly installments of \$ 6906.00 in advance on the first day of each and every month throughout the term of this Lease. Tenant agrees to pay the rent, without offset or deduction of any kind, to Landlord by mail to the following address:

THE OMEGA GROUP

3540 Wilshire Blvd, Suite #600

Los Angeles, California 90010

or in such manner, to such other person or at such other place as Landlord may from time to time designate.

4. **RENT ESCALATION.** Tenant shall pay, as monthly rent hereunder, in addition to the base rent provided in Section 3 hereof, the sums provided in the "Rent Escalation Rider" attached hereto and incorporated herein by this reference. Tenant shall be advised of any change, from time to time, in rent escalation payments required hereunder by written notice from Landlord, which shall include information in such detail as Landlord may reasonably determine to be necessary in support of such change. Tenant shall have 30 days after the receipt of any such notice to protest the change indicated therein; but notwithstanding any such protest all rent escalation payments falling due after service of such notice shall be made in accordance with such notice until the protest has been resolved, whereupon any necessary adjustment shall be made between Landlord and Tenant.

5. **TAX ON TENANT'S PROPERTY; OTHER TAXES.**

5.1 Tenant shall be liable for, and shall pay at least 10 days before delinquency, and Tenant hereby indemnifies and holds Landlord harmless from and against any liability in connection with, all taxes levied against any personal property, fixtures, machinery, equipment, apparatus, systems and appurtenances placed by Tenant in, upon or utilized by Tenant in, upon or in connection with, the Premises ("Equipment Taxes"). If any Equipment Taxes are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such personal property, fixtures, machinery, equipment, apparatus, systems or appurtenances of Tenant and if Landlord, after written notice to Tenant, pays the Equipment Taxes or taxes based upon such an increased assessment (which Landlord shall have the right to do regardless of the validity of such levy, but only under proper protest if requested by Tenant prior to such payment and if payment under protest is permissible), Tenant shall pay to Landlord upon demand, as additional rent hereunder, the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, provided, however, that in any such event Tenant shall have the right, in the name of Landlord and with Landlord's full cooperation, but at no cost to Landlord, to bring suit in any court of competent jurisdiction to recover the amount of any such tax so paid under protest, and any amount so recovered shall belong to Tenant.

5.2 If the tenant improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's building standards in other space in the Building are assessed, then the real property taxes and assessments levied against Landlord or Landlord's property by reason of such excess assessed valuation shall be deemed to be Equipment Taxes and shall be governed by the provisions of Paragraph 5.1, above. Any such amounts, and any similar amounts attributable to excess improvements by other tenants in the Building and recovered by Landlord from such other tenants under comparable lease provisions, shall not be included in Real Property Taxes for purposes of rent escalation under Section 4 of this Lease.

income or franchise taxes) imposed, assessed or levied by any governmental or quasi-governmental authority or agency upon Landlord on account of this Lease, the rent or other payments made by Tenant hereunder, any other benefit received by Landlord hereunder, Landlord's business as a lessor hereunder, or otherwise in respect of or as a result of the agreement or relationship of Landlord and Tenant hereunder. Last months rent with the amount of \$6906.00

6 SECURITY DEPOSIT. A deposit (the "Security Deposit") in the amount of \$ 6,906.00 shall be paid by Tenant upon execution of this Lease and shall be held by Landlord without liability for interest and as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rent or a measure of Landlord's damages in case of default by Tenant. Upon the occurrence of any breach or default under this Lease by Tenant, Landlord may, from time to time, without prejudice to any other remedy, use the Security Deposit or any portion thereof to the extent necessary to make good any arrearages of rent or any other damage, injury, expense, or liability caused to Landlord by such breach or default. Following any application of the Security Deposit, Tenant shall pay to Landlord on demand an amount to restore the Security Deposit to its original amount. Upon termination of this Lease any remaining balance of the Security Deposit shall be returned by Landlord to Tenant within 14 days after termination of Tenant's tenancy.

7 LATE PAYMENTS. In the event Tenants fails to pay any rent or other monetary amount due hereunder when and as due, and the delinquency continues for a period of 10 days after the date the amount was due (but without additional notice or demand), Tenant shall also pay to Landlord with such delinquent amount a late charge in an amount equal to 5% of the delinquent amount for the purpose of defraying administrative costs and expenses incident to handling the delinquency. The late charge shall be deemed additional rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

8 USE OF PREMISES. Tenant shall use the Premises only for general office purposes, except as may be specified below. Tenant is specifically authorized to use the Premises to conduct the following business, subject to compliance with all applicable

laws, ordinances, rules and regulations General Offices. In any event, unless specifically authorized herein, Tenant shall not prepare or serve, or authorize the preparation or service of, food or beverages in the Premises, except only the occasional preparation of coffee, tea, hot chocolate and other such common refreshments for Tenant and its employees.

#### 9. BUILDING SERVICES.

9.1 Throughout the term of this Lease, Landlord shall keep in repair all structural elements of the Building (including, without limitation, the structural walls, windows and other glass, doors, floors, ceilings, roof, elevators, stairwells, lobby, heating system, air conditioning system, plumbing and electrical wiring) and maintain the exterior of the Premises, including grounds, walks, drives and loading area, if any; provided that Tenant shall reimburse Landlord upon demand, as additional rent hereunder, for the cost of any repairs or extraordinary maintenance necessitated by acts of Tenant or Tenant's employees, contractors, agents, licensees or invitees.

9.2 Landlord shall furnish building standard heating and air conditioning service Monday through Friday from 8:00 A.M. to 6:00 P.M. and, except for holidays, no heating or air conditioning will be furnished by Landlord on Saturdays and Sundays or holidays except upon prior arrangement with Tenant and at an extra charge as may be agreed to between Landlord and Tenant. For purposes of this Paragraph 9.2, "holidays" shall mean and refer to the holidays of Christmas, New Year's Day, Labor Day, Fourth of July, Memorial Day, Thanksgiving and the day after Thanksgiving, as those holidays are defined, recognized or established by government authorities or agencies from time to time. Tenant shall install, at its expense, such additional air conditioning equipment as may be reasonably determined by Landlord to be necessary in order to maintain building air conditioning standards notwithstanding Tenant's installation and operation of computer equipment or other special equipment or facilities placing a greater burden on the air conditioning system than would general office use. Landlord shall furnish electric current to the Premises in amounts reasonably sufficient for normal business use, including operation of building standard lighting and operation of typewriter and standard fractional horsepower office machinery. Tenant agrees that, at all times during the term of this Lease, Tenant's use of electric current shall never exceed the capacity of the feeders to the Building or the risers or wiring installation in the Building. Tenant shall not install or use or permit the installation or use upon or about the Premises of any computer or electronic data processing or other equipment using current in excess of 110 volts or requiring power in excess of 500 watts, without the express prior written consent of Landlord. Tenant shall pay monthly upon billing as additional rent under this Lease such sums as Landlord's building engineer may reasonably determine to be necessary in order to reimburse Landlord for the additional cost of utilities (including, without limitation, electricity, gas and other fuels or power sources, and water) attributable to the operation of additional air conditioning equipment and any other requirements in excess of those for normal office use by reason of the operation of computer equipment or other special equipment or facilities.

9.3 Landlord shall furnish unheated water from mains for drinking, lavatory and toilet purposes drawn through fixtures installed by Landlord, or by Tenant with Landlord's express prior written consent, and heated water for lavatory purposes from regular building supply. Tenant shall pay Landlord at rates fixed by the entity providing water for additional water which is furnished for any other purpose.

9.4 Landlord shall furnish janitor service in and about the Premises, to the extent necessitated by normal office use of the Premises, Monday through Friday, holidays excepted. Landlord shall have no obligation to furnish janitor service for any portion of the Premises which may be used (to the extent permitted under this Lease) for the preparation, dispensing or consumption of food or beverages or for any purpose other than general office use, and Tenant shall keep all such portions of the Premises in a clean and orderly condition at Tenant's sole cost and expense. In the event that Tenant shall fail to keep such portions of the Premises in a clean and orderly condition, Landlord may do so and any cost incurred by Landlord in connection therewith shall be payable by Tenant to Landlord upon demand, as additional rent hereunder. Tenant shall also pay to Landlord, as additional rent hereunder, amounts equal to any increase in cost of janitor service in and about the Premises if such increase in cost is due to (a) use of the Premises by Tenant during hours other than normal business hours, or (b) location in or about the Premises of any fixtures, improvements, materials or finish items (including without limitation wall coverings and floor coverings) other than those which are of the standard type adopted by Landlord for the Building.

9.5 Landlord shall furnish passenger and freight elevator service in common with Landlord and other tenants Monday through Friday from 8:00 A.M. to 6:00 P.M. Landlord shall provide limited passenger elevator service daily at all times such normal passenger service is not furnished.

9.6 Landlord does not warrant that any service will be free from interruptions caused by repairs, renewals, improvements, changes of service, alterations, strikes, lockouts, labor controversies, accidents, inability to obtain fuel, steam, water or supplied or other cause, provided the cause is beyond the reasonable control of Landlord, and Landlord agrees to give Tenant notice of any extended interruptions of which Landlord has prior knowledge. No such interruption of service shall be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof, nor permit Tenant to abate rent hereunder or otherwise relieve Tenant from performance of Tenant's obligations under this Lease. Landlord shall not be liable for any failure to make such repairs or furnish such service unless the failure shall be reasonably curable by Landlord and nonetheless shall persist for an unreasonable time after written notice from Tenant of the need for such repairs or the failure to furnish such service. Except as provided in Section 11 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements, or provision of any service in or to any portion of the Building, including the Premises, or in or to the fixtures, appurtenances and equipment therein; provided that in making such repairs, alterations or improvements or providing such service Landlord shall interfere as little as reasonably practicable with the conduct of Tenant's business in the Premises, without, however, being obligated to incur liability for overtime or other premium payment to its agents, employees or contractors in connection therewith; and except that if Tenant's beneficial use of all or a substantial portion of the Premises is prevented for a period in excess of 3 consecutive days, the base rent specified in Section 3 hereof shall be equitably abated commencing with the fourth day and continuing until such use is no longer prevented. As a material inducement to Landlord's entry into this Lease, Tenant waives and releases its right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code.

responsibility hereunder to terminate and which are used by Landlord and Tenant upon inspection of the Premises. Tenant acknowledges that neither Landlord nor any agent, employee or representative of Landlord has made any representation or warranty with respect to the Building or Premises or with respect to the suitability or fitness of the Building or Premises for the conduct of Tenant's business or any other purpose. During the term of this Lease, Tenant shall maintain the Premises in as good condition as when Tenant took possession, ordinary wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted, and shall repair all damage or injury to the Building or to fixtures, appurtenances and equipment of the Building caused by Tenant's installation or removal of its property or resulting from the negligence or tortious conduct of Tenant, its employees, contractors, agents, licensees and invitees. In the event of failure by Tenant to perform its covenants of maintenance and repair hereunder, Landlord may perform such maintenance and repair, and any amounts expended by Landlord in connection therewith shall be payable by Tenant to Landlord upon demand, as additional rent hereunder.

#### 11. DAMAGE TO PREMISES OR BUILDING.

11.1 In the event that the Building should be totally destroyed by fire or other casualty, this Lease shall terminate. In the event the Premises or a substantial portion of the Building should be so damaged or destroyed that rebuilding or repairs cannot, in Landlord's opinion, be completed within 90 days after the date of such damage, Landlord may at its option terminate this Lease upon notice to Tenant, or Landlord may proceed to restore the Building. In the event that such rebuilding or repairs can, in Landlord's opinion, be completed within 90 days after the date of such damage, Landlord shall restore the Building. In the event that Landlord is obligated or elects to restore the Building, Landlord shall commence to rebuild or repair the Building reasonably promptly after such damage or destruction and shall proceed with reasonable diligence to restore it to substantially the condition in which it was immediately prior to the casualty, except that Landlord shall not be required to rebuild, repair or replace any part of the partitions, fixtures, alterations, decorations or other improvements which may have been constructed by or specifically for Tenant, or by or for other tenants within the Building. In such event this Lease shall remain in full force and effect, provided that if Tenant is dispossessed by reason of such casualty from all or a substantial portion of the Premises for more than 5 business days Tenant shall be entitled to a ratable abatement of the base rent referred to in Section 3, above, during the time and to the extent the Premises are unfit for occupancy; and provided further that Tenant shall have the right to terminate this Lease upon notice served upon Landlord prior to actual completion of any necessary restoration of the Premises if such restoration is not substantially completed within 180 days after the casualty.

11.2 In the event any holder of a mortgage or deed of trust on the Building should require that the insurance proceeds payable upon damage or destruction to the Building by fire or other casualty be used to retire the debt secured by such mortgage or deed of trust, or in the event any lessor under any underlying or ground lease should require that such proceeds be paid to such lessor, Landlord shall in no event have any obligation to rebuild and at Landlord's election this Lease shall terminate.

11.3 With the exception of insurance required to be carried by Tenant under Section 28 of this Lease, any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or to the Premises shall be for the sole benefit of the party carrying such insurance and under its sole control. Landlord shall not be required to carry insurance of any kind on Tenant's property and, except by reason of the breach by Landlord of any of its obligations hereunder, shall not be obligated to repair any damage thereto or to replace the same.

11.4 Tenant, as a material inducement to Landlord's entering into this Lease, irrevocably waives and releases its right under the provisions of Sections 1932(2) and 1933(4) of the California Civil Code, it being the intention of the parties hereto that the express terms of this Lease shall control under any circumstances in which those provisions might otherwise apply.

#### 12. EMINENT DOMAIN.

12.1 In the event that the whole of the Premises, or so much thereof as to render the balance unusable to Tenant for the purposes leased hereunder, shall be lawfully condemned or taken in any manner for any public or quasi-public use, or conveyed by Landlord in lieu (a "Taking"), this Lease and the term hereby granted shall forthwith cease and terminate on the date of the taking of possession by the condemning authority (the "Date of Taking").

12.2 In the event of a Taking of a portion of the Premises which does not result in the termination of this Lease, the base rent specified in Section 3, above, shall be abated in proportion to the part of the Premises so taken.

12.3 In the event that there is a Taking of a portion of the Building other than the Premises, and if, in the opinion of Landlord, the Taking is so substantial as to render the remainder of the Building uneconomic to maintain despite reasonable reconstruction or remodeling, or if it would be necessary to alter the Building or Premises materially, Landlord may terminate this Lease by notifying Tenant of such termination within 60 days following the Date of Taking, and this Lease shall end on the date specified in the notice of termination, which shall not be less than 60 days after giving of such notice.

12.4 No temporary Taking of the Building or Premises and/or of Tenant's rights therein or under this Lease shall terminate this Lease or give Tenant any right to abatement of rent hereunder. Any award made to Tenant by reason of any such temporary Taking shall belong entirely to Tenant and Landlord shall not be entitled to share therein.

12.5 Except for the award in the event of a temporary Taking as contemplated in Paragraph 12.4, above, Tenant hereby releases and shall have no interest in, or right to participate with respect to the determination of, any compensation for any Taking, except only that Tenant shall be entitled to the portion of any award specifically designated by the condemning authority to be for any personal property of Tenant included in any such Taking or for any relocation expenses or business interruption loss incurred by Tenant.

#### 13. DEFAULT.

13.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) If Tenant shall fail to pay any installment of rent or any other sum required to be paid by Tenant under this Lease and such failure shall continue for a period of 5 days after demand.

(b) If Tenant shall fail to comply with any term, provision or covenant of this Lease, other than provisions pertaining to the payment of money, and shall not cure such failure within 15 days after written notice thereof to Tenant; provided that if such default is curable but is of such a nature that the cure thereof cannot be completed within such period, Tenant shall not be deemed to be in default hereunder if Tenant commences such cure promptly upon receipt of such notice and diligently prosecutes the same to completion as reasonably promptly thereafter as possible.

(c) If Tenant shall make an assignment for the benefit of creditors.

(d) If Tenant shall file a petition under any section or chapter of the federal Bankruptcy Code, as amended from time to time, or under any similar law or statute of the United States or any State thereof pertaining to bankruptcy, insolvency or debtor relief, or Tenant shall have a petition or other proceedings filed against Tenant under any such law or chapter thereof and such petition or proceeding shall not be vacated or set aside within 60 days after such filing.

(e) If a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant and such receivership shall not be terminated and possession of such assets restored to Tenant within 30 days after such appointment.

(f) If Tenant shall desert or vacate any substantial portion of the Premises and the same shall remain unoccupied for more than 14 days thereafter.

13.2 Landlord shall in no event be deemed to be in default of any obligation hereunder unless and until 15 days have expired after service of notice of such deficiency upon Landlord and such deficiency remains uncured; provided that if such matter is of a nature that the cure thereof cannot be completed within such period, Landlord shall not be deemed to be in default hereunder if Landlord commences the cure within such period and diligently prosecutes the same to completion.

#### 14. REMEDIES UPON DEFAULT.

14.1 Upon the occurrence of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies (each and all of which shall be cumulative and non-exclusive) without any notice or demand whatsoever:

(a) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

- (1) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus
- (2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (4) 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, specifically including but not limited to brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and
- (5) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Subparagraph 14.1(a) shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. Any such sums which are based on percentages of income, increased costs or other historical data shall be reasonable estimates or projections computed by Landlord on the basis of the amounts thereof accruing during the 24-month period immediately prior to default, except that if it becomes necessary to compute such sums before a 24-month period has expired, then the computation shall be made on the basis of the amounts accruing during such shorter period. As used in Subparagraphs 14.1(a)(1) and (2), above, the "worth at the time of award" shall be computed by allowing interest at the rate of 10% per annum. As used in Subparagraph 14.1(a)(3), above, the "worth at the time of award" 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 1%.

(b) If Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

(c) Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

14.2 In the event of default by Landlord hereunder Tenant shall be entitled to recover from Landlord all damages shown by Tenant to have been proximately caused thereby, but Tenant shall in no event have the right to terminate this Lease by reason thereof.

14.3 No waiver by Landlord or Tenant of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach of the same or any other of the terms, provisions, and covenants herein contained. Forbearance by Landlord in enforcement of one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. The acceptance of any rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the rent so accepted.

#### 15. SURRENDER OF PREMISES; REMOVAL OF PROPERTY.

15.1 No act or thing done by Landlord or any agent or employee of Landlord during the term hereof shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

15.2 Upon the expiration of the term of this Lease, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Section 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

15.3 Whenever Landlord shall re-enter the Premises as provided in this Lease, any personal property of Tenant not removed by Tenant upon the expiration of the term of this Lease, or within 48 hours after a termination by reason of Tenant's default as provided in this Lease, shall be deemed abandoned by Tenant and may be disposed of by Landlord in accordance with Sections 1980 through 1991 of the California Civil Code and Section 1174 of the California Code of Civil Procedure, or in accordance with any laws or judicial decisions which may supplement or supplant those provisions from time to time.

15.4 All fixtures, alterations, additions, repairs, improvements and/or appurtenances attached to or built into or on or about the Premises prior to or during the term hereof, whether by Landlord at its expense or at the expense of Tenant, or by Tenant at its expense, or by previous occupants of the Premises, shall be and remain part of the Premises and shall not be removed by Tenant at the end of the term of this Lease. Such fixtures, alterations, additions, repairs, improvements and/or appurtenances shall include, without limitation, floor coverings, drapes, paneling, molding, doors, kitchen and dishwashing fixtures and equipment, plumbing systems, electrical systems, lighting systems, silencing equipment, communication systems, all fixtures and outlets for the systems mentioned above and for all telephone, radio, telegraph and television purposes, and any special flooring or ceiling installations. Notwithstanding the foregoing, Landlord may, in its sole discretion, require Tenant, at Tenant's sole cost and expense, to remove any fixtures, alterations, additions, repairs, improvements and/or appurtenances attached to or built into or on or about the Premises, and to repair any damage to the Building and Premises occasioned by the installation, construction, operation and/or removal of such fixtures, equipment, alterations, additions, repairs, improvements and/or appurtenances. If Tenant shall fail to complete such removal and repair such damage, Landlord may do so and may charge the reasonable cost thereof to Tenant.

15.5 Tenant hereby waives all claims for damages or other liability in connection with Landlord's re-entering and taking possession of the Premises or removing, retaining, storing or selling the property of Tenant as herein provided, and Tenant hereby indemnifies and holds Landlord harmless from any such damages or other liability, and no such re-entry shall be considered or construed to be a forcible entry.

**16 COSTS OF SUIT; ATTORNEY'S FEES.**

16.1 If Tenant or Landlord shall bring any action for any relief, declaratory or otherwise, against the other arising out of or under this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party its costs of suit, including, without limitation, a reasonable sum for attorneys' fees in such suit, and such attorneys' fees shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is contested or prosecuted to judgment.

16.2 In the event that Landlord shall, without fault on Landlord's part, be made party to any litigation instituted by Tenant or by any third party against Tenant, or by or against any person holding under or using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any action or transaction of Tenant or of any such other person, Tenant hereby indemnifies and holds Landlord harmless from and against any judgment rendered against Landlord or the Building or any part thereof, and all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in or in connection with such litigation.

**17 ASSIGNMENT AND SUBLETTING.**

17.1 Except as hereinafter provided, Tenant shall not sublet all or any part of the Premises nor assign this Lease without Landlord's express prior written consent, which consent shall not unreasonably be withheld. Tenant may, subject to the rest of the terms hereof but without Landlord's consent, sublet all of the Premises or assign this Lease to any entity controlling, controlled by or under common control with Tenant. Neither this Lease nor the term hereby demised shall be mortgaged by Tenant, nor shall Tenant mortgage, assign, pledge or otherwise transfer the interest of Tenant in and to any sublease or the rentals payable thereunder. Any such mortgage and any such sublease, assignment, pledge or transfer made in violation of this Paragraph 17.1 shall be void and at Landlord's election shall terminate this Lease. Each sublessee, assignee or transferee of Tenant, other than Landlord, shall assume all obligations of Tenant under this Lease and shall be and remain liable jointly and severally with Tenant for the payment of the rent, and for the due performance of all the terms, covenants, conditions and agreements herein contained on Tenant's part to be performed for the term of this Lease. No assignment shall be binding upon Landlord unless such assignee or Tenant shall deliver to Landlord a counterpart of such assignment and an instrument in recordable form which contains a covenant of assumption by the assignee satisfactory in substance and form to Landlord, consistent with the requirements of this Paragraph 17.1, but the failure or refusal of the assignee to execute such instrument of assumption shall not release or discharge the assignee from its liability as set forth above.

17.2 In the event that Tenant desires to assign this Lease, or to enter into a sublease, as to all or any portion of the Premises, Tenant shall, prior to solicitation of offers therefor, give Landlord notice of Tenant's desire to assign or sublet and of the portion of the Premises to be affected by the proposed assignment or sublease. Landlord shall have the right, exercisable by notice to Tenant within 60 days after Landlord's receipt of Tenant's notice of desire to assign or sublet, to terminate this Lease as to the portion of the Premises affected by the proposed assignment or sublease, such termination to be effective as of the date 60 days after notice by Landlord to Tenant of such termination. In the event of a termination of this Lease as to a portion of the Premises pursuant to this Paragraph 17.2, effective as of such termination, the Premises shall be deemed to no longer include the portion of the Premises subject to such termination. Tenant shall surrender possession of that portion of the Premises in accordance with the provisions of this Lease, and the rent payable hereunder and Tenant's Percentage Share shall be appropriately adjusted based upon the rentable area remaining within the Premises. If Landlord does not elect to terminate pursuant to this Paragraph 17.2, and if Tenant does not enter into an assignment or sublease as specified in Tenant's notice of desire to assign or sublet within 6 months after the expiration of Landlord's 60-day period for election to terminate, then Tenant shall again comply with the provisions of this Paragraph 17.2 before assigning this Lease, or entering into a sublease, as to all or any portion of the Premises.

**18 TRANSFER OF LANDLORD'S INTEREST.** In the event of any transfer of Landlord's interest in the Building or Premises, other than a transfer for security purposes only, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Landlord accruing from and after the date of such transfer, including, without limitation, the obligation of Landlord to return the Security Deposit as provided in this Lease, provided that the transferor shall, within a reasonable time, transfer any Security Deposit then held by Landlord, or any portion thereof remaining after proper deductions therefrom, to the transferee and shall thereafter notify Tenant of such transfer, of any claims made against the Security Deposit, and of the transferee's name and address, by written notice delivered personally (in which case Tenant shall acknowledge receipt of such notice by signing Landlord's copy of such notice) or by registered or certified mail.

**19 HOLDING OVER.** If Tenant holds over after the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case base rent shall be payable at a monthly rate equal to one and one-half times the base rent applicable, pursuant to Section 3 hereof, during the last rental period of the term under this Lease. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein. Nothing contained in this Section 19 shall be construed as consent by Landlord to any holding over by Tenant and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease.

**20 NOTICES.** In every case when, under the provisions of this Lease, it shall be necessary or desirable for one party hereto to serve any notice or demand on the other, such notice or demand shall be in writing and shall be served personally or by deposit in the United States mail, postage fully prepaid, registered or certified mail, with return receipt requested, addressed as follows:

**THE OMEGA GROUP**

If to Landlord: \_\_\_\_\_  
 3540 Wilshire Blvd. Suite #600  
 \_\_\_\_\_  
 Los Angeles, Ca 90010  
 \_\_\_\_\_

If to Tenant: \_\_\_\_\_  
 Hubbard College of Administration International, Inc.  
 3540 Wilshire Blvd. Suite #811  
 \_\_\_\_\_  
 Los Angeles, Ca 90010  
 \_\_\_\_\_

Landlord or Tenant may, from time to time, by notice in writing served upon the other as aforesaid, designate a different mailing address or a different person to whom all such notices or demands are thereafter to be addressed. Service of any such notice or demand if given personally shall be deemed complete upon delivery, and if made by mail shall be deemed complete on the day of actual delivery as shown by the addressee's registry or certification receipt or at the expiration of 2 business days after the date of mailing, whichever is earlier.

**21 QUIET ENJOYMENT.** Landlord covenants that Tenant, upon paying the rent and performing the covenants of this Lease on Tenant's part to be performed, shall and may peaceably and quietly have, hold and enjoy the Premises for the term of this Lease.

**22 TENANT'S FURTHER OBLIGATIONS.**

22.1 Except for ordinary wear and as otherwise provided in this Lease, Tenant shall, at Tenant's expense, keep in good order, condition and repair the interior of the Premises and shall promptly and adequately repair all damage to the interior of the Premises and replace or repair all glass, fixtures, equipment and appurtenances therein damaged or broken, under the supervision and with the approval of Landlord and, if Tenant does not do so, Landlord may, but need not, make such repairs and replacements and if Landlord does so Tenant shall pay Landlord the cost thereof promptly upon demand, as additional rent hereunder.

22.2 Tenant shall comply with all laws, ordinances, rules, regulations, orders and directives of governmental and quasi-governmental bodies and authorities having jurisdiction over Tenant and the Premises from time to time and shall obtain and keep in effect all licenses, permits and other authorizations required with respect to the business or businesses conducted by Tenant within or from the Premises. Tenant and its employees, agents, licensees and invitees shall also comply with all reasonable rules and regulations which Landlord may adopt from time to time for the protection and welfare of the Building and its tenants and occupants, provided that Tenant shall not be responsible for compliance with any rule or regulation adopted by Landlord unless or until Tenant is furnished with a copy thereof. The present rules and regulations for the Building are attached hereto as Exhibit "B". Landlord shall have no liability to Tenant for the failure of any other tenant in the Building to observe the rules and regulations.

23. **ESTOPPEL CERTIFICATE BY LESSEE.** At any time and from time to time, upon not less than 15 days' prior written request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications), the amount of any security posted by Tenant, the dates to which the rent and other charges have been paid in advance, and any increases or decreases of rent that are anticipated, it being intended that any such statement delivered pursuant to this Section 23 may be relied upon by any purchaser of the fee or mortgage or beneficiary or assignee of any mortgage or trust deed upon the fee of the Building or Premises.

24. **SUBORDINATION AND ATTORNMENT.** This lease is and at all times shall be subject and subordinate to any group or underlying leases, mortgages, trust deeds or like encumbrances, which may now or hereafter affect the Building or Premises, and to all renewals, modifications, consolidations, replacements and extensions of any such lease, mortgage, trust deed or like encumbrance. This clause shall be self-operative and no further instrument of subordination shall be required in order to effectuate the subordination. Tenant nonetheless agrees that, at the request of Landlord or any party to a ground or underlying lease or any holder of a note secured by a mortgage or like encumbrance, Tenant will execute any certificate or document reflecting the subordination of this Lease to such ground or underlying lease or to the lien of any mortgage or like encumbrance now or hereafter placed upon the Building or Premises, in the event of the sale of the Building upon foreclosure or upon the exercise of a power of sale, or by transfer in lieu of foreclosure, Tenant agrees, upon the written request of the purchaser or transferee, to attorn to the purchaser or transferee and recognize the purchaser or transferee as the Landlord under this Lease and to continue to be bound by the terms of this Lease.

25. **RIGHTS RESERVED TO LANDLORD.**

25.1 All portions of the Building are reserved to Landlord except the Premises and the inside surfaces of all walls, windows and doors bounding the Premises, including exterior building walls, core corridor walls and doors and any core corridor entrance. Landlord also reserves any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks or other building facilities, and the use thereof, as well as the right to access thereto through the Premises for the purposes of operation, maintenance, decoration and repair.

25.2 Landlord shall have the following rights exercisable without notice and without liability to Tenant for damage or injury to property, person or business (all claims for damage being hereby released), and without effecting an eviction or disturbance of Tenant's use or possession or giving rise to any claim for setoffs or abatement of rent.

(a) To enter the Premises at all reasonable times during the term of this Lease for the purpose of inspecting the same, exhibiting the Premises to prospective tenants, purchasers or others, or making such repairs or replacements therein as may be required by this Lease or as Landlord may deem appropriate; provided that Landlord shall use all reasonable efforts not to disturb Tenant's use and occupancy and shall, when practical, give Tenant prior notice of such repairs.

(b) To change the name or street address of the Premises or Building.

(c) To install and maintain signs on the exterior of the Building, except within the Premises.

(d) To have pass keys to the Premises.

(e) To decorate, remodel, repair, alter or otherwise prepare the Premises for reoccupancy during the last 6 months of the term hereof if, during or prior to such time, Tenant has vacated the Premises, or at any time after Tenant abandons the Premises.

(f) To have access to all mail chutes according to the rules of the United States Postal Service.

(g) To do or permit to be done any work in or about the exterior of the Building or any adjacent or nearby building, land, street or alley.

(h) To grant to anyone the exclusive right to conduct any business or render any service in the Building, provided such exclusive right shall not operate to exclude Tenant from the use expressly permitted by this Lease.

26. **FORCE MAJEURE CLAUSE.** Wherever there is provided in this Lease a time limitation for performance by Landlord or Tenant of any construction, repair, maintenance or service, the time provided for shall be extended for as long as and to the extent that delay in compliance with such limitation is due to an act of God, governmental control or other factors beyond the reasonable control of Landlord or Tenant, respectively.

27. **WAIVER OF CLAIMS; INDEMNITY.**

27.1 Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of, and waives all claims it may have against Landlord, its agents, employees, affiliates and successors in interest for, damage to or loss of property or injury or loss of life to persons sustained by Tenant or any occupant or other person resulting from the Building or Premises or any part thereof becoming out of repair or resulting from any accident within the Building or Premises or on or about any sidewalk, passageway or other space adjoining the Building or Premises, or resulting directly or indirectly from any act of omission of Tenant or any other person while in the Building or Premises or elsewhere; provided such assumption and waiver shall not apply to claims for damage to or loss of property or injury or loss of life to persons proximately caused by the gross negligence or willful act of Landlord or its agents. Tenant hereby further agrees that Landlord, its agents, employees, affiliates and successors in interest shall not be liable to Tenant or Tenant's agents, employees, contractors, representatives, successors in interest, licensees or invitees for any damage to or loss of property or injury or loss of life to persons due to condition, design or defect of the Building or Premises, or any sidewalk, passageway or other space adjoining the Building or Premises, or the mechanical systems of the Building or Premises, which may exist or occur, including, without limitation, damage from fire, steam, electricity, gas, water or rain or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wares, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether such damage, loss or injury results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, and regardless of whether the cause of such damage, loss or injury or the means of repairing the same is accessible to Tenant, and Tenant assumes all risks of such damage to or loss of property or injury or loss of life to persons; provided such waiver of liability and assumption of risk shall not apply to claims for damage to or loss of property or injury or loss of life to persons proximately caused by the gross negligence or willful act of Landlord or its agents, Landlord and Landlord's agents, employees, affiliates and successors in interest shall not be liable or responsible for any damage to or loss of property or injury or loss of life to persons occasioned by the act or neglect of any other tenant in the Building, theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, or other matter reasonably beyond the control of Landlord, or for any injury or damage or inconvenience which may arise through repair or alteration of any part of the Building, or failure to make repairs, or from any cause whatever except the gross negligence or willful act of Landlord or its agents.

27.2 Tenant hereby indemnifies and holds Landlord and Landlord's agents, employees, affiliates and successors in interest harmless from and against any and all claims, demands, suits, fines, losses and other liabilities for or relating to injury or loss of life to persons or damage to or loss of property arising from Tenant's use of the Premises or from the conduct of Tenant's business or from any work done, permitted or suffered by Tenant in or about the Premises or elsewhere, and further indemnifies and holds Landlord and Landlord's agents, employees, affiliates and successors in interest harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any negligence or intentional conduct of Tenant's agents, employees, contractors, licensees, invitees,

representatives or successors in interest, and from and against all costs, attorneys' fees, expenses and liabilities incurred by Landlord or Landlord's agents, employees, affiliates and successors in interest in or in connection with any such claim, demand, suit, fine or proceeding. In the event that any action or proceeding be brought against Landlord or Landlord's agents, employees, affiliates or successors in interest by reason of any such claim, Tenant upon notice from Landlord shall defend such action or proceeding at Tenant's cost and expense by counsel approved by Landlord, such approval not to be unreasonably withheld.

#### 28. INSURANCE.

28.1 Tenant shall procure and shall maintain in effect, at Tenant's sole cost and expense throughout the term of this Lease, including any extensions and renewals thereof, public liability and property damage insurance against claims for bodily injury, death or property damage occurring upon or about the Premises or Building, in each case naming Landlord as additional insured and, upon request by Landlord, naming the holder of any mortgage, deed of trust or like encumbrance or the lessor under any underlying lease covering the Building as additional insured, with a limit of liability of not less than \$300,000.00 single limit. Without hereby implying any authorization therefor unless otherwise specifically contemplated herein, if at any time during the term hereof any alcoholic beverages of any nature are served in the Premises, Tenant shall also maintain a liquor liability insurance policy with a limit of liability of not less than \$500,000.00. Such policies of insurance shall be with insurance companies acceptable to Landlord, and shall be evidenced by certificates of insurance delivered to Landlord from time to time showing such insurance to be at all times prepaid and in full force and effect and providing that such insurance cannot be cancelled or modified upon less than 30 days prior written notice to Landlord. If at any time Tenant has not provided Landlord with a then currently effective certificate of insurance acceptable to Landlord as to any insurance required to be maintained by Tenant as specified above, Landlord may, without further inquiry as to whether such insurance is actually in force, obtain such a policy and Tenant shall reimburse Landlord for the cost thereof upon demand as additional rent hereunder.

28.2 Landlord and Tenant, each on behalf of itself, its agents, employees, contractors, representatives, affiliates, successors in interest, licensees or invitees, hereby waives any right of recovery which each or its agents, employees, contractors, representatives, affiliates, successors in interest, licensees or invitees may have against the other or its agents, employees, contractors, representatives, affiliates, successors in interest, licensees or invitees for any losses or claimed losses that are caused by or result from risks insured against under any policy or policies of insurance in force at the time of such loss or claimed loss; provided that such waiver of subrogation does not impose any additional premium upon the party so giving it. If any additional premium would be incurred by reason of such waiver of subrogation, the party upon whom such additional premium would be imposed shall promptly notify the other and the other party shall have the right at its option to pay such additional amount, in which event the waiver of subrogation shall remain in effect. If the other party does not notify the party which would incur such additional premium with reasonably promptness following receipt of the notice informing it of the additional premium, the party that would incur such additional premium shall be free to terminate such waiver of subrogation if it so elects.

#### 29. FIXTURES, TENANT IMPROVEMENTS AND ALTERATIONS.

29.1 Except as otherwise provided in any Landlord's Improvement Construction Rider, Tenant Improvement Credit Rider or Tenant Improvement Allowance Rider attached hereto, all improvements, fixtures and/or equipment which Tenant may install or place in or about the Premises, and all alterations, repairs or changes to the Premises, and all signs installed in, on or about the Premises, from time to time, shall be at the sole cost of Tenant. Landlord shall be without any obligation in connection therewith. Tenant hereby indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such alterations, repairs, changes, improvements, fixtures, and/or equipment in, on or about the Premises.

29.2 Tenant shall not alter, repair or change the Premises, nor erect any signs in, on or about Premises, nor make installations of a permanent nature or in any manner affixed to the Building, including the initial improvements contemplated in any Landlord's Improvement Construction Rider, Tenant Improvement Credit Rider or Tenant Improvement Allowance Rider attached hereto, without first obtaining the express written consent of Landlord. With regard to alterations, repairs or changes to, or installations in, the interior of the Premises which do not affect the structural members, exterior walls, windows and doors of the Building, Landlord's consent shall not unreasonably be withheld. With regard to any such matters which may affect the structural members, exterior walls, windows and doors of the Building, and with regard to the installation of any signs outside the Premises, Landlord may grant or withhold its consent in its unlimited discretion.

29.3 Landlord may impose, as a condition of its consent to alterations, repairs or changes of the Premises or the erection of signs on or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord and the requirement that Tenant shall furnish Landlord with a completion and lien indemnity bond prior to the commencement of any work. Tenant shall construct such improvements, alterations or repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance. In any event, a contractor of Landlord's selection shall perform all mechanical, electrical, plumbing, air conditioning, permanent partition and ceiling tile work under contracts let by Landlord, and such work shall be performed at Tenant's cost except as otherwise provided in any Landlord's Improvement Construction Rider, Tenant Improvement Credit Rider or Tenant Improvement Allowance Rider attached hereto. In the event Tenant orders any construction, alteration, decorating or repair work directly from Landlord or from the contractor selected by Landlord, the charges for such work shall be deemed additional rent under this Lease, payable upon billing therefor, either periodically during construction or upon the substantial completion of such work, at Landlord's option.

30. MECHANIC'S LIENS. Tenant agrees to give Landlord written notice of the commencement date of any alterations, improvements or repairs to be made in, to or upon the Premises not later than 15 days prior to the commencement of any such work, in order to give Landlord time to post notices of nonresponsibility. Tenant will not permit any mechanic's, materialman's or other lien to be placed upon the Premises or Building or improvements therein during the term hereof; and in the event that any mechanic's, materialman's or other lien is filed against the Premises or Building or improvements therein in connection with any alteration, repair, improvement or change of, or installation of fixtures or equipment in, the Premises Tenant shall cause such lien to be released within 10 days after such filing, either by satisfaction of such claim or by posting of a bond. Notwithstanding the foregoing, Landlord shall have the right and privilege at Landlord's option of paying the amount of any such lien or claim, or any portion thereof, without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be deemed additional rent hereunder due from Tenant to Landlord upon demand.

31. ALTERNATE SPACE. If the Premises comprise less than a full floor in the Building, and if Landlord shall have the opportunity during the term of this Lease to lease to a single tenant all or substantially all of the floor upon which the Premises are located, then Landlord shall have the privilege of moving Tenant to other space in the Building comparable to the Premises, and all terms hereof shall apply to the new space with equal force. In such event Landlord shall give Tenant at least 60 days' prior notice in writing and shall move Tenant's effects to the new space at Landlord's sole cost and expense at such time and in such manner as to inconvenience Tenant as little as practicable.

#### 32. MISCELLANEOUS.

32.1 No receipt of money by Landlord from Tenant after the termination of this Lease, the service of any notice, the commencement of any suit or final judgment for possession shall reinstate, continue or extend the term of this Lease or affect any such notice, demand, suit or judgment.

32.2 If any provision of this Lease or its application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Lease or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable to any extent, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law; and it is the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.



32.3 The covenants and obligations of Tenant pursuant to this Lease shall be independent of performance by Landlord of the covenants and obligations of Landlord pursuant to this Lease and performance by Tenant of each covenant and obligation of Tenant pursuant to this Lease shall be a condition precedent to the duty of Landlord to perform the covenants and obligations of Landlord pursuant to this Lease.

32.4 The headings of Sections of this Lease are for convenience only and do not define, limit or construe the contents thereof. References made in this Lease to numbered Sections, Paragraphs and Subparagraphs shall refer to numbered Sections, Paragraphs or Subparagraphs of this Lease unless otherwise indicated.

32.5 Where appropriate, words in the singular, including without limitation the words "Landlord" and "Tenant", include the plural, and vice versa. Words in the neuter gender include the masculine and feminine genders, and vice versa, and words in the masculine gender include the feminine gender, and vice versa.

32.6 If there be more than one Tenant, at any time or from time to time, the obligations hereunder imposed upon Tenant shall be joint and several.

32.7 Time is of the essence of this Lease. Failure of either party to perform any act strictly within the applicable period specified herein shall entitle the other to exercise all remedies herein contemplated.

32.8 This Lease shall be governed by and interpreted in accordance with the laws of the State of California.

32.9 All monetary obligations of either party hereunder to the other remaining past due 10 days or more after the date specified herein for payment shall bear interest at highest rate permitted by law per annum from the due date so specified until paid.

32.10 This instrument, along with any riders, exhibits and attachments or other documents affixed to or referred to in this instrument (all of which riders, exhibits, attachments and other documents are hereby incorporated into this instrument by this reference), constitutes the entire and exclusive agreement between Landlord and Tenant relating to the Premises, and this agreement and said riders, exhibits and attachments and other documents may be altered, amended or revoked only by an instrument in writing signed by the party to be charged thereby. All prior or contemporaneous oral agreements, understandings and/or practices relative to the leasing of the Premises are merged herein or revoked hereby. References in this instrument to this "Lease" shall mean, refer to and include this instrument as well as any riders, exhibits, attachments or other documents affixed to or referred to in this instrument, and references to any covenant, condition, obligation and/or undertaking "herein", "hereunder" or "pursuant hereto" (or language of like import) shall mean, refer to and include the covenants, conditions, obligations and undertakings existing pursuant to this instrument and any riders, exhibits, attachments or other documents affixed to or referred to in this instrument. All terms defined in this instrument shall be deemed to have the same meanings in all riders, exhibits, attachments or other documents affixed to or referred to in this instrument unless the context thereof clearly requires the contrary.

32.11 Tenant hereby consents to amendment of this Lease as and to the extent required by any lender which makes a loan to Landlord secured in whole or in part by the Building.

32.12 Unless otherwise agreed in writing, if Tenant has dealt with any real estate broker or other person or firm with respect to leasing or renting space in the Building, Tenant shall be solely responsible for the payment of any fee due said broker, person or firm and Tenant hereby indemnifies and holds Landlord harmless from and against any liability with respect thereto.

32.13 Tenant agrees to pay to Landlord as additional rent hereunder any taxes required by law to be paid by Tenant and collected from Tenant by Landlord.

32.14 Submission of this Lease for examination, even though executed by Tenant, shall not bind Landlord in any manner and no lease or other obligation on the part of Landlord shall arise until this Lease is executed and delivered by Landlord to Tenant. This Lease shall not be binding and in effect until a counterpart hereof has been executed and delivered by the parties, each to the other.

32.15 Subject to the provisions of this Lease relating to assignment and subletting, this Lease shall bind and inure to the benefit of the parties hereto and their successors in interest of every nature.

IN WITNESS WHEREOF, this instrument has been duly executed by the parties hereto, as of the date first above written

"Tenant": Hubbard College of Administration International, Inc.

By: \_\_\_\_\_  
          Bob Held, Officer of Corporation  
Its: \_\_\_\_\_  
          *[Signature]* Bob Held Secretary/Treasurer  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

"Landlord":  
          THE OMEGA GROUP  
By: The Omega Group (A General Partnership)  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
          *[Signature]*

RENT ESCALATION: Instead of paragraph "4" of this Lease, Tenant shall receive an annual cost of living rent increase equal to C.P.I. not to exceed 5% over the previous year.

PARKING: Tenant could rent up to five (5) random parking spaces at the rate of \$60.00 during the first year of the Lease only.

CONSTRUCTION: Landlord will remove two (2) partitions, exchange four (4) interior doors, and provide an airconditioning for the altered area and a wall unit on the south side.

IMPROVEMENTS: Landlord will repair carpeting at the altered area using remnant carpet.



## THE OMEGA GROUP

3540 Wilshire Boulevard  
Los Angeles, California 90010

### EXHIBIT "B"

#### RULES AND REGULATIONS

1. Tenant shall not obstruct or interfere with the rights of other tenants of the Building, or of persons having business in the Building, or in any way injure or annoy such tenants or persons.
2. Tenant shall not commit any act or permit any thing in or about the Building which shall or might subject Landlord to any liability or responsibility for injury to any person or property by reason of any business or operation being carried on in or about the Building or for any other reason.
3. Tenant shall not use the Building for lodging, sleeping, cooking, or for any immoral or illegal purpose or for any purpose that will damage the Building, or the reputation thereof, or for any purposes other than those specified in the Lease.
4. Canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate to prevent such activities.
5. Tenant shall not bring or keep within the Building any animal, bicycle or motorcycle.
6. Tenant shall not conduct mechanical or manufacturing operations, cook or prepare food, or place or use any inflammable, combustible, explosive or hazardous fluid, chemical, device, substance or material in or about the Building without the prior written consent of Landlord. Tenant shall comply with all statutes, ordinances, rules, orders, regulations and requirements imposed by governmental or quasi-governmental authorities in connection with fire and panic safety and fire prevention and shall not commit any act, or permit any object to be brought or kept in the Building, which shall result in a change of the rating of the Building by the Insurance Services Office or any similar person or entity. Tenant shall not commit any act or permit any object to be brought or kept in the Building which shall increase the rate of fire insurance on the Building or on property located therein.
7. Tenant shall not use the Building for manufacturing or for the storage of goods, wares or merchandise, except as such storage may be incidental to the use of the Premises for general office purposes and except in such portions of the Premises as may be specifically designated by Landlord for such storage. Tenant shall not occupy the Building or permit any portion of the Building to be occupied for the manufacture or direct sale of liquor, narcotics, or tobacco in any form, or as a medical office, barber shop, manicure shop, music or dance studio or employment agency. Tenant shall not conduct in or about the Building any auction, public or private, without the prior written approval of Landlord.
8. Tenant shall not install or use in the Building any air conditioning unit, engine, boiler, generator, machinery, heating unit, stove, water cooler, ventilator, radiator or any other similar apparatus without the express prior written consent of Landlord, and then only as Landlord may direct.
9. Tenant shall not use in the Building any machines, other than standard office machines such as typewriters, calculators, copying machines and similar machines, without the express prior written consent of Landlord. All office equipment and any other device of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, so as to absorb or prevent any vibration, noise, or annoyance. Tenant shall not cause improper noises, vibrations or odors within the Building.
10. Tenant shall move all freight, supplies, furniture, fixtures and other personal property into, within and out of the Building only at such times and through such entrances as may be designated by Landlord, and such movement of such items shall be under the supervision of Landlord. Landlord reserves the right to inspect all such freight, supplies, furniture, fixtures and other personal property to be brought into the Building and to exclude from the Building all such objects which violate any of these rules and regulations or the provisions of the Lease. Tenant shall not move or install such objects in or about the Building in such a fashion as to unreasonably obstruct the activities of other tenants, and all such moving shall be at the sole expense, risk and responsibility of Tenant. Tenant shall not use in the delivery, receipt or other movement of freight, supplies, furniture, fixtures and other personal property to, from or within the Building, any hand trucks other than those equipped with rubber tires and side guards.
11. Tenant shall not place within the Building any safes, copying machines, computer equipment or other objects of unusual size or weight, nor shall Tenant place within the Building any objects which exceed the floor weight specifications of the Building, without the express prior written consent of Landlord. The placement and positioning of all such objects within the Building shall be prescribed by Landlord and such objects shall, in all cases, be placed upon plates or footings of such size as shall be prescribed by Landlord.
12. Tenant shall not deposit any trash, refuse, cigarettes, or other substances of any kind within or out of the Building, except in the refuse containers provided therefor. Tenant shall not introduce into the Building any substance which might add an undue burden to the cleaning or maintenance of the Premises or the Building. Tenant shall exercise its best efforts to keep the sidewalks, entrances, passages, courts, lobby areas, garages or parking areas, elevators, escalators, stairways, vestibules, public corridors and halls in and about the Building (hereinafter "Common Areas") clean and free from rubbish.
13. Tenant shall use the Common Areas only as a means of ingress and egress, and Tenant shall permit no loitering by any persons upon Common Areas or elsewhere within the Building. The Common Areas and roof of the Building are not for the use of the general public, and Landlord shall in all cases retain the right to control or prevent access thereto by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation or interests of the Building and its tenants. Tenant shall not enter the mechanical rooms, air conditioning rooms, electrical closets, janitorial closets, or similar areas or go upon the roof of the Building without the express prior written consent of Landlord.
14. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner act in violation of the rules and regulations of the Building.
15. Landlord shall have the right to designate the area of areas, if any, in which Tenant and Tenant's servants, employees, contractors, jobbers, agents, licensees, invitees, guests and visitors may park vehicles, and Tenant and its servants, employees, contractors, jobbers, agents, licensees, invitees, guests and visitors shall observe and comply with all driving and parking signs and markers within and about the Building. All parking ramps and areas and any pedestrian walkways, plazas or other public areas forming a part of the Building or the land upon which the Building is situated shall be under the sole and absolute control of Landlord, who shall have the exclusive right to regulate and control those areas.
16. Tenant shall not use the washrooms, restrooms and plumbing fixtures of the Building, and appurtenances thereto, for any other purpose than the purposes for which they were constructed, and Tenant shall not deposit any sweepings, rubbish, rags or other improper substances therein. Tenant shall not waste water by interfering or tampering with the faucets or otherwise. If Tenant or Tenant's servants, employees, contractors, jobbers, agents, licensees, invitees, guests or visitors cause any damage to such washrooms, restrooms, plumbing fixtures or appurtenances, such damage shall be repaired at Tenant's expense, and Landlord shall not be responsible therefor.
17. Tenant shall not mark, paint, drill into, cut, string wires within, or in any way deface any part of the Building, without the express prior written consent of Landlord, and as Landlord may direct. Upon removal of any wall decorations or installations or floor coverings by Tenant, any damage to the walls or floors shall be repaired by Tenant at Tenant's sole cost and expense. Without limitation upon any of the provisions of the Lease, Tenant shall refer all contractors' representatives, installation technicians, janitorial workers and other mechanics, artisans and laborers rendering any service in connection with the repair, maintenance or improvement of the Premises to Landlord for Landlord's supervision, approval and control before performance of any such service.

This Paragraph 17 shall apply to all work performed in the Building, including without limitation installation of telephones, telegraph equipment, electrical devices and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other portion of the Building. Plans and specifications for such work, prepared at Tenant's sole expense, shall be submitted to Landlord and shall be subject to Landlord's express prior written approval in each instance before the commencement of work. All installations, alterations and additions shall be constructed by Tenant in a good and workmanlike manner and only good grades of material shall be used in connection therewith. The means by which telephone, telegraph and similar wires are to be introduced to the Premises and the location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the express prior written approval of Landlord. Tenant shall not lay linoleum or similar floor coverings so that the same shall come into direct contact with the floor of the Premises and, if linoleum or other similar floor covering is to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material soluble in water. The use of cement or other similar adhesive material is expressly prohibited.

18 No signs, awnings, showcases, advertising devices or other projections or obstructions shall be attached to the outside walls of the Building or attached or placed upon any Common Areas without the express prior written consent of Landlord. No window shades, blinds, drapes or other window coverings shall be installed in the Building without the express prior written consent of Landlord. No sign, picture, advertisement, window display or other public display or notice shall be inscribed, exhibited, painted or affixed by Tenant upon or within any part of the Premises in such a fashion as to be seen from the outside of the Premises or the Building without the express prior written consent of Landlord. In the event of the violation of any of the foregoing by Tenant, Landlord may remove the articles constituting the violation without any liability and Tenant shall reimburse Landlord for the expense incurred in such removal upon demand as additional rent under the Lease. Interior signs on doors and upon the Building directory shall be subject to the express prior written approval of Landlord and shall be inscribed, painted, or affixed by Landlord at the expense of Tenant.

19 Tenant shall not use the word "Omega" or the name of the Building or of Landlord in its business name, trademarks, signs, advertisements, descriptive material, letterhead, insignia or any other similar item without Landlord's express prior written consent.

20 Tenant shall be entitled to have its name entered upon the directory of the Building. In the event that Tenant wishes to have additional entries made upon the Building directory for the names of employees of Tenant who occupy office space within the Premises, such entries may be allowed by Landlord in its reasonable discretion, and Landlord may require that Tenant pay a reasonable fee for each such additional entry. All entries upon the Building directory shall be in uniform print of a size, style and format selected by Landlord.

21 The sashes, sash doors, skylights, windows and doors that reflect or admit light or air into the Common Areas shall not be covered or obstructed by Tenant, through placement of objects upon windowsills or otherwise. Tenant shall cooperate with Landlord in obtaining maximum effectiveness of the cooling system of the Building by closing drapes and other window coverings when the sun's rays fall upon windows of the Premises. Tenant shall not obstruct, alter or in any way impair the efficient operation of Landlord's heating, ventilating, air conditioning, electrical, fire, safety or lighting systems, nor shall Tenant tamper with or change the setting of any thermostat or temperature control valves in the Building.

22 Subject to applicable fire or other safety regulations, all doors opening onto Common Areas and all doors upon the perimeter of the Premises shall be kept closed and, during non-business hours, locked, except when in use for ingress or egress. If Tenant uses the Premises after regular business hours or on non-business days Tenant shall lock any entrance doors to the Building or to the Premises used by Tenant immediately after using such doors.

23 Employees of Landlord shall not receive or carry messages for or to Tenant or any other person, nor contract with nor render free or paid services to Tenant or Tenant's servants, employees, contractors, jobbers, agents, invitees, licensees, guests or visitors. In the event that any of Landlord's employees perform any such services, such employees shall be deemed to be the agents of Tenant regardless of whether or how payment is arranged for such services, and Tenant hereby indemnifies and holds Landlord harmless from any and all liability in connection with any such services and any associated injury or damage to property or injury or death to persons resulting therefrom.

24 Tenant shall not install additional locks or bolts of any kind upon any of the doors or windows of, or within, the Building, nor shall Tenant make any changes in existing locks or the mechanisms thereof. Tenant shall upon the termination of its tenancy, provide Landlord with the combinations to all combination locks on safes, safe cabinets and vaults and deliver to Landlord all keys to the Building, the Premises and all interior doors, cabinets, and other key-controlled mechanisms therein, whether or not such keys were furnished to Tenant by Landlord in the event of the loss of any key furnished to Tenant by Landlord. Tenant shall pay to Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such a change.

25 Access may be had by Tenant to the Common Areas and to the Premises at any time between the hours of 7:00 A.M. and 6:00 P.M., Monday through Friday, legal holidays excepted. At other times access to the Building may be refused unless the person seeking admission is known to the watchman in charge, if any, and/or has a pass or is properly identified. Tenant shall be responsible for all persons for whom Tenant requests passes, and shall be liable to Landlord for all acts of such persons. Landlord shall in no case be liable for damages for the admission or exclusion of any person from the Building. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building for the safety of tenants and protection of property in the Building.

26 Landlord shall not be responsible for, and Tenant hereby indemnifies and holds Landlord harmless from any liability in connection with, the loss, theft, misappropriation or other disappearance of furniture, furnishings, fixtures, machinery, equipment, money, jewelry or other items of personal property from the Premises or other parts of the Building, regardless of whether the Premises or Building are locked at the time of such loss.

27 For purposes hereof, the terms "Landlord," "Tenant," "Building" and "Premises" are defined as those terms are defined in the Lease to which these Rules and Regulations are attached. Wherever Tenant is obligated under these Rules and Regulations to do or refrain from doing an act or thing, such obligation shall include the exercise by Tenant of its best efforts to secure compliance with such obligation by the servants, employees, contractors, jobbers, agents, invitees, licensees, guests and visitors of Tenant. The term "Building" shall include the Premises, and any obligations of Tenant hereunder with regard to the Building shall apply with equal force to the Premises and to other parts of the Building.