SHOPPING CENTER LEASE

for

MAGNOLIA SHOPPING CENTER

by and between

VOLENTINE, Inc.,
a California corporation,

"Lessor"

and

Santa Barbara City College,
a California corporation

"Lessee"
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Shopping Center Lease

This LEASE, executed this ___ day of August, 1992 by and between Valentine, Inc., a California corporation hereinafter called "Lessor" and Santa Barbara City College, a California corporation hereinafter called "Lessee".

WITNESSETH:

That for and in consideration of the covenants and agreements hereinafter set forth to be kept and performed by Lessee, Lessor hereby leases to Lessee and Lessee does hereby take, accept and hire from Lessor the leased premises hereinafter described for the period, and at the rental, subject to and upon the terms and conditions herein set forth as follows:

1. LEASED PREMISES. The premises ("leased premises") leased hereunder are located in Goleta, County of Santa Barbara, State of California, and shall consist of the building space hatched in the plan attached hereto as Exhibit "A", said building space to be constructed as set forth in Paragraph 25. The leased premises shall have a frontage of approximately 73 feet (said measurement being from the center of partition or outside dimension in the case of end space) and at a depth of approximately 28 feet (outside dimensions) with approximately 5,722 square feet.

It is expressly understood that the leased premises includes the roof and exterior face of walls, however the use of the foregoing is expressly reserved to Lessor.

The leased premises, together with and including other property owned, leased or operated by Lessor referred to hereinafter and throughout this lease as the "shopping center", is now devoted to, or contemplated for development as a shopping center. The shopping center both present and proposed, is depicted on Exhibit "A" and is legally described in Exhibit "B", both attached hereto and made a part hereof.

2. TERM. The term of this Lease shall be for a period of Three (3) years, subject to Lessee's right to extend the term as hereinafter provided in paragraph 29, commencing on ("commencement date") September 1, 1992 and terminating August 31, 2001.

3. PAYMENT OF RENT. Lessee hereby covenants and agrees to pay rent to Lessor in the form of "fixed minimum rent and "additional rent" all as hereinafter defined. The payment of all rents hereinafter set forth shall begin on the commencement date. All rents shall be paid at the office of Lessor, unless otherwise specified. All rent shall be payable in lawful money of the United States and without right of deduction or offset for any cause whatsoever. Time is of the essence in the payment of all forms of rent payable hereunder.

4. RENT. Lessee shall pay to Lessor, as rental hereunder, the aggregate of the following:

A. An annual fixed minimum rent of Sixty-eight thousand six hundred sixty-four Dollars ($68,664.00) subject to adjustment as provided in Paragraph 5, payable in 12 equal monthly installments of Five thousand seven hundred twenty dollars ($5,722.00), each monthly installment payable in advance on the first day of each month throughout the term. Should the term of this Lease commence on a day other than the first day of a month, the first monthly installment of fixed minimum rent shall be prorated on the basis of a 30 day month and shall be paid on the date the term commences.

B. Additional rent monthly being Lessee's share of the aggregate of the following: (1) Estimated annual taxes and assessments as defined in Paragraph 11; (2) Estimated annual premiums for insurance carried by Lessor pursuant to Paragraph 13; and (3) Estimated common area charges as defined in Paragraph 12 incurred or to be incurred in connection with the operation of the shopping center. It is understood that the foregoing charges shall be paid in estimated amounts determined periodically by Lessor. When the actual amounts of such charges are determined, an appropriate lump sum adjustment shall be made between Lessor and Lessee to be paid by Lessee within ten (10) days or credited against the next rent coming due. In no event shall Lessee's share of (1), (2) and (3) above exceed $6.12/square foot per month.

5. ADJUSTMENT OF FIXED MINIMUM RENT. Fixed minimum rent shall be increased, but in no event decreased, at the beginning of the thirteenth month following the lease commencement date and each twelve months thereafter ("adjustment date") in accordance with the increase, if any, in the cost of living. The fixed minimum rent, as so adjusted, shall be paid in accordance with Paragraph 4.A. until the next adjustment date.

The adjusted fixed minimum rent shall be determined as of and due on each adjustment date by multiplying Five thousand seven hundred twenty two dollars ($5,722.00) by a fraction, the numerator of which is the index figure for the month immediately preceding the date of execution of this Lease as published in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles/Anaheim/Riverside, all items (1982-84=100) (the "CPI") and the numerator of which is the CPI index figure for the month immediately preceding the month in which the particular adjustment occurs.

The index for the adjustment date shall be the one reported in the U.S. Department of Labor's most comprehensive official index then in use and most nearly
answering the foregoing description of the index to be used. If it is calculated from a base different from the base period 1982-84, the adjustment factor used for calculating the index shall first be converted under a formula supplied by the Bureau. If the described index shall no longer be published, another index generally recognized as authoritative shall be substituted by Lessee.

6. GROSS SALES AND RECORDS. INTELLIGENTLY OMITTED

7. USE. Lessee shall occupy and use the leased premises only for the operation of a school of cosmetology and to provide cosmetology services to paying customers and for no other purpose whatsoever.

Lessee shall not:

A. Use or permit the leased premises to be used for any purpose other than that prescribed in this paragraph and further covenants and agrees to comply promptly with all statutes, ordinances, rules, orders or regulations of any governmental authority regulating the use or occupation of the leased premises.

B. Use or permit the use of the leased premises in any manner that will tend to create a nuisance or disturb other tenants or occupants of the shopping center or tend to injure the reputation of the shopping center.

C. Conduct or permit to be conducted in the leased premises any fire sale, auction, bankruptcy sale, second-hand sale, going-out-of-business sale or other promotions or sales without Lessor's prior written consent, except for periodic sales in the normal course of business.

D. Allow any activity to be conducted on the leased premises or store any material on the leased premises which will increase premiums for or violate the terms of any insurance policy maintained by, for the benefit of Lessor or the shopping center. In no event shall any explosive, radioactive or dangerous materials be stored at the leased premises.

E. Use or allow the premises to be used for sleeping quarters, dwelling rooms or for any unlawful purpose or permit any cooking on the leased premises without Lessor's prior written consent.

F. Solicit business, distribute advertising, obstruct, place any merchandise, vending or amusement machines on, or otherwise use in the conduct of its business, any part of the common area of the shopping center, including the sidewalks in front of the leased premises.

G. Erect or install any exterior signs or window or door signs, advertising media or window or door lettering or placards; install any exterior lighting, plumbing fixtures, shades or awnings; make any exterior decoration or painting; build any fences, walls barricades or other obstructions; or, install any radio, television, phonograph, antennas, loud speakers, sound amplifiers, flashing or revolving lights, or similar devices on the roof, exterior walls or in the windows of the leased premises, or make any changes to the store front without Lessor's prior written consent. Any signs, lights, advertising material, loud speakers or anything installed by Lessee on the leased premises which may be seen, heard or experienced outside the leased premises must be designed or approved by Lessor in writing. Lessee shall not display, paint or place, or cause to be displayed, painted or placed any handbills, bumper stickers, or other advertising devices on any vehicles parked in the common area of the shopping center, nor shall Lessee distribute or cause to be distributed in the shopping center any handbills or other advertising devices.

H. Interfere with any other tenant's use of the common area or cause or permit any waste on the leased premises or in the shopping center.

Lessee shall:

A. Warehouse, store and/or stock in the leased premises only such goods, wares and merchandise as Lessee intends to offer for sale at retail at, in, from or upon the leased premises. Lessee shall use for office, clerical or other non-selling purposes only such space in the leased premises as is from time to time reasonably required for Lessee's business in the leased premises.

B. Operate all of the leased premises during the entire term of this Lease. Lessee shall keep the leased premises open for business during all regular customary days and hours for such type of business in the city or area in which the shopping center is located. However Lessee hereby agrees to remain open for business no less than five (5) days per week.

C. Lessee shall keep the display windows and signs, if any, in the leased premises well lighted during the hours from sundown to 11:00 pm, unless prevented by causes beyond the control of Lessee.

D. Keep the leased premises, entrances thereto, walkways adjacent thereto, loading platforms, service areas, garbage and refuse storage areas free from obstruction and clean and neat, and arrange for the prompt and frequent pickup of rubbish at such intervals as Lessee may direct.

8. UTILITIES. Lessee agrees to pay before delinquency all charges for gas, heat, sewer, water, electricity, telephone, storm drain, water service, electric charges and all other utility charges including any hook up or connection fees or charges which may accrue with respect to the leased premises during the term of this Lease whether the same be charged or assessed at flat rates, measured by separate meters or prorated by the utility company or Lessor. Lessor shall in no event be liable to Lessee for any interruption in the service of any such utilities to the leased premises, however such interruption may be caused; and this Lease shall continue in full force and effect despite any such interruptions.
9. **REPAIRS.** Lessee agrees that its acceptance of the leased premises evidenced by Lessee's entry into possession thereof shall constitute unqualified proof that the leased premises are, as of the commencement date of the term, in a tenantable and good condition; that Lessee will take good care thereof; and Lessee hereby waives the right to make repairs at Lessee's expense under any of the provisions of Sections 1941 and 1942 of the Civil Code of California. Any partial destruction which Lessee is obligated to repair under any of the provisions of Section 1932, Subdivision 2 and Section 1933, Subdivision 4 of the Civil Code of California are hereby waived by Lessee.

Lessee covenants and agrees at Lessee's own cost and expense to keep the leased premises, and each and every part thereof including without limitation, all plumbing and electrical conduits, wiring, fixtures and pipes and all sewers, floors, flooring, walls, lighting, store fronts, plate glass and glazing, air conditioning and heating systems, ceilings and all other parts thereof in good condition and repair at all times during the term hereof and to make promptly any and all repairs, renewals and replacements which may at any time be necessary or proper to put and keep the leased premises in good condition and repair, and to keep the leased premises and all appurtenances thereto in a good, clean, safe and wholesome condition at all times during said term. In the event that the leased premises contain air conditioning and/or elevators, Lessee's said obligation shall also include the retaining by Lessee of an air conditioning service company and/or an elevator service company approved by Lessor, which approval may be withdrawn unreasonably or arbitrarily withheld, to service and to maintain the air conditioning equipment and/or the elevator equipment on a regular periodic inspection and service basis calling for inspection and servicing not less frequently than once each month. Lessee expressly agrees to pay promptly for any and all labor done or material furnished for any work or repair, maintenance, improvements, alteration or addition done by the Lessee in connection with these items.

Notwithstanding the fact that some of the foregoing items are not part of the leased premises hereunder and shall be maintained by Lessor, Lessee shall nevertheless reimburse Lessor for Lessee's pro rata share of the cost of maintenance and repair of the same for the term of within 10 days following receipt of Lessor's statement thereof. Such items shall include, but not be limited to: roof, exterior walls, foundations and structural portions of the building, exterior trim, all underground and overhead utilities and service lines and drops located outside the perimeter of the leased premises, and painting or staining of exterior walls, trim or accessories at such intervals as Lessor shall determine and which work shall be performed by Lessor. Lessee's pro rata share of such costs shall be determined in accordance with Paragraph 12, except that the denominator for computing pro rata share shall be the floor area of the building to which such service pertains.

Lessee shall promptly notify Lessor in writing of the need for any of the foregoing repairs to be performed by Lessor at Lessee's expense and Lessor shall have the right to enter the leased premises at any time with men and equipment as may be deemed necessary by Lessor to make such repairs. In no event shall Lessor be liable to any person, including Lessee, its agents or employees for any loss, damage (including water damage), theft, or destruction of or to any merchandise, fixtures, money or other property belonging to any person as a result of Lessor's failure promptly or correctly to perform any of the foregoing repairs or occasioned by acts of Lessor or its agents or employees while making or attempting to make such repairs. In no event shall Lessee be entitled to any offset, abatement or reduction in rent during periods of such repair.

In the event Lessor fails or refuses to perform any repairs required of it hereunder, in addition to all other remedies available hereunder or at law for Lessor's default, Lessor may, but shall not be obligated to, enter the leased premises, with men and equipment and perform such repairs on behalf and at the expense of Lessee. Lessor may undertake on behalf of and at the cost of Lessee such emergency repairs as Lessor deems necessary, which expenses shall be repaid in the form of additional rent to be remitted with the next subsequent rent payment.

10. **ALTERATIONS.** Lessee shall not make any alterations, additions, modifications, or change ("alterations") to the leased premises without first procuring Lessor's prior written consent.

Any alterations to the leased premises or the building of which they are a part which are required by reason of any present or future law, ordinance, rule, regulation or order of any governmental authority having jurisdiction over the leased premises or the shopping center or of any insurance company insuring the leased premises, and regardless of whether or not such alteration pertains to the nature, construction or structure of the building or to the use made thereof by Lessee, shall be at the sole cost of Lessee regardless of whether the work is performed by Lessor or Lessee. All alterations, to or upon the leased premises, shall at once when made or installed be deemed to have attached to the feehold and to have become the property of Lessor at the option of Lessor.

11. **TAXES AND ASSESSMENTS.** Lessee shall be responsible for and shall pay to Lessor all real property taxes, assessments (whether special or general), fees, city business license, "rental business tax" as used herein, shall include any business tax imposed upon Lessor by the State of California, or any political subdivision thereof, which is based upon or measured...
Lessor may include in the rental the amount of such property or personal taxes as it shall determine to be necessary, which taxes shall be the responsibility of Lessee. If the Leased Premises are not separately assessed, Lessee shall pay for a pro rata share (as defined in Paragraph 12) of all taxes and assessments except that for purposes of this Paragraph, the denominator for computing pro rata share shall be ground floor area of such building as are included in such tax bill. In the event said taxes and/or assessments are not paid in accordance with Paragraph 4B Lessee may, in addition to all other remedies permitted in this Lease, add an additional charge to the penalty and interest that would have been due if Lessee had failed to make timely payments directly to the tax collector in order to reimburse Lessor for its administrative costs incurred as a result of Lessee's failure to pay.

Lessees shall pay, before delinquency, all property taxes and assessments on the furniture, fixtures, equipment, merchandise and other property of Lessee at any time situated or installed in the Leased Premises, and, in addition, on improvements in the Leased Premises made or installed by Lessee subsequent to the commencement date. If at any time during the term of this Lease any of the foregoing are assessed as part of the real property of which the Leased Premises are a part, Lessee shall pay to Lessor upon demand the amount of such additional taxes as may be levied against such real property by reason thereof. For the purpose of determining said amount, figures supplied by the County Assessor as to the amount so assessed shall be conclusive.

12. COMMON AREA. Lessor hereby grants to Lessee the non-exclusive right in common with others during the term of this Lease to use the common area (as hereinafter defined) of the shopping center for itself, its employees, agents, customers, invitees and licensees.

The common area shall be subject to the exclusive control and management of Lessor or such other persons or nominees as Lessor may designate to exercise such management or control, in whole or in part over the common area, in Lessor's place and stead, and Lessee, and Lessor's nominees and assignees shall have the right to establish, modify, amend and enforce reasonable rules and regulations with respect to the common area. Lessee agrees to abide by and conform with such rules and regulations, to cause its concessionaires, and its employees and agents so to abide and conform, and to use its best efforts to cause its customers, invitees and licensees so to abide and conform.

Lessor shall have the right to close, if necessary, all or any portion of the common area to such extent as may in the opinion of Lessor's counsel be necessary or desirable in order to prevent a dedication thereof or the accrual of any rights of any person or of the public therein; to close temporarily all or any portion of the common area to discourage non-customer use; to use portions of the common area while engaged in making additional improvements or repairs or alterations to the shopping center; and to do and perform such other acts in, to, and with respect to the common area as Lessor, in its sole judgment, shall determine to be appropriate for the shopping center.

Lessor shall have the unqualified right to increase or reduce the common area, and to rearrange the parking spaces, driveways and improvements on the common area.

Lessor shall have the sole right to place vending or amusement devices and public telephones on the common area.

Lessees agrees that its officers, agents, employees, vendors, suppliers and other independent contractors will use such access roads and will operate trucks and trailers in delivering merchandise to and from the Leased Premises at such days and hours upon and over such access roads as are designated thereby by Lessor as a means of ingress to and egress from the Leased Premises. The use of such access roads by Lessee and Lessee's officers, agents, employees, vendors, suppliers and other independent contractors shall be subject to the rules and regulations established by Lessor with respect to the use thereof.

All automobiles, trucks and other vehicles of Lessee and Lessee's students shall be parked only where and as permitted by Lessor from time to time, and officers, agents and employees of Lessee shall park their vehicles only in such places or in such particular area, if any, as may be designated by Lessor as employee or student parking area. Lessee agrees that when and if requested by Lessor so to do, Lessee will furnish Lessor with the license numbers of the vehicles of Lessee and other respective officers, agents and employees.

If any vehicles of Lessee or any concessionaire or any of their respective officers, agents or employees, is parked in any part of the shopping center other than the employee and student parking areas, Lessee hereby authorizes Lessor to engage a towing service to remove such vehicle at Lessee's expense.
As used herein, "common area" means all areas of the shopping center (as the same may be expanded or decreased at Lessor’s option) except those areas which from time to time are designed by Lessor as being outside the common area or are leased to or within the exclusive control of a tenant of the shopping center. The common area is to include without limitation, the land and facilities utilized for or as parking areas, access and perimeter roads, truck passageways (which may be elevated or subterranean), stairs, escalators, platforms, and public walkways, any such platform or walkway being hereafter included. The term also includes stairways providing access from store premises to such platforms and truck passageways; loading docks, special easement areas, landscaped areas, seasonal decorations, exterior walks, arcades and/or balconies; directory equipment; wash rooms, comfort room, drinking fountain, toilets and other public facilities, bus stations, taxi stands and the like; areas devoted to or for maintenance purposes or equipment including management offices; and any areas dedicated or belonging to the public or any governmental authority which are contiguous or near to the shopping center and which for maintenance purposes or equipment for common area maintenance or rental thereof, plus 10% of all the foregoing charges to cover Lessor’s overhead.

Lessee shall pay to Lessor in the manner set forth in Paragraph 48 of Lessee’s pro rata share of all charges of any kind or nature incurred or paid by Lessor in connection with the maintenance, repair, operation or ownership of the common area, which charges shall include but not necessarily be limited to the expense of the following:

- Repair, replacement, and maintenance, surfacing, resurfacing, painting, restriping, cleaning, sweeping, janitorial services, planting and landscaping, signs and markers, lighting and other utilities, parking control and security guards and fire protection service, tram vehicle or people mover equipment and find personnel to operate same, all real property and personal property taxes and assessments (as defined in Paragraph 11) levied or assessed against the common area, for all forms of insurance described in Paragraph 13, covering the common area as well as Worker’s Compensation Insurance and any other insurance carried by and deemed advisable by Lessor; wages and salaries for personnel employed to operate the common area, cost of machinery and equipment used for common area maintenance or rental thereof, plus 10% of all the foregoing charges to cover Lessor’s overhead.

Lessee’s pro rata share shall be a fraction, the numerator of which is the total number of square feet of ground floor area in the leased premises and the denominator of which is the total number of square feet of ground floor area of buildings located in the shopping center at the time the proration is made. Lessor shall periodically determine ground floor area for purposes of the above calculation and Lessee’s determination shall be conclusive.

13. INSURANCE. At all times during the term of this Lease, Lessor shall maintain in full force and effect with insurance companies licensed to do business in the State of California and otherwise satisfactory to Lessor in its sole discretion one or more policies including the following coverages:

A. General public liability insurance against claims for bodily injury, death or property damage occurring in or upon the common area with limits of coverage of not less than $500,000 for death or injury to one person, $1,000,000 for death or injury to more than one person in a common accident or occurrence, and $50,000 for damage or injury to property. Lessor may increase the foregoing limits if it deems such increase desirable to protect Lessor and Lessee.

B. Fire, extended coverage, vandalism, malicious mischief, earthquake, loss of rental income, and sprinkler leakage (if building contains sprinklers) insurance in such amounts and with such coverage perils as Lessor deems appropriate in its sole discretion insuring the buildings and other improvements on the leased premises in an amount equal to the full replacement value thereof. All proceeds shall belong to and be the sole property of Lessor and lessee hereby assigns to Lessor all of Lessee’s right, title and interest thereto.

Lessee shall pay its pro rata share of such premiums (said pro rata share being the same as defined in Paragraph 12 above) in the manner provided in Paragraph 4. Lessor shall have the right to maintain blanket policies with the foregoing limits provided that the amount of insurance premium payable by Lessee hereunder shall be determined as the premium Lessee would have been required to pay if Lessor had caused to be issued a separate policy of the particular insurance on the leased premises in accordance with applicable tariff rules and rates duly promulgated for same by the Insurance Service Bureau or any successor insurance industry rating authority.

At all times during the term of this Lease, Lessor shall maintain in full force and effect with insurance companies licensed to do business in the State of California and otherwise satisfactory to Lessor in its sole discretion one or more policies providing the following coverage a certificate of which shall be submitted to Lessee prior to Lessee’s undertaking any of the work required of Lessee pursuant to schedule hereof:

A. Comprehensive General Liability insurance insuring all Premises-Operations, Independent Contractors, Products and Completed Operations and Contractual Liability arising from the operation, possession, maintenance or use of the leased premises or ways immediately adjacent thereto with limits of liability of not less than $500,000 Each Person and $1,000,000 Each Occurrence for Bodily

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Injury and Personal Injury and $50,000 Each Occurrence for Property Damage. Lessee shall increase the foregoing limits if Lessor deems such increase desirable to protect Lessee and Lessor.

B. Comprehensive Automobile Liability insurance insuring all owned, non-owned and hired vehicles used in the conduct of the Lessee's business and operated upon the common area with Limits of Liability of not less than $500,000 Each Person and $1,000,000 Each Occurrence for Bodily Injury and $50,000 Each Occurrence for Property Damage. Lessee shall increase the foregoing limits if Lessor deems such increase desirable to protect Lessee and Lessor.

C. Standard Form Worker's Compensation and Employer's Liability insurance covering all Lessee's employees for injury or illness suffered in the course of or arising out of their employment, providing Statutory Worker's Compensation benefits and Employer's Liability Limits of Liability of not less than $100,000.

D. Plate Glass insurance covering the full replacement value of plate glass, frame and clerestory therein within and part of the leased premises to include a Safety Glazing Material Endorsement, any deductible provisions of which are solely for the account of Lessee.

E. Fire, Extended Coverage, Vandalism and Malicious Mischief, insurance in an amount equal to the full Actual Cash Value of all furniture, fixtures, stock and equipment, including fixtures and improvements and betterments installed by Lessee in the leased premises, any deductible provisions of which are solely for the account of Lessee.

A duplicate original of all such policies shall be delivered to Lessor at least 15 days prior to the time such insurance is first required to be carried by Lessee, and thereafter at least 15 days prior to the expiration of any such policy. In the event Lessee fails at any time during the term of this Lease to obtain such insurance or to provide such evidence thereof, Lessor shall have the right but not the duty to procure such insurance and Lessee shall pay to Lessor the costs and expenses thereof as additional rent when the next payment of fixed minimum rent is required to be made.

Lessee agrees that all insurance policies shall contain an endorsement stipulating that Lessor, its officers, employees and agents are included as Additional Insured thereon, except Worker's Compensation insurance, and that such insurance shall not be cancelled without fifteen (15) days written notice to be sent by Certified Mail to Lessor.

Lessor and Lessee agree that all insurance policies shall contain a clause permitting the insured to waive the insurance carrier's right of subrogation against the other arising out of the occurrence of any casualty insured against. Lessor and Lessee hereby waive any such right of subrogation against the other party hereto, subject to approval of the Insurance Carrier.

14. DAMAGE AND DESTRUCTION. In the event the leased premises, or any part thereof, shall be damaged by any casualty, this Lease shall remain in full force and effect, without abatement for rental or any other charges, and Lessor shall repair such damage and put the leased premises in good condition as rapidly as reasonably possible.

Notwithstanding any other provision of this Paragraph 14 to the contrary, if the leased premises shall be damaged, and such damage be to the extent of more than 15% of the replacement value of the leased premises at the time of such damage, then either Lessor or Lessee may at its election upon notice to the other, within 90 days after such damage, terminate this Lease as of the date of such damage.

In the event the 25% or more of the building area or common area of the shopping center shall be damaged or destroyed by casualty, notwithstanding that the leased premises may be unaffected by such casualty, Lessor may terminate this Lease and the tenancy hereby created by giving to Lessee written notice of Lessor's election so to do, within the 90 days following the date of said occurrence. Rent shall be adjusted as of the date of such termination.

15. EMINENT DOMAIN. If there is any taking or damage to all or any part of the leased premises or any interest therein because of the exercise of the power of eminent domain, whether by condemnation proceedings or otherwise, or any transfer of any part of the leased premises or any interest therein made in avoidance of the exercise of the power of eminent domain, (all of the foregoing being hereinafter referred to as "taking") prior to or during the term hereof, the rights and obligations of the Lessor and Lessee with respect to such taking shall be as follows:

A. If there is a taking of all of the leased premises, this Lease shall terminate as of the date of such taking.

B. If 25% or more of the ground floor area of the leased premises shall be taken, or 25% of the land area described in Exhibit "A" (as the same may be amended) shall be taken (regardless of whether or not any part of the leased premises is taken) then, in that event, Lessor shall be entitled to elect either to terminate this Lease or to rebuild the remainder of the leased premises or the shopping center. Lessor shall give written notice to Lessee of its election no later than 90 days after the date Lessor receives notice that possession or title

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to the portion of the leased premises or shopping center taken has vested in the condemnor.

If this Lease is terminated in accordance with the provisions of this Paragraph 15 such termination shall become effective as of the date physical possession of the particular portion is taken or immediate possession is ordered. The parties shall be released from all further liability hereunder. If this lease is not terminated as provided in this Paragraph 15, Lessor shall restore the remainder of the improvements occupied by Lessee so far as practicable to a complete unit of like quality, character, and condition as that which existed immediately prior to the taking.

If this Lease is not terminated as provided in this Paragraph 15, the annual fixed minimum rent only set forth in Article 4A for the remainder of the term shall be reduced by the proportion which the number of square feet of ground floor area of the leased premises taken bears to the total ground floor area of the leased premises immediately before the taking.

The entire award or compensation in such proceedings, whether for a total or partial taking or for diminution in the value of the leasehold or for the fee shall belong to and be the property of Lessor, and Lessee hereby assigns to Lessor all of Lessee’s interest in any award.

16. ASSIGNMENT AND SUBLEASE. Lessee shall not assign this Lease or any interest therein whether voluntarily, by operation of law, or otherwise, and shall not sublet the leased premises or any part thereof, except by written permission and consent of Lessor being first had and obtained. Consent of Lessor to any such assignment shall not be unreasonably withheld if: (1) At the time of such assignment or subletting, Lessor is not in default in the performance of any of the covenants and conditions of this Lease; (2) The assignee or subtenant of Lessee shall expressly assume in writing all of Lessor’s obligations hereunder; (3) Lessee shall so far as is practicable, shall not be deemed to be a waiver of any of the provisions of this lease, or consent to the assignment or subletting of the leased premises. Consent to any assignment or subletting shall not be deemed a consent to any future assignment or subletting. Any merger, consolidation or transfer of corporate shares of Lessee, if Lessee is a corporation, so as to result in a change in the present voting control of the Lessee by the person or persons owning a majority of said corporate shares on the date of this Lease, shall constitute an assignment and be subject to the conditions of this paragraph.

Any such subleasing or assignment, even with the approval of Lessor shall not relieve Lessee from liability for payment of all forms of rental and other charges herein provided or from the obligations to keep and be bound by the terms, conditions and covenants of this Lease. The acceptance of rent from any other person shall not be deemed to be a waiver of any of the provisions of this lease, or consent to the assignment or subletting of the leased premises. Consent to any assignment or subletting shall not be deemed a consent to any future assignment or subletting. Any merger, consolidation or transfer of corporate shares of Lessee, if Lessee is a corporation, so as to result in a change in the present voting control of the Lessee by the person or persons owning a majority of said corporate shares on the date of this Lease, shall constitute an assignment and be subject to the conditions of this paragraph.

17. LESSEE’S DEFAULT. The following shall be deemed to be acts of default under this Lease:

A. Lessee shall fail, neglect or refuse to pay any installment of fixed minimum rent, additional rent, percentage rent or any other charge including, without limitation, penalty, charges, required to be paid by Lessor hereunder at the time and in the amount as herein provided, or pay any moneys agreed by it to be paid promptly when due and payable under the terms hereof and such default shall continue for a period of more than 5 days after notice thereof in writing given to Lessee by Lessor.

B. Lessee shall fail, neglect or refuse to keep and perform any of the other covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by Lessee and such default shall continue for a period of more than 15 days after notice thereof in writing given to Lessee by Lessor; provided, however, that if the cause for giving such notice involves the making of repairs or other matters reasonably requiring a longer period of time than the period of such notice, Lessee shall be deemed to have complied with such notice if Lessee has commenced and is diligently prosecuting compliance therewith.

C. Any attachment or levy of execution or similar seizure of the leased premises or Lessee’s merchandise, fixtures or other property at the leased premises or any foreclosure, repossession, or sale under any chattel mortgage, security agreement or conditional sales contract covering Lessee’s merchandise, fixtures or other property at the leased premises; or the filing of any petition by or against Lessee under any chapter of the Bankruptcy Act, or the adjudication of Lessee as a bankrupt or insolvent; or the appointment of a receiver or trustee to take possession of all or substantially all of the assets of Lessee or a general assignment by Lessee for the benefit of creditors; or any other action taken or suffered by Lessee under any State or Federal insolvency or bankruptcy act and the continuation thereof for more than 20 days.
D. The vacating or abandonment of the leased premises, provided that for the purpose of this Lease, Lessee shall be deemed to have vacated the leased premises if Lessee shall have ceased the continuous and uninterrupted occupancy and use of the leased premises or shall have ceased operating or conducting its business on the leased premises for 14 consecutive days, provided that the foregoing period shall not limit the events which may constitute vacating or abandonment of the leased premises.

In the event of an act of default by Lessee, Lessor may, at its option: (1) Terminate Lessee’s right to possession of the leased premises because of such breach and recover from Lessee all damages allowed under Section 1951.2 of the California Civil Code, including, without limitation, the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessor proves could be reasonably avoided, or; (2) Not terminate Lessee’s right to possession because of such breach, but continue this Lease in full force and effect; and in that event (a) Lessor may enforce all rights and remedies under this Lease, including the right to recover any rent and all other charges due hereunder as such rent and other charges become due, and (b) Lessee may assign its interest in this Lease with Lessor’s prior written consent, which consent shall not be unreasonably withheld in accordance with Paragraph 16; (3) Declare a forfeiture of the lease and terminate all of Lessee’s rights in accordance with such forfeiture.

In the event of any reentry, Lessor may remove all persons from the leased premises and all property and any signs located in or about the leased premises and place such property in storage in a public warehouse at the cost and risk of Lessee.

No reentry or reletting of the leased premises of any nature served under unlawful detainer action or the filing of any unlawful detainer or similar action shall be construed as an election by Lessor to terminate this Lease unless a written notice of such intention is given by Lessor to Lessee; and notwithstanding any such reletting with such termination, Lessor may at any time thereafter elect to terminate this Lease.

Except in the case of Lessor’s willful misconduct, Lessee hereby waives all claims or demands for damages that may be caused by Lessor in reentering and taking possession of the leased premises as hereinabove provided and all the demands for damages which may result from the destruction of or injury to the leased premises and all claims or demands for damages or loss of property belonging to Lessee or to any other person or firm that may be in or about the leased premises at the time of such reentry.

Nothing contained in this Lease shall limit Lessor to the remedies set forth in this Paragraph, and upon Lessor's default Lessor shall be entitled to exercise any right or remedy then provided by law, including, but without limitation, the right to obtain injunctive relief and the right to recover all damages caused by Lessor’s default in the performance of any of its obligations under this Lease.

Neither this lease nor any interest herein or any estate created hereby shall pass by operation of law under any State or Federal insolvency or bankruptcy act to any trustee, receiver, assignee for the benefit of creditors or any other person whatsoever without the prior written consent of Lessor.

In computing damages or rental due under this Lease, the value of percentage rent for any period subsequent to the termination of this Lease or the termination of Lessee’s right of possession shall be an amount per month equal to 1/12 of the total percentage rent paid by Lessee for the last 12 full months, provided that if 12 full months have not elapsed at the time of such default, such value shall be an amount per month equal to the average monthly percentage rent thereafter payable by Lessee.

If any payment of rent or other payment is not paid when due, Lessee shall pay to Lessor $150.00 late charge if payment is not received within 5 days of due date. This provision shall not be construed to relieve Lessee from any default hereunder arising through the failure or the part of Lessor to make any payment at the time and in the manner specified. In addition any sum accruing to Lessor under the terms and provisions of this Lease which shall not be paid when due shall bear interest at the highest lawful rate from the date the same becomes due and payable by the terms and provisions of this Lease until paid.

The waiver by Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord’s knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant or condition unless Landlord gives Tenant written notice of such waiver.

18. DEFAULT BY LESSEE. Lessor shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Lessor shall have failed to perform such obligations within 10 days (or such additional time as is reasonably required to correct any such defaults) after written notice by Lessor to Lessee properly specifying wherein Lessor has failed to perform any such obligation. Notwithstanding any default by Lessor, Lessee shall not have the right to exercise any remedy provided for herein or at law unless and until Lessee shall have
delivered a written notice to any lender holding a first trust deed against the leased premises or the shopping center or portion thereof, specifying wherein Lessor has failed to correct or remedy such default, which notice may not be delivered until 30 days after expiration of the period set forth herein for Lessor to remedy such default, and shall grant to such lender an additional 30-day period during which such lender shall have the right, but not the obligation to cure such default.

19. SURRENDER OF PREMISES. At the expiration of the tenancy hereby created, Lessor shall surrender the leased premises in the same condition as the leased premises were in upon delivery of possession thereafter under this Lease, in addition to any alterations or additions which Lessor elects to keep pursuant to Paragraph 10, reasonable wear and tear excepted, and shall surrender all keys for the leased premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor of all combinations on locks, safes and vaults, if any, in the leased premises. No act or conduct of Lessor, except a written acknowledgment of acceptance of surrender signed by Lessor, shall be deemed to be or constitute an acceptance of the surrender of the leased premises by Lessor prior to the expiration of the term of this Lease.

If prior to the termination of this Lease or within 15 days thereafter, Lessor elects, by written notice to Lessee, Lessor shall promptly remove the additions, improvements, fixtures, trade fixtures and installations which were placed in the leased premises by Lessor and which are designated in said notice, and shall repair any damage occasioned by such removal; and in default thereof Lessor may effect such removals and repairs at Lessee's expense. The covenants of Lessee contained herein shall survive the expiration or termination of the lease term.

20. INDEMNIFICATION, RELEASE AND LIENS. Lessee agrees and this Lease is made upon the express condition that Lessor will not be liable, responsible, or in any way accountable, to Lessee, Lessee's agents, employees, servants, customers or invitees, or to any person whatsoever, for any loss, theft or destruction of or damage to Lessee's personal property (including Lessee's property) or injury to or death of persons (including Lessee, its agents, employees, visitors, or invitees) directly or indirectly resulting from anything occurring on or about the leased premises, in connection with the maintenance or operation of Lessee's business, or Lessee's occupation or use of the leased premises. Lessor shall discharge any judgment or compromise rendered against or suffered by Lessor as a result of anything indemnified against hereunder and shall reimburse Lessor for any and all costs, fees, or expenses incurred or paid by Lessor (including, without limitation, reasonable attorneys' fees), in connection with the defense of any action or claim.

Lessee agrees to indemnify, defend and hold harmless Lessor, its agents and employees from and against any and all expense, liability and claims for damage to or loss of property (including Lessee's property) or injury to or death of persons (including Lessee, its agents, employees, visitors, or invitees) directly or indirectly resulting from anything occurring on or about the leased premises, in connection with the maintenance or operation of Lessee's business, or Lessee's occupation or use of the leased premises. Lessor shall discharge any judgment or compromise rendered against or suffered by Lessor as a result of anything indemnified against hereunder and shall reimburse Lessor for any and all costs, fees, or expenses incurred or paid by Lessor (including, without limitation, reasonable attorneys' fees), in connection with the defense of any action or claim.

Lessee shall keep the leased premises and any buildings located thereon and all of the right, title and interest of Lessor and Lessor therein free and clear of all liens or claims which may ripen into a lien or encumbrance, and in the event Lessee fails to do so, Lessor may pay such lien or encumbrance or claim, and on or before the 15th day of the month following the month during which such payment is made, Lessee shall pay to Lessor such sum or sums paid, plus such reasonable costs and attorney's fees as may have been incurred by Lessor; provided, however, that in the event Lessor in good faith disputes such lien or encumbrance and with reasonable promptness furnishes indemnity bond or such undertaking in an amount sufficient either to procure the release of such lien or encumbrance or to indemnify against the principal amount thereof, together with such costs or attorneys' fees as may be covered by said lien or encumbrance, then the furnishing of such bond or undertaking shall be deemed due compliance with the foregoing provision.

21. SUBORDINATION AND FINANCING. This Lease shall in all respects be junior and subordinate to any ground lease or other matters of record and all of the provisions contained therein. In the event of any conflict between the terms hereof and any of the foregoing, the provisions of the foregoing shall prevail. Subject to the foregoing, if Lessor shall be paid by Lessee of all the rents herein provided, and upon the observation and performance of all of the provisions, terms and conditions of this Lease (as to be observed and performed, Lessee shall quietly hold and enjoy the leased premises for the term hereby granted without hindrance or interruption by Lessor or any other person or persons lawfully or equitably claiming by, through or under Lessor, subject nevertheless to the terms and conditions of this Lease.
This Lease may be made subordinate to a first deed of trust securing a promissory note, and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Said subordination shall be at the option of such first trust deed holder. Notwithstanding such subordination, Leseee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default and so long as Lessee shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If the first trust deed holder shall elect to have this Lease prior to the lien of its first deed of trust, and shall give written notice thereof to Lessee, this Lease shall be deemed prior to such first deed of trust, whether this Lease is dated prior or subsequent to the first deed of trust or date of recording thereof.

Lessee agrees to execute any documents required to effectuate such subordination or to make this Lease prior to the lien of the first deed of trust, and failing to do so within ten (10) days after written demand, does hereby make, constitute and irrevocably appoint Lessor and/or the first trust deed holder, as Lessee's attorney-in-fact and in Lessee's name, place and stead, to do so.

At any time and from time to time, upon request in writing from Lessor, Lessee agrees to execute, acknowledge and deliver to Lessor a statement in writing certifying that this Lease is unmodified and in full force and effect. (or if there have been modifications that the same is in full force and effect as modified and stating the modifications) and the dates to which fixed minimum rent, additional rent, percentage rent and other charges have been paid. It is understood and agreed that any such statement may be relied upon by any prospective purchaser of the leasehold or the mortgagee, beneficiary or grantee of any security or interest, or any assignee of any thereof, under any mortgage or deed of trust now or hereafter made covering any leasehold interest in the leased premises or the real property covered by this Lease.

It is understood and agreed that Lessor may be required to obtain financing in connection with the purchase, construction and/or operation of the shopping center and the lender or lenders providing such financing may require modifications or amendments to this Lease. In the event Lessee does not agree to such amendments or modifications of this Lease, Lessee may be required by such lender or lenders as a condition to providing such financing, then Lessor any cancel this Lease on 30 days written notice to Lessee without liability to either party.

Lessee agrees to furnish such financial statements, balance sheets or operating statements as may be required and which Lessor is authorized to use or furnish to any lender or lenders. Any financial statements submitted to Lessor by Lessee prior to or after execution of this Lease are warranted by Lessee to be true and correct.

If during the term of this Lease, Lessor sells its interest in the leased premises, this Lease, or all or any portion of the shopping center, then all rights and obligations of Lessee hereunder shall remain in full force and effect as though there had been no such sale or transfer. Upon such transfer and conveyance Lessor shall be unconditionally absolved and released of all obligations of Lessor accruing hereunder from the date of such sale or transfer.

This Lease, or a short form thereof shall not be recorded without the prior written consent of Lessor and if Lessee so requests, Lessee agrees to execute and deliver a short form of this Lease for recording.

22. ATTORNEY'S FEES. In case suit shall be brought for any breach of this Lease including without limitation unlawful detainer of the leased premises or for the recovery of any rent due under the provisions of this Lease, or because of the breach of any covenant herein contained on the part of lessee to be kept or performed, the prevailing party shall be entitled to a reasonable attorney's fee which shall be fixed by the Court, or in any compromise or settlement such attorney's fee shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. If Lessor shall employ the services of an attorney by reason of any default or failure of timely performance by Lessee and suit is not brought thereof, Lessee shall pay to Lessor all attorney's fees so incurred by Lessor.

23. NOTICES. Whenever under this Lease a provision is made for any demand, notice or declaration of any kind or where it is deemed desirable or necessary by either party to give or serve any such notice, demand or declaration to the other it shall be in writing delivered personally or by certified mail with postage prepaid addressed to Lessee or to Lessor at the address appearing opposite their signatures at the end of this Lease. Either party may, by like notice, at any time and from time to time designate a different address to which or a different person to whom or in care of whom notices shall be sent. Notices delivered by mail shall be deemed delivered 48 hours after deposit thereof in a U.S. Mail Post Box located in California, postage prepaid and addressed as required herein. Lessee shall post in a conspicuous place on the front of leased premises an emergency telephone number where Lessee may be reached after business hours.

24. SECURITY DEPOSIT. Lessee, contemporaneously with the execution of this Lease, has deposited with Lessor the sum of Zero Dollars ($0.00), the receipt of which is hereby acknowledged by Lessor. Said deposit shall be held by Lessor, without interest, and deposited with other funds of Lessor, as security for the faithful
performance by lessee of all of the terms, covenants, and conditions of this Lease to be kept and performed by Lessee during the term hereof.

In the event of the failure of Lessee to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Lessee then Lessor, at its option may, with or without terminating this Lease appropriate and apply said entire deposit or such thereof as may be necessary, to compensate Lessor for all loss or damage sustained or suffered by Lessor due to such breach on the part of Lessee. Should the entire deposit, or any portion thereof be appropriated and applied by Lessor for the payment of overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor in cash an amount sufficient to restore said security to the original sum deposited, and Lessee's failure to do so within 10 days after receipt of such demand shall constitute a breach of this Lease. Should Lessee comply with all of said terms, covenants and conditions and promptly pay all the rent herein provided for as it falls due, and all other sums payable by Lessee to Lessor hereunder, the deposit or so much thereof as may be returned in full to Lessee at the end of the term of this lease, or upon the earlier termination of this Lease.

25. CONSTRUCTION OF LEASED PREMISES. INTENTIONALLY OMITTED

26. DEVELOPMENT OF SHOPPING CENTER. It is expressly understood and agreed that Lessor may at its sole option and without Lessee's consent (but shall not be obligated to): (1) Increase the size of the shopping center by addition of contiguous property, or decrease the size of the shopping center or modify Exhibit "A" by adding or changing the building areas, common areas, parking layout, and ingress or egress of the shopping center; in any of which events, Lessee shall deliver to Lessee revised Exhibits "A" and "B" which shall be substituted in and automatic lease. Lessor makes no warranty or representation whatever regarding the names or character of business to be conducted or the size or location of any space to be occupied by any tenant of the shopping center. The building use designation, if any, set forth in Exhibit "A" is for convenience only, and is not to be construed as a representation that the proposed building will be put to such use; and Lessee does not rely on any such representation in entering into this lease.

27. ENVIRONMENTAL INDUSTRIFICATION. Tenant shall not (either with or without negligence or consent of Landlord) cause the escape, disposal or release of any biologically or chemically active or other hazardous substances, or materials. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought into the Project any such materials or substances except to use in the ordinary course of Tenant's business, and then only after written notice is given to Landlord of the identity of such substances or materials. Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., any applicable state or local laws and the regulations adopted under these acts. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials from within Tenant's premises during Tenant's tenancy, then the reasonable costs thereof shall be reimbursed by Tenant to Landlord upon demand as additional charges by if such requirement applies to the Premises. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's reasonable request concerning Tenant's best knowledge and belief regarding the presence of hazardous substances or materials on the Premises. In all events, Tenant shall indemnify Landlord in the manner elsewhere provided in this lease from any release of hazardous material on the Premises occurring while Tenant is in possession, or elsewhere if caused by Tenant or persons acting under Tenant. The within covenants shall survive the expiration or earlier termination of the lease term.

28. MISCELLANEOUS. Lessor and its agents shall have free access to the leased premises during all reasonable hours for the purpose of examining the same and to ascertain if Lessee is in compliance with the terms of this Lease, to exhibit the same to prospective purchasers or tenants and to post such notices as may be desirable or necessary in Lessee's judgment.

The unenforceability or invalidity of any one or more provisions hereof shall not render any other provisions herein contained unenforceable or invalid.

An used in this Lease and whenever required by the context thereof, each number, both singular or plural, shall include all numbers, and each gender shall include all genders. Lessor and Lessee as used in this Lease or in any other instrument referred to in or made a part of this Lease shall likewise include both the singular and the plural, corporation, co-partnership, individual or person acting in any fiduciary capacity as executor, administrator, trustee, or in any other representative capacity. All covenants herein contained on the part of Lessee shall be joint and several.

All of the terms hereof shall apply to, run in favor of and shall be binding upon and inure to the benefit of, as the case may require, the parties hereto, and also their respective heirs, executors, administrators, personal representatives and assigns and successors in interest, subject at all times nevertheless to the
provisions of Paragraph 16 of this Lease relating to restrictions upon assignment or subletting this Lease or the leased premises.

One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same or any other covenant, term or condition. The consent or approval of either party to the acts or omissions of the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent or approval of any subsequent act.

Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Lessor and Lessee, it being expressly understood and agreed that neither the method of computation of rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

The laws of the State of California shall govern the validity, construction, performance and enforcement of this Lease.

Each of the parties represents and warrants that it has engaged no broker or finder and that no additional commissions or finder's fees will arise in connection with the execution of this Lease and each of the parties agrees to indemnify the other against, hold it harmless from, all liabilities arising from any such claim (including, without limitation, the cost of attorney's fees in connection therewith.)

The submission of this lease for examination does not constitute a reservation of or option for the leased premises and this Lease becomes effective as a Lease only upon execution thereof by Lessor and Lessee.

It is understood that there are no oral agreements between the parties affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements, representations and understandings, if any, between the parties hereto or displayed by Lessor to Lessee with respect to the subject matter thereof and none thereof shall be used to interpret or construe this Lease.

If a corporation executes this Lease as a Lessee, Lessee shall promptly furnish Lessor a stock or corporate resolutions attesting to the authority of the officers to execute the Lease on behalf of such corporation.

The Paragraph titles herein are for convenience only and do not define, limit or construe the contents of such Paragraphs.

Lessee hereby grants to Lessor such licenses or easements in, under or over the leased premises or any portion or portions thereof as shall be reasonably required for the maintenance of mains, conduits, pipes or other facilities to serve the shopping center or any part thereof, including but not by way of limitation the premises of any occupant.

It is specifically understood and agreed to construe this Lease to subject to conditions, covenants, restrictions, grants of easement and/or restrictions and covenants and any master leases if Lessor are master Lessees and not fee owners.

In the event the Lessee shall hold over the leased premises after the expiration of the term hereof with the consent of the Lessor either express or implied, such holding over shall be construed to be only a tenancy from month-to-month, subject to all the covenants, conditions and obligations hereof and the Lessee hereby agrees to pay Lessor the same rentals provided for by this Lease for such additional times as Lessee shall hold such property.

Lessor shall have at all times a valid lien for all rental and other sums of money becoming due hereunder from Lessee upon all equipment, fixtures and furniture of Lessee situated on the leased premises. Upon the occurrence of an event of default by Lessee as hereinabove defined, Lessor shall have the option, in addition to any other remedy provided herein or by law, to enter upon the leased premises with or without the permission of Lessee and take possession of any and all equipment, fixtures and furniture of Lessee situated on the leased premises without liability for trespass, to sell the same without notice at private or public sale, with or without having such property at the sale, at which Lessor or its assignee may purchase, and to apply the proceeds thereof, less any and all expenses incurred with the taking of possession and sale of the property, as a credit against any sums due to Lessor by Lessee. Any surplus shall be paid to Lessee and Lessee agrees to pay any deficiency forthwith. Alternatively, the lien hereby granted may be enforced by Lessor in any other manner provided by law for foreclosure of chattel mortgages. Any statutory lien for rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto. Lessee agrees to execute all documents, including B.O.C. #1 Statements, necessary to perfect this lien, the within provision being deemed a Security Agreement upon which such perfected lien shall attach.

(END OF LEASE; SIGNATURE PAGE TO FOLLOW IMMEDIATELY)
IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

29. SIGNATURES.

Lessors Address:
1800 Avenue of the Stars
Suite 1400
Los Angeles, CA. 90067-4216

Wolentine, Inc.

By: __________________________
   Paul R. Glenger
   Its: Vice President

By: __________________________
   Blair Radisich
   Its: Secretary

Santa Barbara City College
a California corporation

By: __________________________
   Dr. Pete Mac Dougall
   Its: President/ Superintendent

Lessee's Address:
Santa Barbara City College
721 Cliff Drive
Santa Barbara, CA 93109

Magnolia Shopping Center
Santa Barbara City College
5160 -5164 Hollister Avenue
1. The estate or interest in the land hereinafter described or referred to covered by this report is:

A Fee

2. Title to said estate or interest at the date hereof is vested in:

VOLENTINE INC., A NEBRASKA CORPORATION

3. The land referred to in this report is situated in the State of California, County of Santa Barbara and is described as follows:

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA IN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA BARBARA, DESCRIBED AS FOLLOWS:

PARCELS A AND B OF PARCEL MAP NO. 10,578, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 61 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN #65-000-26 (PARCEL A)
APN #65-000-27 (PARCEL B)