

LEASE

This Lease is made on the Date of Lease specified below, between the Landlord and the Tenant specified below.

PART I

1. Date of Lease: January 4, 2012
2. Landlord name, and state of and type of entity: Market & Noe Center,
a California Limited Partnership
FID # 68-0083-692
3. Landlord business address: Market & Noe Center
c/o Kent Jeffrey, General Partner
91 Black Log Road
Kentfield, CA 94904-2801
Telephone: (415) 461-1128
4. Landlord notice address: same as above
- with copy to: Kent Jeffrey
36 Orange Avenue
Larkspur, CA 94939
5. Tenant name, and state of and type of entity: Garfield Beach CVS, L.L.C.
a California limited liability company
6. Tenant business address: One CVS Drive
Woonsocket, RI 02895
7. Tenant notice address: One CVS Drive
Woonsocket, RI 02895
Attn: Property Administration
Department, Store No. 10036
8. Guarantor: CVS Caremark Corporation,
a Delaware Corporation
One CVS Drive
Woonsocket RI 02895

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9. Project: the term "Project" as used herein shall mean that certain lot or parcel of real estate located at or near the northeast corner of Market Street and Noe Street, San Francisco, CA, more particularly described on Exhibit A-1 and outlined in blue on Exhibit A, including the Premises described in Section 10 below (which Premises is outlined in red on Exhibit A), and including all buildings and other improvements situated on said property, and all rights, easements, rights of way, and other appurtenances thereto. (The Premises are located in San Francisco County.)

The term "Building" shall mean the building of which the Premises are a part as shown on Exhibit A.

10. Premises: the portion of the Building including the loading dock, outlined in red on Exhibit A and all rights, easements, rights of way and other appurtenances thereto. The Premises shall also be deemed to include certain portions of the existing Common Areas which are contemplated to be reconfigured and incorporated into the Premises in accordance with the Construction Specifications. It is anticipated that the Premises and Building will contain the approximate floor area shown below:

Premises ground floor square footage (including loading dock): 9,499

Second floor square footage: 11,221

Building ground floor square footage: 13,555

total Building square footage: 24,776

11. Initial Term: shall commence on the date of delivery of the Premises to Tenant in the manner and condition provided in Article 7(a) of Part II hereof, and shall expire Fifteen (15) years from the "Date of Rent Commencement" (as defined in Article 5 of Part II hereof), plus any months necessary to have the term expire on the next January 31st; all subject to all terms and conditions of this Lease.

As used in this Lease, "Term" shall include the Initial Term and any Renewal Options thereof exercised pursuant to Article 3 of Part II.

12. Renewal Options: six (6) extension periods of Five (5) years each (See Article 3 of Part II).

13. Required Advance Notice of Exercise of Renewal Options: 180 days prior to the expiration of the then current term. (See Article 3 of Part II.)

14. Free Rent Period: the lesser of: (i) 180 days commencing on the day on which Tenant is required to accept possession of the Premises, or actually accepts possession, whichever is earlier; or (ii) the number of days commencing on the day on which Tenant is required to accept possession of the Premises, or actually accepts possession, whichever is earlier, and ending on the day on which Tenant shall open for business. (See Article 5 of Part II)

15. Fixed Rent (See Article 5 of Part II):

<u>PERIOD</u>	<u>ANNUAL FIXED RENT</u>	<u>MONTHLY INSTALLMENTS</u>
Years 1 – 5	\$500,000.00	\$41,666.67
Years 6 – 10	\$550,000.00	\$45,833.33
Years 11 – 15	\$605,000.00	\$50,416.67

First Extension Period (Years 16 – 20) The last Fixed Rent in effect increased by the CPI (numerator being the CPI at the beginning of Year 16 and the denominator being the CPI at the beginning of Year 11) subject to a maximum increase of ten (10%) percent.

Second Extension Period (Years 21 – 25) Fair Rental Value subject to a maximum increase after the last Fixed Rent effect of twenty-five (25%) percent.

Third Extension Period (Years 26 – 30) The last Fixed Rent in effect increased by the CPI (numerator being the CPI at the beginning of Year 26 and the denominator being the CPI at the beginning of Year 21) subject to a maximum increase of ten (10%) percent.

Fourth Extension Period (Years 31 – 35) The last Fixed Rent in effect increased by the CPI (numerator being the CPI at the beginning of Year 31 and the denominator being the CPI at the beginning of Year 26) subject to a maximum increase of ten (10%) percent.

Fifth Extension Period (Years 36 – 40) The last Fixed Rent in effect increased by the CPI (numerator being the CPI at the beginning of Year 36 and the denominator being the CPI at the beginning of Year 31) subject to a maximum increase of ten (10%) percent.

Sixth Extension Period (Years 41 – 45) The last Fixed Rent in effect increased by the CPI (numerator being the CPI at the beginning of Year 41 and the denominator being the CPI at the beginning of Year 36) subject to a maximum increase of ten (10%) percent.

16. CPI: The "CPI" means the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers (all items for the geographical statistical area in which the property is located on the basis of 1982-84=100). If the format or components of the CPI are materially changed after the Date of Rent Commencement, the parties shall reasonably agree upon a substitute index which is published by the Bureau of Labor Statistics or similar agency and which is most nearly equivalent to the CPI in effect on the Date of Rent Commencement. The substitute index shall be used to calculate the increase in the Fixed Rent.

17. Fair Rental Value: The fair rental value of the Premises determined in accordance with Article 52 of Part II hereof.

18. Tenant's Work: CVS Prototype Specifications constructed in accordance with the Permits, including a freight lift, trash compactor, one hour photo lab and scissor lift, and Tenant's signage as depicted on Exhibit A-3. (See Article 7(a) of Part II) in accordance with Tenant's Work Plans as described in Section 2(h) of Part II.

19. Required Number of Parking Spaces: Twenty-five (25) parking spaces. (See Articles 14 of Part II.)

20. Outside Delivery Date of Premises: forty-five (45) days after Tenant's confirmation of written satisfaction or waiver of all of Tenant's conditions precedent but not later than November 30, 2012. (See Article 2 of Part II.)

21. [Intentionally omitted].

22. Outside Government Permits Date: October 31, 2012; provided, however, Tenant shall have the right to extend the Outside Government Permits Date for two (2) consecutive forty-five (45) day periods in the event that Permits (as defined in Section 2(d) of Part II) have not issued on or before the original Outside Government Permits Date provided that (i) Tenant submits all applications required for grant of discretionary approvals (but specifically excluding building and other administrative and non discretionary permits) not later than March 31, 2012; (ii) the delay in issuance of the Permits beyond the original Outside Government Permits Date results solely from abnormal, unanticipated delays in the governmental approval process and not as a result of Tenant's failure to diligently pursue the issuance of the Permits; and (iii) Tenant gives Landlord written notice of such extension at least five (5) days prior to the original Outside Government Permits Date and the first extension thereof, if applicable.

23. Brokers: Tenant Broker

Person Name: Julie Taylor and Tracy Chino
Firm Name: Cornish & Carey Commercial
Street Address: One Bush Street, Suite 400
City, State: San Francisco, CA 94104

Landlord Broker

Person Name: Dan Safier
Firm Name: Prado Group, Inc.
Street Address: 150 Post Street, Suite 320
City, State: San Francisco, CA 94108
(See Article 40 of Part II)

24. Initial monthly charge for Common Area maintenance and Taxes: \$.735 per square foot, plus \$.355 per square foot for operation and maintenance of the Parking Areas as defined in Article 1 of Part II. (See Article 33).

25. All exhibits to this Lease are incorporated herein by this reference.

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LIST OF EXHIBITS:

Exhibit A - Site Plan: Premises = red
Project property line = blue
Tenant Protected Area = yellow

Exhibit A-1 -Legal Description of Project

Exhibit A-2 -- Parking Plan

Exhibit A-3 Tenant's Signage

Exhibit A-4 --Signage Criteria

Exhibit B -- Tenant's Work and Construction Specifications

Exhibit C -- Landlord's Work

Exhibit D -- Memorandum of Lease

Exhibit E -- Existing Exclusives

Exhibit F -- Existing Leases

Exhibit Project Update and Timeline

Exhibit T-1 -Notice of Transfer of Fee Interest

Exhibit T-2 -Notice of Transfer of Equity Interests in Landlord

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PART II

PREMISES -

1. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the Term and on the conditions herein provided, the Premises described in Section 10 of Part I hereof; provided, however, Landlord reserves the right to maintain within the Premises any existing pipes, wires, lines, and facilities serving other areas of the Project, and to install additional such facilities within walls or above the drop ceiling of the Premises if no reasonable alternative locations are available elsewhere within the Project, with reasonable access thereto for maintenance, repairs and modifications, provided such access and any work performed related thereto is upon prior reasonable notice to Tenant and is undertaken in a manner that does not unreasonably interfere with Tenant's business operations in the Premises. Tenant shall have the right to require, as a condition of such entry, that Landlord, its employees, agents or contractors, be accompanied by Tenant's designated store personnel provided that no unreasonable delay shall occur as a result of such requirement.

The Premises are leased with the right of Tenant (and all persons claiming under Tenant, including Tenant's employees, vendors, customers and other invitees), to use in common with other tenant's occupying space in the Building "Common Areas." Such Common Areas shall include, without limitation, roof top parking areas (the "Parking Areas") and access ways thereto, paved service areas, sidewalks, ramps, roadways, driveways, curbs, curb cuts and all similar facilities and areas of the Project now or hereafter existing in the Project. Common Areas shall also include a central access core which is to be incorporated into the Building as a part of Tenant's Work. The above provisions to the contrary notwithstanding, Tenant's employees shall have no right to use more than five (5) parking spaces within the Parking Areas, it being understood that any parking spaces used by Tenant's employees shall be part of and counted toward the "Required Parking Number of Parking Spaces" referred to in Part I, Section 19. Tenant shall, within five (5) days after written request from Landlord, furnish to Landlord the vehicle license numbers of any or all motor vehicles owned or used by Tenant's employees. In the event any of Tenant's employees shall park a motor vehicle in the Parking Areas, Landlord shall have the right, at its option, to tow away any such vehicle parked in violation of the terms hereof, and to charge Tenant for the reasonable cost of such towing.

CONDITIONS PRECEDENT - RIGHTS TO TERMINATE -

2. (a) If, on or before the Outside Delivery Date, possession of the Premises has not been delivered to Tenant with Landlord's Work substantially completed and otherwise in accordance with the terms of this Lease, then, at any time thereafter (until such possession is so delivered), Tenant may terminate this Lease upon 30 days' written notice to Landlord; and this Lease will so terminate unless, prior to the expiration of said 30 days, Landlord shall deliver possession of the Premises to Tenant in accordance with the terms hereof. Said right to terminate shall be Tenant's sole remedy if Landlord shall have acted in good faith and with due diligence to deliver the Premises to Tenant in accordance with the terms of this Lease. In addition to the foregoing, in the event Tenant elects not to terminate the Lease, for every day of delay by Landlord in delivery of possession of the Premises past the Outside Delivery Date, Tenant shall

be entitled to one (1) additional day of free rent being added to the Free Rent Period provided herein.

(b) (i) Landlord has previously delivered to Tenant all documentation relating to the Premises now in Landlord's possession or under its control, including, without limitation, all title information, surveys, environmental reports, engineering studies, tax bills, legal notices, permits, and approvals (collectively the "Due Diligence Information"). If Tenant should require any additional Due Diligence Information not now in Landlord's possession or under its control, for which Landlord's consent is required, Landlord shall not unreasonably withhold, condition or delay the giving of such consent.

(ii) "Evaluation Period" shall mean the period of time commencing on the Date of Lease and ending sixty (60) days thereafter.

During the Evaluation Period, Tenant may, upon twenty-four (24) hours prior notice to Landlord, and accompanied by Landlord's representative if Landlord shall so require, enter upon the Premises and conduct tests, inspections, surveys and studies (including, without limitation, soil, environmental, physical, mechanical and structural) which Tenant may deem appropriate to determine the suitability of the Premises for Tenant's use; conduct a title search and order a title commitment with respect to the Premises; and review applicable zoning and land use laws and prevailing wage requirements. No invasive testing may be undertaken without Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. Tenant shall at its sole cost repair any damage to the Building resulting from any tests or studies undertaken by Tenant. Tenant shall indemnify, protect, defend and hold Landlord harmless from any claims, expenses or liabilities that may arise by reason of Tenant's entry onto the Premises and Tenant's conduct of tests, inspections, surveys or studies performed therein.

During the Evaluation Period, Landlord and Tenant shall agree upon certain criteria for the installation, maintenance, and allocation of signage. Said criteria, once agreed upon, shall, by amendment to this Lease, be attached as Exhibit A-4 (the "Sign Criteria"). The Sign Criteria shall apply to the entire Project and be applicable to and enforced against all tenants and users in the Project on a uniform basis.

(iii) If within sixty (60) days after receipt of notice from Tenant, which notice shall in any event be given not later than ten (10) days following the end of the Evaluation Period, Landlord shall not have remediated any Hazardous Materials (as defined in Article 45 of this Lease) to a standard permitting the unrestricted future use of the Premises and removed any underground storage tanks, and cure any encroachment, encumbrance or other defect disclosed by any survey or title information which shall not be acceptable to Tenant, then Tenant may, as its sole and exclusive remedy, terminate this Lease upon fifteen (15) days written notice to Landlord.

(c) Landlord and Tenant each acknowledges that certain costs associated with the construction of Landlord's Work and Tenant's Work are uncertain and impracticable to determine as of the Date of Lease. In recognition thereof, Landlord and Tenant agree as follows:

(i) A component of Tenant's Work involves (1) reconfiguration of the Building for purposes of converting existing common area into the Premises in order to increase the gross

leasable area of the Premises, and (2) the addition of vertical transportation for use by the tenants occupying the upper floors of the Building, including the elevator and stairway as shown on **Exhibit A** (the "Reconfiguration/Vertical Transportation Work"). It is understood that Tenant shall be responsible for all costs of the Reconfiguration/Vertical Transportation Work, including, without limitation, the costs of any upgrade in the electrical service to the Building if required as a consequence of the Reconfiguration/Vertical Transportation work. If the Costs of the Reconfiguration/Transportation Work are determined to exceed \$802,000, then at any time prior to the Outside Government Permits Date Tenant may deliver thirty (30) days written notice to Landlord terminating this Lease whereupon this Lease will terminate unless Landlord agrees, within such thirty (30) day period to contribute such excess Costs. If Tenant does not give notice of termination of the Lease before the end of said 30-day period, Tenant shall be deemed to have waived such right of termination.

(ii) If the Costs of Landlord's Work are determined to exceed \$200,000, then at any time within ninety (90) days following the Date of Lease, Landlord may deliver thirty (30) days written notice to Tenant terminating this Lease whereupon this Lease will terminate unless Tenant agrees, within such thirty (30) day period to contribute such Costs. If Landlord does not give notice of termination of the Lease before the end of said 30-day period, Landlord shall be deemed to have waived such right of termination.

(iii) For purposes of this Article 2(c) of this Lease, the "Costs" include both "hard" and "soft" construction costs actually and reasonably incurred by the parties in the design and construction of Landlord's Work or Tenant's Work as the context requires, including, without limitation, costs of labor, materials and supplies, architectural, engineering, design and consultant fees and costs, blueprinting services, construction staking, demolition, soil amendment or compaction, any processing, plan check or permit fees, legal and engineering services required to obtain a permit for, and complete, the work, bonds, costs of insurance required by this Lease.

(d) Notwithstanding anything to the contrary in this Lease, in no event shall Tenant be obligated to accept possession of the Premises until all Permits (as defined in the following paragraph) have been issued to Tenant.

The term "Permits" as used herein shall mean collectively all entitlements, conditional use permits, formula store approvals (which may include a Transportation Impact Study), PCN approval, zoning and GPA, site plan approval, design review, mitigations required by governmental agencies, planning commission and County Board of Supervisors approval, building permits and any other governmental approval as may be necessary to enable Tenant to perform Tenant's Work, and to operate Tenant's Intended Use on the Premises which shall include 24 hour operations and/or the sale of beer, wine and other alcoholic beverages and/or to allow access onto Market and Noe as shown on **Exhibit A**, and to allow Tenant's signage as described in this Lease. Unless, on or before the Outside Government Permits Date, Tenant shall have obtained all Permits, and all appeal periods with respect thereto have expired with no appeals having been taken, at any time thereafter (but prior to the acquisition by Tenant of said Permits and the expiration of all appeal periods with respect thereto, with no appeals having been taken), Landlord and Tenant each may terminate this Lease by 30 days' written notice to the other party, and this Lease will so terminate unless, prior to the expiration of said 30 days, Tenant shall obtain such Permits and such appeal periods shall have

expired with no appeals having been taken. Tenant may exercise the right of termination described in this subdivision (d) only if Tenant has diligently pursued, in good faith, the acquisition of said Permits, and has failed to acquire same for reasons beyond its reasonable control.

(e) Notwithstanding anything to the contrary in this Lease, in no event shall Tenant be obligated to accept possession of the Premises until Tenant shall have received an "SNDA Agreement", as set forth in Article 20, from any mortgagee existing prior to the date hereof.

(f) Notwithstanding anything to the contrary in this Lease, in no event shall Tenant be obliged to accept possession of the Premises until Tenant shall have received a Notice of Lease as set forth in Article 49.

(g) Landlord promptly shall cooperate with Tenant (including prompt signing of applications, petitions, plats, site plans, certifications, documents and recordable instruments, provided the forms thereof are reasonably approved by Landlord) in obtaining Permits and join in any grants or easements for public utilities and facilities, useful or necessary to the operation of the Premises. Landlord shall cooperate in the community outreach efforts during the entitlement phase of obtaining Permits with governmental authorities and neighborhood groups. In providing the cooperation required in this paragraph, Landlord shall have no obligation to incur any out-of-pocket expenses.

(h) Prior to commencement of Tenant's Work, Tenant shall submit to Landlord for review and approval the final plans and specifications for all such work (the "Tenant's Work Plans"), including, without limitation, plans and specifications for the Reconfiguration/Vertical Transportation Work but excluding Tenant's exterior signage, which approval shall be at Landlord's discretion but shall not be unreasonably withheld, conditioned or delayed. If Landlord shall disapprove Tenant's Work Plans, it shall specify its ground for disapproval and the changes that must be made to obtain such approval. If Landlord has not responded to Tenant's request for approval of Tenant's Work Plans within fifteen (15) days of Landlord's receipt of such plans, Landlord shall be deemed to have approved Tenant's Work Plans as submitted to Landlord. If Landlord's grounds for disapproval require changes to the Work Plans that are unacceptable to Tenant in its reasonable judgment, Tenant shall have the right to terminate this Lease by written notice to Landlord. Notwithstanding anything to the contrary in this Lease, in no event shall Tenant be obligated to accept possession of the Premises until Landlord shall have unconditionally approved Tenant's Work Plans in writing.

(i) It is understood that until the Reconfiguration/Vertical Transportation Work is completed there will be no access to any leasable areas on the upper floor of the Building, thus preventing Landlord from leasing and deriving rental income from any such space. Accordingly, it is agreed that if Tenant does not commence the Reconfiguration/Vertical Transportation Work within three (3) months of the date possession of the Premises is delivered to Tenant, or if Tenant does not complete such work within six (6) months after commencement, then Tenant shall not be in default hereunder but Landlord shall have the right in either circumstance to terminate this Lease upon thirty (30) days prior written notice to Tenant; provided, however, Tenant may void Landlord's notice of termination if it commences such work or completes such work, as the case may be, within thirty (30) days of receipt of Landlord's notice.

RENEWAL OPTIONS -

3. Tenant may extend the Term of this Lease for each of the Renewal Options described in Section 12 of Part I hereof, upon all of the terms set forth in this Lease. Tenant may do so only if Tenant shall not be in default (beyond applicable cure periods) under this Lease at the time of any such election, and by giving Landlord notice of each such election not later than the Required Advance Notice of Exercise of Renewal Options (as defined in Section 13 of Part I).

USE -

4. (a) Tenant may use the Premises for any lawful retail use including the following (which following described uses are collectively referred to herein as the "Intended Use"): a retail store for the display and sale of health and beauty aids, non-prescription drugs, cosmetics, perfumes, tobacco products, food items for off-premises consumption, stationery, office supplies, books, newspapers, magazines, greeting cards (including, but not limited to, Hallmark and/or American Greetings), cameras, off and on-premises photo processing services including one-hour service, digital service, medical supplies, durable medical equipment, audio tapes, video tapes, CDs, DVDs, lottery tickets, beer, wine and distilled spirits (if permitted by law), hardware, housewares, toys, automotive supplies, and such other items or services as are from time to time sold or provided by CVS or other drug stores, including the right to operate a pharmacy prescription department, a retail health center and/or a video sales and rental department.

(b) Without limiting any rights of Tenant under this Lease, Tenant, subject to Laws (as defined in Article 10), may: keep the Premises open for business on Sundays and/or holidays; and operate on an "extended-hours basis" (defined as being open for business in excess of 110 hours per week).

(c) Notwithstanding subdivision (a) above, Tenant shall not use the Premises for (i) any existing exclusive use granted to another tenant in the Project as of the Date of Lease ("Existing Exclusives"), as set forth on Exhibit E, until the Existing Exclusives cease to be in use or effect within the Project; and (ii) any use prohibited under the provisions of Article 21 of this Lease.

FIXED RENT -

5. (a) Commencing as of the Date of Rent Commencement, Tenant shall pay to Landlord, at the business address of Landlord specified on Page 1 hereof, or at such other address as Landlord shall, from time to time, designate by notice to Tenant, the Fixed Rent set forth in Section 15 of Part I hereof, payable to Landlord no later than the first day of each month in advance, without demand or set-off, except as otherwise expressly provided in this Lease.

(b) Fixed Rent and all other charges due under this Lease shall commence immediately upon the expiration of the Free Rent Period (as defined in Section 14 of Part I hereof), subject to all of the other terms of this Lease ("Date of Rent Commencement"). If the Date of Rent Commencement shall be on any day other than the first day of a calendar month, Fixed Rent and other charges for such month shall be pro rated on a per diem basis. The foregoing notwithstanding,

Tenant's obligation to pay insurance charges pursuant to Article 35 shall commence upon the commencement of the Term.

6. The term "Additional Rent" as used herein shall mean all amounts payable by Tenant under this Lease, other than Fixed Rent, and Landlord shall have the same remedies for non-payment or late payment of Additional Rent as it has for Fixed Rent. Fixed Rent and Additional Rent are sometime collectively referred to herein as "Rent."

LANDLORD'S CONSTRUCTION - DELIVERY OF THE PREMISES -

7. (a) Landlord agrees, at its sole cost, to complete all of the work described on Exhibit C attached hereto ("Landlord's Work"). In no event shall Landlord commence Landlord's Work until the specific plans for the Premises are finalized, and approved by Tenant. Any increased costs to Landlord, which are a result of any change orders to said specifications or plans made in writing by Tenant, shall be paid by Tenant within 30 days of receipt of demand therefor with supporting documentation, provided that Landlord bills Tenant for such increased costs within 120 days after the Date of Rent Commencement, and provided that Tenant has approved the amount of increased costs prior to Landlord commencing construction, such approval not to be unreasonably withheld, conditioned or delayed.

Commencing upon the first day of the month following the Date of this Lease, and on the first day of each month thereafter until delivery of the Premises, Tenant agrees to provide to Landlord a Project Update and Timeline in the form attached hereto as Exhibit Project Update and Timeline. Upon completion of Landlord's Work, the Premises shall be substantially as described in Part I, Article 10 hereof. It is understood that at the time of delivery of the Premises to Tenant, the Common Areas of the Project, including the Parking Areas, shall be in their current "AS IS" condition. Landlord warrants that as of delivery of the Premises to Tenant the Parking Areas of the Project shall accommodate the number of parking spaces shown on Exhibit A and pursuant to the Parking Plan attached hereto as Exhibit A-2. All of Landlord's Work, if any, shall be substantially completed on the Outside Delivery Date. Landlord agrees to give at least 30 days' prior written notice to Tenant of the date when such possession will be available to Tenant. It is expressly understood and agreed that Landlord shall have no obligation to deliver possession of the Premises to Tenant unless and until Tenant shall have acknowledged in writing that all of Tenant's conditions precedent have been satisfied or waived.

Tenant (including Tenant's contractors and vendors) may enter the Premises approximately 15 days prior to the anticipated date of delivery of the Premises to Tenant for the following purposes, without such entry constituting acceptance of the Premises: to measure and inspect the Premises in order to ensure that the Premises will be delivered in accordance with this Article.

(b) "Substantially completed" shall mean full completion of Landlord's Work except for minor incomplete items or deficiencies, provided that any such incomplete items or deficiencies shall not hinder Tenant's Work in or about the Premises, or prevent or delay Tenant from opening for business.

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(c) If Landlord shall fail to fully complete all of Landlord's Work as specified in this Article on or before the Outside Delivery Date, then Tenant may send Landlord a "punch list" of items which remain to be completed. On receipt of such punch list, Landlord shall have 14 days to complete the items designated therein; and if Landlord shall fail to do so within said 14 day period, then Tenant may complete the items on behalf of Landlord and deduct the entire cost of completion of such items from Rent due hereunder. Notwithstanding anything to the contrary herein, if Tenant is unable to complete Tenant's Work or open for business as a result of incomplete items on the punch list, then, in addition to any other rights Tenant may have hereunder, the Date of Rent Commencement will be delayed by two (2) days for each day that Tenant is delayed from completing Tenant's Work or from opening for business.

8. (a) [Intentionally omitted].

REPAIRS AND MAINTENANCE OF THE BUILDING -

9. (a) Except as otherwise provided below, all obligations of Landlord pursuant to this subdivision (a) shall be performed by Landlord at Landlord's sole cost. Landlord shall maintain (including painting and cleaning), repair, and replace, as necessary, each of the exterior portions and structural portions of the Building, including, without limitation: the roof and roof supports, footings, foundations, structural supports, columns, exterior walls, bearing walls, retaining walls, floor slab, and utility meters; so as to keep the same in good condition and repair. The foregoing notwithstanding, Landlord's aforesaid obligations shall exclude the nonstructural portions of the Premises storefront. Landlord also shall maintain, repair, and replace, as necessary, all plumbing, pipes, tubes and all other conduits and utility lines leading to or from the Premises, or leading to or from the Building. The costs of all maintenance and repairs performed by Landlord under this subdivision (a), to the roof membrane, exterior surfaces of exterior walls (excluding the storefront which is addressed in Article 9(b) below) and plumbing ("Building Reimbursables"), shall be included as part of CAM Costs.

(b) All obligations of Tenant pursuant to this subdivision (b) shall be performed by Tenant at Tenant's sole cost. Tenant shall maintain, repair and replace, as necessary: the Premises interior, including the fixtures, and equipment therein; the HVAC and all other mechanical, electrical and plumbing systems exclusively serving the Premises; Tenant's exterior signage; broken or damaged glass of the Premises; and the nonstructural portions of any storefront of the Premises. The foregoing notwithstanding, Tenant's obligations pursuant to this subdivision (b) shall exclude damage and injury arising under the provisions of Article 13 or Article 14 hereof.

(c) All of the foregoing notwithstanding, neither party shall be obligated to perform any maintenance, repair or replacement, the necessity of which shall have arisen solely due to the negligence or fault of the other, or of the other's employees or agents; and in such case, the party which shall have caused the need for such maintenance, repair or replacement shall be responsible for same, at its sole cost. This subdivision (c) shall apply only in any instance to which Article 12 shall not apply.

(d) If Landlord shall fail to make any of the repairs required to be made by Landlord under this Article within 30 days after receipt of written notice from Tenant of the need therefor,

Tenant, in addition to any other rights it may have hereunder, may make said repairs on Landlord's behalf and charge Landlord for the reasonable cost thereof. Provided that Landlord has commenced to repair within said 30 days, and thereafter is diligently prosecuting same to completion, said 30 day period shall be extended, where, due to the nature of a repair, it cannot reasonably be completed within 30 days. If, in an emergency, in Tenant's reasonable opinion, any such repairs are immediately necessary, then, no prior 30 days' notice shall be required, but Tenant shall give Landlord whatever notice is reasonable in the circumstances and may make said repairs on Landlord's behalf and charge Landlord for the reasonable cost thereof. In either event, if Landlord shall not pay Tenant within 30 days after receipt of an invoice therefor with supporting documentation, Tenant may deduct the reasonable cost thereof from Rent due hereunder.

(e) If Tenant shall fail to make any of the repairs required to be made by Tenant under this Article within 30 days after receipt of written notice from Landlord of the need therefor, Landlord, in addition to any other rights it may have hereunder, may make said repairs on Tenant's behalf and charge Tenant for the reasonable cost thereof. Provided that Tenant has commenced to repair within said 30 days, and thereafter is diligently prosecuting same to completion, said 30 day period shall be extended, where, due to the nature of a repair, it cannot reasonably be completed within 30 days. If, in an emergency, in Landlord's reasonable opinion, any such repairs are immediately necessary, then, no prior 30 days' notice shall be required, but Landlord shall give Tenant whatever notice is reasonable in the circumstances and may make said repairs on Tenant's behalf and charge Tenant for the reasonable cost thereof. In either event, Tenant shall pay Landlord such reasonable cost within 30 days after Tenant receives Landlord's invoice therefor with supporting documentation.

(f) It is expressly understood that Tenant's permitted use may result in the generation of medical waste, which shall be deemed a Hazardous Material, which shall be stored by Tenant in the Premises in accordance with applicable law until pickup and then disposed of in accordance with applicable law. Tenant shall indemnify, protect, defend and hold Landlord harmless from and against any claims, suits, causes of action, damages, or liability arising from or in connection with Tenant's generation, storage, and disposal of medical waste in, from, and on the Premises, as applicable.

COMPLIANCE WITH LAWS -

10. (a) Tenant shall comply with all laws, statutes, ordinances, and regulations (collectively, "Laws") relating to its use and occupancy of the Premises and the physical condition thereof, including, without limitation, all legal requirement arising from Tenant's Work or subsequent alterations to the Premises made by Tenant. Except as may become applicable as a result of Tenant's Work or any subsequent alterations of the Premises undertaken by Tenant, Tenant shall have no obligation with respect to compliance with Laws pertaining to the structural components of the Building and the physical condition of the Common Areas, compliance with which shall be Landlord's responsibility at Landlord's sole cost.

(b) Except for those obligations delegated to Tenant pursuant to subdivision (a) above, Landlord shall comply with all Laws, which Laws shall impose any duty with respect to the Project and/or with respect to Landlord's Work or delivery of the Project as described in Article 7.

ACCESS TO PREMISES -

11. Upon reasonable notice to Tenant, and during Tenant's business hours, Landlord may show the Premises to purchasers and potential purchasers, and to mortgagees and potential mortgagees. Upon reasonable notice to Tenant, during the last 12 months of the then-current term, unless Tenant shall have exercised any Renewal Option, Landlord also may show the Premises to persons wishing to rent the same.

WAIVER OF SUBROGATION -

12. Notwithstanding anything in this Lease to the contrary, Landlord and Tenant each waives any rights of action for negligence against the other party, which may arise during the Term for damage to the Premises or to the property therein resulting from any fire or other casualty of the kind covered by All-Risk property insurance policies, regardless of whether or not, or in what amounts, such insurance is now, or may hereafter be, carried by the parties.

FIRE OR OTHER CASUALTY -

13. (a) (i) If, at any time during the Term, the Building shall be damaged (other than by an Uninsured Casualty) Landlord, at Landlord's sole cost, as speedily as circumstances permit, shall repair said damage and restore the Building to the same condition which existed immediately prior to the occurrence of such damage. If the Building is damaged as a result of casualty which is not required to be covered by Landlord's insurance as specified in Article 35 of Part II hereof (where the costs of repairs of will exceed \$50,000 – herein an "Uninsured Casualty"), Landlord may, at its election, either repair the damage or terminate this Lease upon written notice to Tenant, which notice of election to terminate shall be delivered to Tenant, if at all, not later than 45 days following the date of casualty; provided, however, Tenant shall, within 10 days of receipt of Landlord's notice of termination, give written notice to Landlord confirming its agreement to pay for the cost of repair of damage resulting from the Uninsured Casualty, Landlord's notice of termination shall be void and Landlord shall proceed to repair such damage, and Tenant shall reimburse Landlord for the costs of such repair as they are incurred, on a monthly, progress payments basis supported by detailed invoices and unconditional lien waivers. If following an Uninsured Casualty Landlord does not give notice of election to terminate within said 45-day period, Landlord shall be deemed to have elected to repair the damage and shall proceed with the required repairs promptly as provided herein. Any above provision to the contrary notwithstanding, Landlord's obligation to reconstruct and repair the Building following an insured casualty shall be contingent upon receiving authorization from Landlord's Lender to utilize insurance proceeds for purposes of completing such repairs. If Landlord's Lender refuses to allow use of insurance proceeds in an amount sufficient to complete such repairs, Landlord may terminate this Lease upon written notice to Tenant given within 45 days following the date of casualty.

(ii) This subparagraph (ii) shall apply only if the Premises shall be damaged and Landlord is required or is deemed to have elected, to repair such damage as provided in subparagraph (i).

Tenant shall be entitled to an abatement of Fixed Rent and other charges payable hereunder for the period during which the Premises is rendered incapable of use for the normal conduct of Tenant's business, and Tenant in fact does not conduct business operations in the Premises, including a reasonable period, not to exceed 30 days, for Tenant to refixture and restock. Said abatement will be prorated, based on the number of square feet of the Premises which are so rendered untenable or incapable of such use.

(iii) The foregoing subparagraphs (i) and (ii) notwithstanding, if the Building, including a portion of the Premises, shall be partially or totally destroyed during the last 2 years of the initial term or during the last 2 years of any extension period, then, unless Tenant already has exercised its next remaining extension period, Landlord may terminate this Lease upon no fewer than 45 days prior written notice to Tenant, in which event this Lease shall terminate on the date specified in such notice. Notwithstanding the preceding sentence, if Tenant shall exercise its next remaining Renewal Option prior to the expiration of the 45 day notice, then Landlord's termination notice shall be void and Landlord shall be obligated to fulfill its repair and restoration obligations as set forth in this Article.

(b) If Landlord shall fail to commence to repair or restore in the manner specified in this Article, within 180 days after the damage has occurred, and proceed to complete such repairs and restoration with due diligence, then, Tenant may give Landlord 30 days' prior written notice of Tenant's election to: (i) terminate this Lease on the date specified in such notice; or (ii) if the Premises only shall have been damaged, rebuild the Premises on Landlord's behalf, but only if such work can be performed without adverse effect on the remainder of the Building. If Tenant shall so rebuild the Premises, Landlord shall assign any available insurance proceeds under Article 35 to Tenant to cover the cost of same.

(c) With respect to any casualty involving any building at the Project other than the Building, if Landlord shall not promptly restore and rebuild same, then, Landlord shall remove all debris and render the area in a clean, neat and safe condition.

CONDEMNATION -

14. (a) If the entire Premises, or the use or possession thereof, is taken in condemnation proceedings, or by any right of eminent domain, or for any public or quasi-public use, or if Landlord shall deliver to a governmental authority a deed in lieu of condemnation or eminent domain (individually or collectively, a "taking", or "taken"), then, this Lease shall terminate on the date when possession shall be taken by the condemnor, and Rent payable hereunder shall be apportioned and paid in full up to that date, and all prepaid unearned Rent shall promptly be repaid by Landlord to Tenant.

If only a part of the Premises shall be so taken, and if in Tenant's reasonable business judgment the portion remaining is insufficient to conduct its normal business operations therein, Tenant may terminate this Lease, if Tenant shall so notify Landlord within 45 days after such taking. If Tenant shall not so terminate this Lease, then this Lease shall continue in full force and effect, except that if as a result of such taking the Premises or some portion thereof are rendered

incapable of use for the normal conduct of Tenant's business, Fixed Rent and all other charges payable hereunder shall be reduced in the proportion that the gross floor area of the part so taken or condemned shall bear to the total gross floor area of the Premises immediately prior to such taking. In such case, Landlord, at Landlord's own expense, as speedily as circumstances permit, shall repair all damage to the Premises as shall have been caused by such partial taking, and shall restore the Premises to a complete architectural unit, to the extent of severance damages paid by the condemning authority. Fixed Rent and other charges payable hereunder shall abate until the Premises shall have been restored to a tenantable condition, including a reasonable period, not to exceed 30 days, for Tenant to refixture and restock.

(b) For the purposes of this subdivision (b), in addition to the meaning set forth above, a "taking" shall mean any legal impediment which shall not be within Landlord's reasonable control.

If, due to a taking, the number of parking spaces within the Project shall be decreased below the Required Number of Parking Spaces (as defined in Section 19 of Part I), Landlord shall so notify Tenant thereof. If, within 90 days after Tenant's receipt of such notice, additional parking is not provided within the Project equal to the number by which it has been decreased below the Required Number of Parking Spaces, then Tenant may, as its sole and exclusive remedy, terminate this Lease upon 30 days prior written notice to Landlord.

If, due to a taking there shall be an impediment, which impediment shall materially adversely affect any means of ingress or egress between the Premises and any abutting street, or between the Parking Areas and any abutting Street, then, Tenant shall notify Landlord thereof. If, within 90 days after Landlord's receipt of such notice, such impediment shall not be cured, then Tenant may, as its sole and exclusive remedy, upon 10 days' written notice to Landlord, terminate this Lease.

(c) Tenant hereby waives all rights in condemnation awards, except for any portion of Landlord's award equal to the unamortized costs of Tenant's leasehold improvements which are taken, if any, and any separate awards which may be made for Tenant's relocation expenses, business interruption, and the like.

ASSIGNMENT AND SUBLETTING -

15. (a) Provided Tenant is not then in default beyond any applicable cure period, Tenant may, without the consent of Landlord, but upon not less than 30 days prior written notice to Landlord, assign this Lease or sublet the whole or any part of the Premises (either a "Transfer"), for use for any lawful retail purpose permitted under the provisions of Article 4 of this Part II, provided that Tenant and Guarantor shall remain liable for the obligation of Tenant hereunder.

(b) Notwithstanding Article 15(a), Landlord shall have the right, within 30 days of receipt of written notice from Tenant of a proposed Transfer (excepting a Transfer to a Tenant Affiliate that will continue to conduct business operations as a typical CVS pharmacy), to terminate this Lease by giving Tenant notice thereof, which notice shall be accompanied by reimbursement for the unamortized cost of Tenant's Work and other alterations or improvements made to the Premises by Tenant, calculated consistently with GAAP, or IRS rules as determined by Tenant, and

this Lease shall so terminate. The term "Tenant Affiliate" shall mean an entity which (i) directly or indirectly controls Tenant, or (ii) is under the direct or indirect control of Tenant, or (iii) is under common, direct or indirect control with Tenant. "Control" shall mean ownership of fifty-one percent (51%) or more of the voting securities or rights of the controlled entity.

ALTERATIONS -

16. Upon acceptance of possession of the Premises, Tenant may commence Tenant's Work in accordance with the Tenant's Work Plans approved by Landlord as described in Section 2(h) and Tenant shall thereafter be permitted to alter and replace any improvements within the interior of the Premises without Landlord's consent, but upon not less than 30 days prior written notice to Landlord (which notice shall describe in detail the proposed improvements and the estimated duration of such work), provided that (i) the common mechanical, electrical and structural systems serving the Building are not affected, and (ii) the other tenants in the Project are not unreasonably disturbed in the use of their premises within the Project. Otherwise, Tenant shall not make any alterations to the Premises with the exception of signage that conforms with the Sign Criteria, without, in each instance, obtaining Landlord's written consent, which consent Landlord agrees not to unreasonably withhold, delay or condition. Upon completion of Tenant's Work and any alterations undertaken by Tenant, Tenant shall at its cost, within thirty (30) days following Landlord's written request, provide to Landlord "as built" plans and specifications for the work undertaken by Tenant.

Tenant shall obtain all necessary permits for Tenant's Work and any subsequent alterations and improvements, and shall perform all such work in accordance with applicable laws, building codes and ordinances, in a good workmanlike manner that does not materially and adversely interfere with access to or use of the Parking Areas by month-to-month tenants and other users thereof, nor with the business operations of other tenants and occupants of the Project. Tenant shall discharge, within 30 days (by payment or by filing the necessary bond, or otherwise), any mechanics', materialmen's or other lien against the Project and/or Landlord's interest therein, which lien may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies, or equipment alleged to have been furnished to or for Tenant in, upon, or about the Premises. If Tenant fails to discharge any such lien within said 30-day period, Landlord may cause such lien to be discharged by payment or bonding, as it may elect, and Tenant shall within 10 days of Landlord's written demand therefor reimburse Landlord for all costs reasonably incurred in connection therewith, including, without limitation, reasonable attorney's fees.

As pertains to any alterations which affect the roof of the Building or the fire suppression system, Tenant shall: (i) use the roofing contractor or sprinkler contractor designated by Landlord if and as necessary so as not to violate or invalidate any warranties applicable to such roof or fire suppression system provided that such contractor bids market price for such work; (ii) use such Landlord designated contractor if and as required above for any work required to wire or connect rooftop equipment to the Premises (which wiring and/or connections shall be made only through designated utility risers and/or through other Landlord approved conduit); (iii) be responsible for the cost of any damage to the roof or other parts of the Building, including utility risers and conduit, caused by installing, maintaining, repairing, removing and/or replacing any equipment installed on the roof or affecting the roof or affecting the fire suppression system; and (vi) indemnify Landlord

from loss, cost or damage suffered by Landlord as a result of the installation, maintenance and removal of such equipment, wiring or connections (including any reduction in the benefit of any roof warranty available to Landlord).

SIGNS -

17. At Tenant's sole cost, Tenant may install, replace and relocate on the Premises exterior, such signs, awnings, lighting effects and fixtures as may be used from time to time by Tenants in conformity with the Sign Criteria (collectively, "Signs"). Tenant shall maintain such Signs in good condition and repair. Tenant also may place in its windows: Tenant's standard paper signs in its windows in accordance with Tenant's regular advertising and promotional programs; and/or neon signs. At Tenant's sole cost, Landlord agrees to cooperate with Tenant (including signing applications) in obtaining any necessary Permits for Tenant's Signs. All Signs of Tenant shall comply with Laws.

PYLON/MONUMENT SIGN -

18. [NOT APPLICABLE]

SURRENDER -

19. At the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in as good order and condition as they were at the commencement of the Term or may be put in thereafter, reasonable wear and tear and damage by casualty and/or the elements excepted. All alterations, additions, and improvements in or upon the Premises made by either party (except Tenant's furniture, trade fixtures, satellite communications dish and equipment, computer and other equipment and shelving), shall become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the termination or other expiration of the Term. At the expiration or earlier termination of the Lease, Tenant shall remove the items enumerated in the parenthetical above, as well as its signs and identification marks, from the Premises. Tenant agrees to repair any and all damage caused by such removal, including repainting patched or repaired areas to match adjacent areas. The above provisions to the contrary notwithstanding, Landlord shall have the right to require Tenant at its cost to remove any alterations, additions or improvements to the Premises constructed by Tenant and to restore the Premises to a condition substantially similar to that which existed prior to the making of same.

At any time during the Term, Tenant may remove the items enumerated in the parenthetical above, as well as its signs and identification marks, from the Premises.

SUBORDINATION OF LEASE -

20. This Lease shall be subject and subordinate to the lien of any bank or institutional or other mortgage or mortgages now or hereafter in force against the Project, and to all advances made upon the security thereof, provided that the holder of any such mortgage shall execute and deliver to Tenant an agreement ("SNDA Agreement"), in form reasonably satisfactory to Tenant, providing

that such holder will recognize this Lease and not disturb Tenant's possession of the Premises in the event of foreclosure if Tenant is not then in default hereunder beyond any applicable cure period. Tenant agrees, within 10 days following receipt of such SNDA Agreement, to execute and return such further reasonable instrument(s) as may be necessary to subordinate this Lease to the lien of any such mortgage. The term "mortgage" shall include deeds of trust or any other similar hypothecations. The term "Landlord's Lender" as used herein shall mean the holder of any first mortgage or deed of trust encumbering the Project.

USE RESTRICTIONS FOR PROJECT -

21. Landlord warrants that it will not lease any space in the Project or allow any such space to be used for the following purposes: a pinball, video game, or any form of entertainment arcade; a gambling or betting office, other than for the sale of lottery tickets; a massage parlor (except as set forth below); a cinema, theatre, a bowling alley; a roller skating or ice skating rink; a billiards parlor or pool hall (except as set forth below); a firearms shooting range or any other use which creates or causes excessive noise; a health club or exercise salon (except as set forth below); any type of educational or vocational institution (except as set forth below); a flea market; a warehouse; a facility which performs on-site dry cleaning; a gas station; a facility which performs on-site auto repair.

Landlord further warrants that it will not lease any space in the Project or allow any such space to be used for the following purposes unless Landlord provides a system wherein Tenant for itself and its invitees will at all times have exclusive use of at least fifty percent (50%) of the parking spaces in the Parking Areas during Tenant's operating hours: educational/vocational institution, offices, first class health club or exercise salon, first class massage parlor such as Massage Envy, first class day spa such as Berke Williams, a first class billiards or pool hall.

It is understood that the use restrictions set forth in this Section 21 are subject and subordinate to the rights of tenants under leases and upon the terms in effect as of the Date of Lease as shown on Exhibit F (the "Existing Leases") and only while the Existing Leases are in effect.

UTILITIES -

22. Tenant agrees to pay for all utilities consumed by it in the Premises, prior to delinquency, and any utility connection or "tap" fees payable in connection with Tenant's Work. Landlord shall pay for any utility connection or "tap" fees payable in connection with Landlord's Work. Tenant shall receive all savings, credits, allowances, rebates or other incentives granted or awarded by any third party as a result of Tenant's Work.

TENANT DEFAULT -

23. (a) The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant (each an "Event of Default"):

(i) The failure by Tenant to make any payment of Fixed Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of 5 days after Landlord notifies Tenant in writing of such failure; or

(ii) The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than the payment of sums due hereunder, where such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than 30 days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within such 30 day period and thereafter diligently pursues such cure to completion.

(iii) Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.

(iv) Tenant shall file a petition seeking relief, or a petition seeking an order for relief against Tenant or a guarantor of Tenant's obligations under this Lease, is filed under any Section or chapter of Title 11 of the United States Code, as amended, or under any similar law or statute of the United States or any state thereof and not dismissed within ninety (90) days thereafter; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant.

(v) A receiver or trustee shall be appointed for the Premises or for all or substantially all of the assets of Tenant.

(b) Upon occurrence of an Event of Default, without further notice to Tenant, Landlord shall have all rights and remedies available at law or in equity or which are set forth in this Lease, excluding special or consequential damages, including, without limitation, any of the following, at Landlord's election:

(i) Terminate this Lease and declare the Term hereof ended and re-enter the Premises and take possession thereof and remove all persons and property therefrom, and Tenant shall have no further claim thereon or hereunder.

(ii) Landlord may continue this Lease in effect after Tenant's breach and recover Rent as it becomes due.

(iii) Even though Landlord may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.

(iv) No re-entry or taking possession of the Premises by Landlord pursuant to this Section 23(b) shall be construed as an election to terminate this Lease unless a written notice of such intention shall be given to Tenant or unless such termination shall be decreed by a court of competent jurisdiction and Landlord may enforce all of Landlord's rights and remedies hereunder, without limitation, the remedy described in California Civil Code Section 1951.4 (lessor may continue the lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Notwithstanding any reletting without termination by Landlord because of an Event of Default by Tenant, Landlord may at any time after such reletting elect to terminate this Lease for any such Event of Default.

(v) Should Landlord elect to terminate this Lease pursuant to the provisions of subsection (b)(i) or (b)(iii) above, Landlord may recover from Tenant as damages the

following: (A) the worth at the time of the award of any unpaid Rent and other charges which had been earned at the time of termination; plus (B) the worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of the award exceeds the amount of the loss of such Rent that Tenant proves could have been reasonably avoided; plus (C) 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 the award exceeds the amount of the loss of such Rent that Tenant proves could have been reasonably avoided; plus (D) any other amount necessary to compensate Landlord for all of the detriment proximately caused by Tenant's failure to perform its obligations under this Lease, including, but not limited to, any costs or expenses incurred by Landlord in retaking possession of the Premises, including reasonable attorneys' fees thereof; maintaining or preserving the Premises after such default; preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting; leasing commissions; or any other costs necessary or appropriate to relet the Premises; plus (E) 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 California law. As used in subparagraphs (A) and (B) above, the "worth at the time of the award" shall be computed by allowing interest at the Default Rate. As used in subparagraph (C) above, the "worth at the time of the 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 one percent (1%).

(c) Waiver of Right of Redemption. Tenant hereby waives any and all rights conferred by Section 3275 of the Civil Code of California and by Sections 1174 (c) and 1179 of the Code of Civil Procedure of California providing that Tenant shall have any right to redeem, reinstate or restore this Lease following its termination by reason of an Event of Default.

(d) Late Payments. Without waiving any other available rights and remedies, in the event Tenant fails to pay any sum due under this Lease within 10 days from the due date specified in this Lease, such past due amount shall accrue, and Tenant shall be liable for, interest from the original due date until paid at an annual rate equal to the lesser of (i) the "prime rate" as published in the "Money Rates" section of "The Wall Street Journal" (Eastern Edition) plus four percent (4%), or (ii) the maximum interest rate allowed by law (herein the "Default Rate"). A service charge of One Hundred and No/100 Dollars (\$100.00) will be assessed, as Additional Rent, for handling a returned check.

LANDLORD DEFAULT -

24. (a) In the event of any default by Landlord under this Lease ("Landlord Default"), Tenant may give Landlord written notice specifying such Landlord Default and, if Tenant shall do so, then Landlord shall have 30 days in which to cure any such Landlord Default; provided, however, that if the nature of the Landlord Default is such that more than 30 days are required for its cure, then Landlord shall not be in default if Landlord commences to cure within said 30 days and thereafter diligently prosecutes the same to completion. In the event that Landlord shall remain in default following its said right to cure, then, in addition to all other rights and remedies available to Tenant at law and in equity, Tenant may cure such Landlord Default on behalf of Landlord by doing the necessary work and/or making the necessary payments, and billing Landlord for the reasonable costs thereof, which Landlord agrees to pay to Tenant within 30 days of receipt of Tenant's demand therefor and reasonable evidence of the cost of the same. If Landlord shall fail to

pay within said 30 day period, Tenant may deduct the entire cost from any rent and other charges due hereunder.

(b) The aggregate liability of Landlord and the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with the operation, management, leasing, repair, renovation, alteration of, or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount equal to the interest of Landlord in the Project, which shall include without limitation surplus proceeds from the sale or levy of Landlord's interest in the Project and any income, rents or profits derived from the Project, and neither Landlord nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this subsection shall inure to the benefit of Landlord and the Landlord Parties and each of their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. The term "Landlord Parties" as used herein shall mean, collectively, the Landlord and its property manager, if any, and the respective past, present and future partners, officers, directors, shareholders, members, beneficiaries, trustees, employees, agents and independent contractors of both Landlord and its property manager.

RENT PAYMENTS -

25. (a) If Landlord's interest in this Lease shall pass to another, or if the rent hereunder shall be assigned, or if a party, other than Landlord, shall become entitled to collect the rent due hereunder, then, written notice thereof shall be given to Tenant by Landlord, or, if Landlord is an individual and shall have died or become incapacitated, by Landlord's legal representative, accompanied by due proof of the appointment of such legal representative. Until such notice and proof shall be received by Tenant, Tenant may continue to pay the rent due hereunder to the one to whom, and in the manner in which, the last preceding installment of rent hereunder was paid, and each such payment shall fully discharge Tenant.

(b) Tenant shall not be obligated to recognize any agent for the collection of rent or otherwise authorized to act with respect to the Premises until written notice of the appointment and the extent of the authority of such agent shall be given to Tenant by the one appointing such agent.

(c) Tenant shall have no obligation to pay rent or any other amount due hereunder until Tenant has received a properly completed and executed form W-9 or any successor form or any similar form and/or such other information and/or form from Landlord that is required by the Internal Revenue Service and/or by any other federal, state or local governmental taxing authority having jurisdiction to require the furnishing of any form or information by Landlord from time to time (or other evidence of Landlord's United States Social Security Number or Federal Employee Identification Number reasonably satisfactory to Tenant).

HOLDOVER -

CVS

26. (a) If Tenant remains in possession of the Premises after expiration or earlier termination of this Lease with Landlord's express written consent, Tenant's occupancy shall be a month-to-month tenancy at a rent agreed on by Landlord and Tenant, but in no event less than the Fixed Rent and Additional Rent payable under this Lease during the last full month before the date of expiration or earlier termination of this Lease. The month-to-month tenancy shall be on terms and conditions of this Lease except as provided in (i) the preceding sentence, and (ii) provisions of the Lease concerning Lease term and Renewal Options, if any. Landlord's acceptance of Rent after such holding over with Landlord's written consent shall not result in any other tenancy or in a renewal of the original term of this Lease.

(b) If Tenant remains in possession of the Premises after expiration or earlier termination of this Lease without Landlord's express written consent, Tenant's continued possession shall be on the basis of a tenancy at sufferance and Tenant shall pay as rent during the holdover period an amount equal to 150% of the Fixed Rent and the full amount of the Additional Rent payable under this Lease for the last full month before the date of expiration or termination. Tenant acknowledges that the foregoing rental amount is fair and reasonable under all of the facts and circumstances existing as of the date hereof. If Tenant holds over without Landlord's consent, Tenant shall indemnify and hold Landlord harmless from and against all claims, liability, damages, costs or expenses, including reasonable attorneys' fees and costs of defending the same, incurred by Landlord and arising directly or indirectly from Tenant's failure to surrender the Premises effective upon the expiration or termination of this Lease, including, but not limited to (i) any rent payable by, or any loss, cost, or damages, exclusive of special or consequential damages, claimed by, any successor tenant of the Premises and (ii) Landlord's damages as a result of such successor tenant rescinding or refusing to enter into the prospective lease of the Premises because of Tenant's failure to timely surrender the Premises Date of Lease.

NOTICES -

27. Whenever, pursuant to this Lease, notice or demand shall or may be given to either of the parties by the other, and whenever either of the parties shall desire to give to the other any notice or demand with respect to this Lease or the Premises, each such notice or demand shall be in writing, and any Laws to the contrary notwithstanding, shall not be effective for any purpose unless the same shall be given or served as follows: by mailing the same to the other party by registered or certified mail, return receipt requested, or by overnight courier service provided a receipt is required, at its Notice Address set forth in Part I hereof, or at such other address as either party may from time to time designate by notice given to the other. The date of receipt of the notice or demand shall be deemed the date of the service thereof (unless the notice or demand is not received or accepted in the ordinary course of business, in which case the date of mailing shall be deemed the date of service thereof).

PARKING -

28. (a) (i) Provided that such rules and regulations are uniformly promulgated and enforced, Landlord may promulgate rules and regulations for the Parking Areas.

CVS

(ii) Parking rights shall be limited to customers of businesses operating in the Building and public parking on a short term basis, and Landlord shall enforce the same; provided, however, Landlord shall have the right to provide reserved parking spaces for tenants occupying the upper floor of the Building, and their employees and invitees, provided that not less than the Required Number of Parking Spaces within the Parking Areas are available to Tenant's employees (at no more than five spaces) and Tenant's customers on a non-exclusive basis.

(b) Landlord represents and warrants, to the best of its current, actual knowledge, there is not now any legal impediment to the use of or access to the Parking Areas for business parking.

(c) If, due to any reason other than a "taking" as defined in Article 14(b), the parking areas of the Project shall be decreased below the Required Number of Parking Spaces Tenant shall notify Landlord thereof. If, within six (6) months after Landlord's receipt of such notice, additional parking is not provided within the Project equal to the number by which it has been decreased below the Required Number of Parking Spaces, then, if the loss of parking is due solely to Landlord's violation of any of the terms of this Lease, then Tenant may, at its election, either (i) terminate this Lease upon 30 days' prior written notice to Landlord, or (ii) pay Fixed Rent in an amount equal to 50% of Fixed Rent otherwise payable hereunder until such time as said additional parking is provided within the Project. During the period Fixed Rent is so reduced, Tenant shall remain obligated for any other charges due under this Lease. If Tenant elects to pay reduced Fixed Rent as above provided, Tenant shall at the end of two (2) years after Landlord's receipt of such notice be required either to terminate the Lease or resume payment of full Fixed Rent. If Tenant does not give notice of termination before the end of said 2-year period, Tenant shall be deemed to have waived its right of termination and shall resume payment of full Fixed Rent as of the end of said 1-year period.

If Landlord shall operate or contract with a third party to operate the Parking Areas, the fees and costs of operation of the Parking Areas, and the costs of maintenance and repairs thereof, shall be included as CAM costs, less the amount of revenues generated by the operation of the Parking Areas (the "Parking Offset"). If the revenues generated by the operation of the Parking Areas are greater than the sum of the costs of operating the Parking Areas and the costs of maintenance and repairs thereof, such excess may be retained by Landlord and shall not be credited toward other CAM costs not related to the Parking Areas. Landlord shall provide separate accounting for the operation of the Parking Areas and the costs of maintenance and repairs thereof and revenues generated therefrom, which accounts shall be subject to audit by Tenant in connection with any audit of CAM costs under the provisions of Article 36.

(ii) Landlord shall provide to Tenant validation stickers or cards allowing Tenant's customers up to one-hour free parking, which shall be issued for periods of not less than 20 minutes.

(iii) Landlord shall use commercially reasonable efforts to discourage long-term public parking and shall operate the Parking Areas offered to non-tenants of the Project on a "for profit" basis.

CVS

(iv) If Tenant should conduct business operations for 24 hours per day, Tenant shall be solely responsible for all costs of operating the Parking Areas from 12:00 AM (midnight) to 8:00 AM, if Tenant desires to have the Parking Areas open during such hours.

TENANT PROTECTED AREA -

29. (a) Landlord warrants and agrees that the layout shown on Exhibit A will be substantially adhered to so as to maintain the position of the Building, Parking Areas, curbcuts, traffic patterns, and roadways and passageways.

The above provisions to the contrary notwithstanding, Landlord may make minor, non-material modifications to the Project layout. However, Landlord agrees that, unless Landlord first shall obtain Tenant's consent: there will be no changes in the location, shape, or dimensions of the Premises; and, there will be no change in the Project layout which would have a material, adverse effect on the accessibility to the Premises from the Parking Areas or from the public streets and roadways bordering the Project, or the visibility of Tenant's signs or storefront(s). Except as required by Laws, Landlord shall not place any kiosks, planters, trees, shrubs, stairs, or other obstructions in any place in front of the Premises without Tenant's prior written consent. Tenant shall not unreasonably withhold or delay its consent hereunder.

(b) Landlord shall not permit any vertical or horizontal projection (other than Tenant's signs) on the Building which will obstruct the visibility of any Tenant sign or storefront. Landlord shall not permit any sign to be placed on the Premises exterior walls, except for Tenant's signs.

(c) (i) If Landlord shall violate this Article, and shall not cure such violation within 60 days after receipt of written notice thereof, then, at any time thereafter until such violation shall be cured, Tenant may: terminate this Lease upon 30 days' notice to Landlord, and this Lease shall so terminate unless Landlord shall cure such violation within said 30 days; or upon written notice to Landlord, elect to pay Fixed Rent reduced to the level of 50% of Fixed Rent due hereunder. If Tenant shall pay such reduced rent, Tenant still shall be obligated to pay Landlord all other charges due under this Lease. Tenant's Fixed Rent shall be so reduced until such violation is cured. It is expressly understood and agreed that Tenant's right to pay reduced Fixed Rent as provided in this subsection shall apply only in the event of violations of this Article which are not required by Laws.

(ii) All of Landlord's representations and covenants set forth in this Article shall be subject to any contrary requirements of the municipality or any other applicable governmental agency. Therefore, and notwithstanding subparagraph (c)(i) above, in the event that a violation of any of the provisions of this Article shall occur due to the contrary requirements of the municipality or any applicable government agency, then, such violation shall not be a default hereunder, and, as Tenant's sole remedy, Tenant may terminate this Lease upon 30 days' notice to Landlord.

SATELLITE COMMUNICATIONS DISH AND EQUIPMENT -

30. Notwithstanding anything to the contrary in this Lease, Tenant may install, maintain, and replace, on the roof of the Building or in the Premises, a satellite communications dish and

related equipment, of a size and at a location approved in advance by Landlord, and in accordance with the provisions pertaining to alterations affecting the roof of the Building as provided in Article 16. Tenant shall do so at its sole cost and in accordance with all Laws; and shall defend, indemnify and hold Landlord harmless from and against any claims, costs or expenses incurred by Landlord as a result of the use, installation, maintenance or replacement of such equipment by Tenant. Landlord reserves the right to install or permit the installation of other communications equipment on the roof and other areas of the Building, provided that such other communications equipment and the operation thereof does not interfere with the use of Tenant's communication equipment.

EXCLUSIVE -

31. (a) (i) Landlord warrants and agrees that Landlord will not lease any space in the Project (excluding the Premises), nor permit the use of any such space for the purpose of a store offering one-hour or other on-site photo processing, including, without limitation, digital photo processing, a pharmacy mail order facility, a drug store, a pharmacy prescription department, a retail health center, and for the following uses:

- The off-sale of beer, wine or spirits provided, however, that one (1) first class wine-oriented specialty merchant that is (a) nationally or regionally branded such as Beverages and More, Total Wines or similar, or (b) a high end wine merchant even if not branded, shall be allowed,
- A greeting card store, or for the sale of greeting cards, excluding incidental sales,
- Vitamins and health supplements, excluding incidental sales,
- A candy store provided, however, that either one (1) specialty candy store selling primarily one brand of chocolates such as, but not limited to, See's or Godiva shall be permitted to operate in the Project so long as such store is not greater than two thousand (2,000) square feet of floor area or one (1) candy store which carries a mix of non-specialty and specialty candy items such as Powell's Sweet Shop shall be permitted to operate in the Project so long as such store is not greater than two thousand (2,000) square feet limitation and the overlap with the selection of candy typically sold in the majority of Tenant's other stores then operating in San Francisco, California, does not exceed five percent (5%) of the store's leasable area,
- A convenience store, such as, but not limited to, Seven-Eleven or Circle K,
- Health and beauty aids, excluding incidental sales, and
- A Dollar Store (as used herein, "Dollar Store" would mean a discount, 99 cents store or "dollar" store which sells general merchandise, including by way of example and not in limitation, stores such as "Fred's", "Big Lots", "99 Cents Only", "Dollar Store", "Dollar General" or "Family Dollar").

Neither Landlord, nor any of its officers, directors, trustees, members or partners shall sell or transfer any interest in the Project if the intended use after such sale would violate this Article.

The foregoing restrictions set forth in this Article 31 shall not apply to the Existing Leases, if and only to the extent that as of the Date of Lease, the terms of the Existing Leases permit the exclusive uses described in this Article 31 and only until the expiration of the term or the earlier termination of the Existing Leases in accordance with the provisions thereof as of the Date of Lease.

(b) As used in this Lease:

(i) the term "pharmacy prescription department" shall include the dispensing, distribution or furnishing of prescription drugs by physicians, dentists, other health care practitioners and counselors, or entities such as health maintenance organizations for a fee or profit and a facility which accepts prescriptions from customers which are filled elsewhere and delivered to the customer. A "pharmacy prescription department" shall not include the distribution or furnishing of free samples of prescription drugs by physicians, dentists, other health care practitioners, or entities such as clinics or health maintenance organizations.

(ii) the term "retail health center" shall include such operations as Tenant's "Minute Clinic" or other similar use providing walk-in, non-traumatic medical services, but specifically excluding physician, dentistry, or other health care offices or practitioners that are separately operated and not located inside any retail store or establishment.

(iii) the term "incidental sales" shall mean sales derived from not more than five (5) percent of floor area dedicated to the sale or display of the restricted sale item.

(c) If any of the provisions of this Article shall be violated (herein an "Exclusive Use Violation"), and Landlord shall not cure such Exclusive Use Violation within 60 days after receipt of Tenant's notice thereof, Tenant, at any time thereafter, upon 10 days prior written notice to Landlord, may either: (i) terminate this Lease; or (ii) pay to Landlord Fixed Rent reduced to a level equal to 50% of Fixed Rent due under this Lease. Tenant's Fixed Rent shall be so reduced until such time as the Exclusive Use Violation is permanently cured.

(d) The immediately preceding paragraph notwithstanding, if an Exclusive Use Violation shall occur solely as a result of any action taken by a tenant of the Project, Landlord shall use commercially reasonable efforts to enforce, by legal action if necessary, such exclusive rights; and provided that Landlord did not contribute to the creation of such breach, Landlord's failure to succeed in enforcing such rights shall not be a default hereunder, and Tenant's only remedy shall be to terminate this Lease, which remedy Tenant may not invoke until Three Hundred Sixty-five (365) days after Tenant shall notify Landlord of such violation. Landlord agrees that any lease hereafter entered into for space in the Project shall prohibit the applicable tenant from violating Tenant's exclusive rights as set forth in this Article 31. Such lease provisions, when provided to Tenant, shall be evidence that Landlord did not contribute to the creation of any breach of Tenant's rights hereunder.

32. [Intentionally omitted].

COMMON AREA MAINTENANCE -

33. (a) With respect to the Common Areas of the Project, Landlord shall perform the following, pursuant to good and accepted business practices throughout the Term: repairing, resurfacing, repaving, re-striping, and resealing, of the Parking Areas; repair of all curbing, sidewalks and directional markers; removal of snow and ice; landscape maintenance (if any);

maintenance, repair and replacement of common elevator; required maintenance, inspection, testing or monitoring of any fire sprinkler system or alarm system in the Building, which system shall not be exclusive for any one premises; and provision of adequate lighting during all hours of darkness that Tenant shall be open for business.

As used in this Article, the term "repair" or "repairing" shall include maintenance (including cleaning), repair, and replacement.

(b) Tenant's Pro Rata Share shall mean that proportion of the applicable costs described which the gross floor area of the Premises, excluding the square footage of any basement space or mezzanine, bears to the gross floor area of all rentable space in the Project. Upon completion of Tenant's Work, Landlord shall cause a licensed architect to measure and certify the gross floor area of the Premises and the Project, on an "as built" basis, for purposes of determining Tenant's Pro Rata Share only and not for purposes of recalculating Fixed Rent, such measurements to be made from the centerline of demising partitions and exterior face of exterior walls. The costs and fees of the architect shall be paid by Landlord.

Commencing as of the Date of Rent Commencement, Tenant shall pay to Landlord Tenant's Pro Rata Share of the Common Area maintenance costs subject to the Parking Offset defined in Section 28 (c) of Part II ("CAM costs") and Tenant's Pro Rata Share of Building Reimbursables (as defined in Article 9 (a)) incurred by Landlord from and after the Date of Rent Commencement in fulfilling Landlord's obligations under subdivision (a) above and as set forth in Article 28 of Part II of this Lease; and for no other costs. In recognition of Tenant's obligation to collect and dispose of its own trash as set forth in Article 42, CAM costs shall not include the cost of trash, refuse or garbage removal or maintenance and cleaning of trash containers, or pest control for the Project. Any capital costs incurred by Landlord in performing its obligations under this Article 33 shall be amortized over the useful life of the improvements or equipment for which such costs were incurred, determined as provided below, and only the annual amortized portion of such costs shall be included in CAM costs each year thereafter, throughout the amortization period. For the purposes hereof, useful life shall be determined as permitted under the Internal Revenue Code (including the regulations issued thereunder) in effect at the time of such repaving or replacing; however, the useful life of any repaving or replacement of the parking areas shall be deemed to be five (5) years.

(c) Except for a 10% administrative fee on the charges (excluding electricity charges, amortization charges, Taxes and insurance premiums) payable by Tenant pursuant to this Article, Tenant shall not pay any management, administrative, accounting, data processing or audit fees.

(d) Tenant shall pay to Landlord, a monthly sum, as set forth herein, by the fifth day of each month and a pro rata sum for any partial month. For the first calendar year (or portion thereof) to occur during the Term, said monthly sum shall not exceed the sums set forth in Section 24 of Part I. Said monthly sum may be adjusted once for each calendar year thereafter by Landlord to reflect any increased or decreased costs. Within 90 days after the end of each calendar year, and within 90 days after the expiration or termination of this Lease, Landlord shall submit to Tenant a statement of the CAM costs for said calendar year or portion thereof, as applicable. If such a statement is not received by Tenant within 90 days after the end of any calendar year, Tenant's obligation to make

monthly payments hereunder shall be suspended until said statement is received from Landlord, at which time the suspended payment amounts shall be paid in full. Such statement shall contain reasonable detail of CAM costs and the Parking Offset, and shall include a computation of Tenant's Pro Rata Share. If such statement indicates that the amount paid by Tenant on its account for said calendar year is less than Tenant's actual share for said calendar year, then Tenant shall pay the amount owing to Landlord within 30 days of receipt of such statement. If such statement shall indicate that Tenant has overpaid for said calendar year, then such overpayment shall be credited toward Tenant's Pro Rata Share of CAM costs next coming due (or refunded to Tenant in cash if the annual statement is delivered after expiration or earlier termination of the Lease). For the first and last partial calendar year of the Term, Tenant will pay said costs for the entire year multiplied by a fraction, consisting of the number of days in the calendar year subsequent to the Date of Rent Commencement, or prior to the date of lease termination, as the case may be, and divided by 365, subject to yearend reconciliation as above provided.

(e) If Landlord shall fail to perform any of its obligations under this Article within 30 days after receipt of written notice from Tenant of the need therefor (except that no notice shall be required in the event of an emergency), then, Tenant may do so on Landlord's behalf and charge Landlord for the reasonable cost thereof. If Landlord shall not pay Tenant within 30 days after receipt of an invoice therefor with supporting documentation, Tenant may deduct the reasonable cost thereof from rent and other charges due hereunder.

TAXES -

34. (a) Landlord shall pay to all Tax authorities, all real estate taxes and all assessments which may be levied against the Project (collectively, "Taxes").

(b) Commencing as of the Date of Rent Commencement, Tenant agrees to reimburse Landlord for Tenant's Pro Rata Share (as defined in Article 33) of all such Taxes levied against the Project with respect to each tax fiscal year (or portion thereof) of the Term occurring after the Date of Rent Commencement. The first installment payment of Taxes coming due after the Date of Rent Commencement shall be prorated such that Tenant shall be obligated only to pay that portion of such installment attributable to periods during the Term that occur subsequent to the Date of Rent Commencement. In the last year of the Term, Taxes shall be prorated such that Tenant shall be obligated to pay that portion of Taxes attributable to periods that occur during the Term prior to its the expiration. Tenant's obligation hereunder shall exclude Tenant's Pro Rata Share of: any assessment penalty added to the Taxes as a result of Landlord's failure to timely pay any such Taxes to the applicable governmental authority; and any Taxes payable over a period of more than one year, provided that Tenant shall pay Tenant's Pro Rata Share of the installments thereof due during the Term. At least 30 days prior to the commencement of the Term, Landlord shall submit to Tenant Landlord's estimate of Taxes for the first full tax fiscal year to occur during the Term.

(c) Any sum payable to Landlord under this Article shall be paid by Tenant within 30 days after receipt from Landlord of demand therefor, accompanied by copies of receipted Tax bills and a computation of Tenant's Pro Rata Share; provided, however, if Landlord's lender should

impound Taxes and require payment thereof in monthly installments, Tenant shall pay Tenant's Pro Rata Share of Taxes in monthly installments, subject to year-end reconciliation.

(d) [Intentionally omitted].

(e) If Tenant shall become aware that the Project is being sold at a tax sale due to Landlord's delinquent payment of Taxes, and if Tenant shall pay the delinquent Taxes in order to prevent such sale, then, Tenant may deduct the following amounts from rent and other charges due hereunder: an amount equal to the Taxes, interest, and penalties so paid by Tenant; all reasonable charges (including reasonable attorney's fees) incurred by Tenant in preventing such sale; and interest on all of the foregoing at the rate of 10% per annum from the date Tenant pays such charges.

(f) Notwithstanding anything to the contrary in this Article, if Landlord shall fail to bill Tenant for Tenant's Pro Rata Share of any Taxes within 24 months from the date the applicable Tax bill is issued, then Tenant shall not be obligated to pay Landlord for Tenant's Pro Rata Share of such Taxes.

(g) Tenant agrees to pay to all Tax authorities all personal property taxes which may be levied against Tenant's merchandise, trade fixtures, and other personal property in and about the Premises.

(h) In the event Landlord sells the Project and the appropriate taxing authorities increase the assessed valuation and taxes on the Project as a result of the sale, or if Landlord takes any other action which causes a tax increase, then Tenant shall not be responsible for any such increase in Taxes occurring more frequently than once every five (5) years.

(i) [Intentionally deleted]

INSURANCE -

35. (a) Landlord shall maintain All-Risk insurance for the Building for at least 90% of its reasonable replacement value. Said All-Risk policy may, at Landlord's election, include (i) flood coverage if the Project is located within a flood zone area, and (ii) earthquake coverage, but only if such flood and earthquake coverages are available at commercially reasonable rates as determined by Landlord in its sole discretion. Except as otherwise required by Landlord's Lender, all proceeds received from such insurance shall be used in the first instance in accordance with Landlord's obligations under Article 13 hereof. Landlord also shall maintain commercial general liability insurance coverage, on an occurrence basis; in combined policy limits of not less than \$2,000,000.00 and not in excess of \$5,000,000.00 per occurrence for bodily injury and for property damage with respect to the Project.

Commencing as of the commencement of the Term, Tenant shall pay to Landlord Tenant's Pro Rata Share of the cost of the insurance required to be maintained hereunder during the Term (excluding earthquake coverage unless maintained at commercially available rates). In addition, if Landlord shall elect to carry rental value insurance for the Project, Tenant shall pay Landlord for Tenant's Pro Rata Share of same, in limits of up to 12 months' worth of rent and

other charges due to Landlord hereunder. Any sum payable to Landlord hereunder shall be paid by Tenant within 30 days after receipt from Landlord of demand therefor, but not more than once annually. Any such demand shall be accompanied by: a computation of Tenant's Pro Rata Share; copies of receipted insurance bills; copies of the declaration pages of the applicable policies, with determinations of premium allocations, and any endorsements and exclusions; and by a certificate of all of Landlord's insurance; and such certificate shall name Tenant as an additional insured with respect to Landlord's General Liability policy. Landlord agrees to send to Tenant Landlord's estimate of the annual insurance expense hereunder at least 30 days prior to the commencement of the Term.

If Landlord shall receive a credit for any amount of the insurance premium paid by Landlord for the insurance required or permitted hereunder, then Landlord shall notify Tenant of such credit within 15 days after its receipt; and Tenant's Pro Rata Share of said amount shall be credited to Tenant for the next succeeding insurance payment required to be paid by Tenant hereunder, except that, at the expiration or termination of the Term, Tenant's Pro Rata Share of said amount will be refunded to Tenant.

(b) Notwithstanding the foregoing, if Tenant shall obtain and submit to Landlord a bid for identical All-Risk insurance from an insurer satisfying the standards stated in subsection (d) below, at a cost of at least 10% less than that paid by Landlord, then, Landlord shall: obtain said insurance from the insurer which provided said bid within 30 days after Tenant's submission of said bid; or, adjust Landlord's charges hereunder to equal the premium available from said bidder for such insurance coverage.

(c) Tenant shall maintain commercial general liability insurance, with combined policy limits of at least \$2,000,000.00 per occurrence for bodily injury and for property damage with respect to the Premises. Such insurance shall name Tenant as the named insured and Landlord and Landlord's property manager as an additional insured. Prior to taking occupancy of the Premises, Tenant shall deliver or make available to Landlord evidence of all insurance required to be carried by Tenant under the provisions of this Lease. Tenant may provide such evidence to Landlord by granting Landlord access to an internet web site containing such evidence, or at Tenant's option, by other means.

(d) All insurance coverage required to be carried hereunder: shall be carried with insurance companies licensed to do business in the state in which the Project is located; shall be rated in the then-most current Best's Insurance Guide (or any successor thereto) as having a general policyholder rating of A- or better and a financial rating of "VIII" or better; and shall require the insured's insurance carrier to notify the other party hereto at least 30 days prior to any cancellation or material modification of such insurance.

(e) Upon the request of either party, provided that such request shall be commercially reasonable, the other party shall: increase the limits of insurance carried by it pursuant hereto; and carry types of insurance in addition to the types required to be carried by it pursuant hereto.

(f) Any provision of this Lease to the contrary notwithstanding, Landlord shall have

the right to include as part of CAM Costs the cost of Landlord's insurance as specified in this Article 35.

TENANT'S AUDIT RIGHTS -

36. Tenant may, not more frequently than once each year, audit Landlord's CAM costs, Tax charges, insurance charges, and other charges with a representative of Tenant's choice, provided such representative is experienced in the audit of such expenses for commercial properties and is not compensated by Tenant on a contingency fee basis or a percentage of savings. Access to Landlord's records shall be provided to Tenant within 30 days after Tenant's written request therefor. If such access is not provided, Tenant's obligation to pay Tenant's Pro Rata Share of such charges shall be suspended until access is provided, at which time the suspended unpaid payment amounts shall be paid in full. Landlord agrees to maintain its CAM, Tax and insurance records for at least 24 months from the date of each applicable invoice to Tenant. If any audit shall indicate that, in any of Landlord's statements, the charges were overstated by Landlord by an amount in excess of 5% of the actual costs, then Landlord shall pay to Tenant the reasonable cost of such audit, plus interest on the overstated amount at the rate of 10% per annum from the date(s) Tenant paid such overstated amount. In any event, Landlord shall repay any amount owing to Tenant as a result of any overstatement.

LANDLORD'S TITLE -

37. Landlord warrants and covenants that Landlord has good and clear record and marketable title to the Project, in fee simple absolute, free of liens and encumbrances (excluding mortgages). Landlord also warrants and covenants that: there are no exclusive use restrictions in other tenants' leases, restrictive covenants or other agreements, and, to the best of Landlord's knowledge, no zoning or other Laws, and no other legal impediment, any of which would prevent Tenant from occupying the Premises and using it for the Intended Use, or prevent the full use of the Parking Areas as herein set forth, or otherwise prevent the Project from being developed in accordance with the layout shown on Exhibit A; and Landlord shall not enter into any exclusive use restrictions, restrictive covenants or other agreements, which would prevent Tenant from occupying the Premises for the purposes herein provided, or prevent the full use of the Parking Areas as herein set forth, or otherwise prevent the Project from being developed in accordance with the layout shown on Exhibit A.

Landlord warrants and represents to Tenant that, on the date of delivery of possession of the Premises to Tenant, to the best of Landlord's knowledge, the Project shall be free of all violations, orders, or notices of violations of Laws.

QUIET ENJOYMENT -

38. Landlord warrants and agrees that Tenant, on paying the rent and other charges due hereunder and performing all of Tenant's other obligations pursuant to this Lease, shall and may peaceably and quietly have, hold, and enjoy the Premises for the full Term, free from molestation, eviction, or disturbance by Landlord or by any other person(s) lawfully claiming to be the same.

39. [Intentionally omitted].

BROKERS -

40. Landlord and Tenant each represent and warrant that it has had no dealings or conversations with any real estate broker in connection with the negotiation and execution of this Lease, other than the Brokers named in Section 23 of Part I. Landlord and Tenant each agree to defend, indemnify and hold harmless the other against all liabilities arising from any claim of any other real estate brokers, including cost of counsel fees, resulting from their respective acts. Landlord warrants and agrees that it shall be solely responsible for any and all brokerage commissions owing to said Brokers, as a result of the negotiation and execution of this Lease, in accordance with the terms of a separate commission agreement with each of said Brokers

DISPUTES -

41. If any dispute shall arise as to any amount of money to be paid by one party to the other under this Lease, the party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest", and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of said party to institute suit for the recovery of such sum. If it shall be judged that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum(s), or so much thereof as it was not legally required to pay under this Lease, together with interest at the rate of 10% per annum. If any dispute shall arise between the parties hereto as to any work to be performed by either of them under this Lease, the party against whom the obligation to perform the work is asserted may perform such work and pay the cost thereof "under protest", and the performance of such work shall not be regarded as a voluntary performance, and there shall survive the right on the part of said party to institute suit for recovery of the cost of such work, and it shall be entitled to recover the cost of such work, or the cost of so much thereof, as said party was not legally required to perform under this Lease, together with interest at the rate of 10% per annum.

ANCILLARY TENANT FACILITIES -

42. At no charge to Tenant, Tenant may maintain a dumpster or similar refuse container in the location depicted on Exhibit A.

Tenant's trash container shall be located as depicted on Exhibit A (the "Trash Area"). Tenant, at Tenant's sole cost, shall be responsible for collection of all garbage or refuse generated by Tenant in the Premises and shall keep the Trash Area in good, clean condition, free of odors, vermin and other pests. Tenant shall not burn any trash or garbage of any kind in or about the Premises or the Project.

TRANSFER OF TITLE -

43. (a) In the event of any transfer(s) of the title to the Project, Landlord (and in the case of any subsequent transfer, the then-grantor) automatically shall be relieved from and after the date of such transfer, of all liability with respect to the performance of any obligations on the part of said Landlord contained in this Lease thereafter to be performed; provided that any amount then due and

payable to Tenant by Landlord (or the then-grantor), and any other obligation then to be performed by Landlord (or the then-grantor) under this Lease, either shall be paid or performed by Landlord (or the then-grantor) or such payment or performance assumed by the transferee; it being intended hereby that the covenants, conditions and agreements contained in this Lease on the part of Landlord shall, subject to the foregoing, be binding on Landlord, its successors and assigns, only during and with respect to their respective successive period of ownership.

(b) Landlord may freely transfer title to the Project and this Lease without the consent of Tenant; however, Landlord shall give Tenant notice of the transfer of its interest in the Project by delivery of a Notice of Transfer in substantially the form attached to this Lease as **Exhibit T-1**. Until Landlord gives Tenant notice in accordance with the terms of this Lease, or Tenant receives notice of a transfer of the Project by Landlord, Tenant may deal with Landlord as if it continued to be the owner of the Project. If a controlling ownership interest in Landlord is transferred and, in connection therewith, the address for notices to Landlord is changed, Landlord shall give Tenant notice of the transfer of such controlling ownership interest by delivery of a Notice of Transfer in substantially the form attached to this Lease as **Exhibit T-2**; and provided that, until Landlord gives, or Tenant receives, notice of such transfer and new address, Tenant may correspond with the current owner of a controlling interest in Landlord at the prior address for notices to Landlord. Whenever Landlord shall give Tenant notice of a transfer of its interest in the Project, or of a controlling interest in Landlord, as provided in this Sub-Section, Landlord shall deliver to Tenant, or upon request of either Landlord or Tenant, the other party shall deliver to the party reasonably requesting it, a properly completed and executed Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification, or any successor form or any similar form and/or such other information or form from Landlord that is required by the Internal Revenue Service and/or by any other federal, state or local taxing authority having jurisdiction to require the furnishing of any form or information from time to time (or other evidence of Landlord's United States Social Security Number or Federal Employee Identification Number reasonably acceptable to Tenant), in order to allow the requesting party to make a payment under this Lease or any related agreement without any deduction or withholding for or on account of any tax, with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any required certification; however, to the extent such failure causes a backup tax withholding obligation to be imposed on Tenant, Tenant may withhold such amounts from any payments due to or for the benefit of Landlord under this Lease. The provisions of this Sub-Section shall be enforceable by an action for specific performance or an action for actual damages against any party failing to comply with its obligations hereunder.

NO CONTINUOUS OPERATION -

44. Anything in this Lease, express or implied, to the contrary notwithstanding, Landlord agrees that Tenant shall be under no duty or obligation, either express or implied, to open, or thereafter to continuously conduct, its business in the Premises at any time during the Term.

If Tenant does not open for business in the Premises within 180 days following the Date of Rent Commencement, or if after opening Tenant shall cease to operate its business in the Premises for more than 180 consecutive days, Landlord shall have the right, at any time thereafter, for as long as Tenant is not operating in the Premises, to terminate this Lease by giving Tenant 30 days' written

notice of such election; provided, however, if within 10 days of receipt of Landlord's notice of termination Tenant shall give written notice to Landlord of its intention to open or reopen for business in the Premises, as the case may be, prior to the end of such 30-day period, and provided that Tenant in fact opens or reopens for business before the end of such 30-day period, Landlord's notice of termination shall be void and of no effect. If Tenant does not give notice of its intention to open or reopen for business within 10 days of Landlord's termination notice, Tenant shall vacate the Premises and deliver possession thereof to Landlord in the condition required under Article 19 within 30 days of receipt of Landlord's notice of termination. Within 10 days following the date Tenant shall have vacated the Premises and delivered possession to Landlord in the required condition, and provided that Tenant is not then in default under the Lease, Landlord shall pay to Tenant an amount equal to the then unamortized cost of Tenant's Work and any other alterations or improvements made to the Premises by Tenant calculated consistently with GAAP or IRS rules as determined by Tenant, and this Lease shall so terminate. For the purpose of this paragraph, Tenant shall not be deemed to have ceased operating its business in the Premises if Tenant is closed temporarily for remodeling or due to any fire or casualty, or if Tenant is closed due to strike, lockout, inability to obtain merchandise or any other cause beyond the reasonable control of Tenant.

HAZARDOUS MATERIALS -

45. (a) (i) For the purposes hereof, the term "Hazardous Materials" shall include, without limitation, hazardous or toxic substances, wastes or materials, including oil and petroleum derivatives and products, asbestos, lead paint, radon, medical wastes, mercury containing fixtures and polychlorinated biphenyls (PCBs) and PCB containing equipment.

(ii) The term "Landlord's Affiliates" shall mean and refer to (i) any spouse, ancestor, descendant or sibling of Landlord; (ii) any corporation in which Landlord is or was an officer, director, or shareholder; (iii) any partnership in which Landlord is or was a partner; (iv) any trust which is or was for the benefit of Landlord or any spouse, ancestor, descendant or sibling of Landlord; (v) any limited liability company ("LLC") in which Landlord is or was a member or manager; (vi) if Landlord is a partnership, any partner of Landlord; (vii) if Landlord is a corporation, any officer, director or controlling shareholder of Landlord; (viii) if Landlord is an LLC, any member or manager of Landlord; and (ix) any other person or entity sharing common ownership with, or having an interest directly or indirectly in, Landlord.

(b) Tenant represents and warrants that, except as herein set forth, it will not use, store or dispose of any Hazardous Materials in the Project. Landlord agrees that Tenant may sell household and automotive cleaners and other chemicals (including motor oil) in standard retail containers as are commonly sold by supermarkets, discount stores, and/or drugstores. Additionally, Landlord agrees that Tenant may use such household cleaners and chemicals to maintain the Premises, and additional chemicals to perform on-site photo-processing. Storage of such chemicals is also permitted. Landlord and Tenant acknowledge that any or all of the cleaners and chemicals described in this paragraph may constitute Hazardous Materials. Notwithstanding any other provision of this Lease, Tenant may sell, use, store and dispose of same as herein set forth, provided that in doing so, Tenant complies with Laws.

(c) Landlord represents and warrants to Tenant that, to the best of Landlord's knowledge, as of the date on which Landlord shall deliver possession of the Premises to Tenant, the

Project shall be free from contamination by Hazardous Materials. If during the Evaluation Period Tenant determines that Hazardous Materials are present within the Project, Tenant shall promptly notify Landlord in writing of such contamination, and Tenant shall not be obligated to accept possession of the Premises until any Hazardous Materials found in or on the Project have been removed or remediated by Landlord in accordance with applicable Laws, and Landlord has supplied Tenant with a certificate from the appropriate governmental authority that such removal has been completed, and Landlord has restored the Project to a condition which permits the Intended Use of the Premises without restriction and otherwise in compliance with applicable Laws. Landlord further represents and warrants to Tenant that, to the best of Landlord's knowledge, there are not now and were not at any time during which Landlord or Landlord's Affiliates, tenants or subtenants had any interest in the Project, nor have there ever been, any above-ground or underground storage tanks located in, on or under the Project. In the event an underground storage tank is determined to exist in the Project, Tenant shall under no circumstances be deemed to be an owner or operator of such tank, and removal and remediation required by law in connection with such tank shall be performed by Landlord at Landlord's sole cost.

(d) If, at any time during the Term, Hazardous Materials shall be found in or on the Project, then:

(i) with regard to the presence or release of any Hazardous Materials caused by Landlord, its employees, agents or contractors, Landlord shall remove or remediate same to the extent required by Laws, and in compliance with Laws, and at Landlord's sole cost; and Landlord agrees to defend, indemnify, and hold each of Tenant and Guarantor harmless from and against any and all costs, damages, expenses, and/or liabilities (including reasonable attorneys' fees) which each of Tenant or Guarantor may suffer as a result of any claim, suit, or action regarding any such Hazardous Materials (whether alleged or real), and/or regarding the removal and remediation of same.

(ii) with regard to the presence or release of any Hazardous Materials caused by Tenant, its employees, agents or contractors, Tenant shall remove or remediate same to the extent required by Laws, and in compliance with Laws, and at Tenant's sole cost; and Tenant agrees to defend, indemnify and hold Landlord harmless from and against any and all costs, damages, expenses, and/or liabilities (including reasonable attorneys' fees) which Landlord may suffer as a result of any claim, suit, or action regarding any such Hazardous Materials (whether alleged or real), and/or regarding the removal and remediation of same.

(e) If, prior to the Date of Rent Commencement, any Hazardous Materials are found in or on the Project, and, as a result thereof, Tenant is interfered with in doing its work in the Premises or from opening for business, then, notwithstanding anything to the contrary herein, the Date of Rent Commencement will be delayed for a number of days equal to the number of days that Tenant is delayed from opening for business in the Premises, subject to the other provisions of this Lease. If the Date of Rent Commencement shall be so delayed for 6 months, then, at any time thereafter until such delay shall cease, Tenant may terminate this Lease upon 15 days' prior notice to Landlord.

(f) If, on or after the Date of Rent Commencement, Tenant is required to cease normal business operations in the Premises or a portion thereof as a result of the existence of Hazardous Materials caused by Landlord, its employees, agents or contractors, then, Tenant's rent and all other charges due hereunder shall abate, until Tenant is able to resume the normal operation of its business, subject to the other provisions of this Lease. If Tenant's rent and other charges shall be so abated for 6 months, then, at any time thereafter until such abatement shall cease, Tenant may terminate this Lease upon 15 days' prior notice to Landlord.

(g) Each of Landlord's and Tenant's obligations pursuant to this Article shall survive the expiration or earlier termination of this Lease.

TENANT'S INDEMNITY -

46. Except to the extent that such liability is caused by the negligence or tortious act or omission of Landlord, its agents, contractors, or employees, and subject to Article 12, Tenant shall defend, indemnify and hold Landlord harmless from all costs, expenses, claims or demands of whatever nature arising from the following:

(i) any willful, negligent or tortious act or omission on the part of Tenant, its agents, contractors, or employees; or

(ii) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Lease on its part to be performed or complied with.

In case any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon written notice from Landlord, shall, at Tenant's expense, resist or defend such action or proceeding. Tenant's obligations under this Article shall survive the expiration or earlier termination of this Lease.

LANDLORD'S INDEMNITY -

47. Except to the extent that such liability is caused by the negligence or tortious act or omission of Tenant, its agents, contractors or employees, and subject to Article 12, Landlord shall defend, indemnify and hold Tenant harmless from all costs, expenses, claims or demands of whatever nature arising from the following:

(i) any willful, negligent or tortious act or omission on the part of Landlord, its agents, contractors, or employees; or

(ii) any failure on the part of Landlord to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Lease on its part to be performed or complied with.

In case any action or proceeding is brought against Tenant by reason of any such claim, Landlord, upon written notice from Tenant, shall, at Landlord's expense, resist or defend such action

or proceeding. Landlord's obligations under this Article shall survive the expiration or earlier termination of this Lease

ESTOPPEL CERTIFICATE -

48. (a) Landlord and Tenant agree to deliver to each other, from time to time as reasonably requested in writing, within not less than 30 days after receipt of such request, an estoppel certificate certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), and the dates to which any rent due hereunder has been paid in advance, if any, together with such other information as Landlord or Tenant may reasonably require with respect to the status of the Lease and Tenant's use and occupancy of the Project. In the event Landlord requests that such certificate be delivered in less than fifteen (15) business days, Tenant reserves the right to charge \$750.00 for each certificate.

(b) Notwithstanding the foregoing, Tenant shall not be required to deliver an estoppel certificate in the case of any transfer of either the Project, or of a controlling interest in Landlord, unless and until Landlord provides Tenant with a properly completed and executed Form W-9 or any successor form or any similar forms and/or such other information and/or forms from Landlord that are required by the Internal Revenue Service and/or any other federal, state or local taxing authority having jurisdiction to require the furnishing of any form or information by Landlord from time to time (or other evidence of Landlord's United States Social Security Number or Federal Employer Identification Number) reasonably acceptable to Tenant.

MEMORANDUM OF LEASE -

49. Upon the request of either party hereto, Landlord and Tenant agree to execute a short form Memorandum of Lease in the form attached hereto as **Exhibit D**. Upon Tenant's request, Landlord shall record such Memorandum of Lease. As used herein, the term "Memorandum of Lease" shall mean a short form notice of lease, or declaration or similar document suitable to protecting Tenant's interest hereunder. Upon expiration or earlier termination of this Lease, Tenant shall execute, acknowledge and deliver to Landlord for recording a quitclaim deed to the Project or other instrument sufficient to remove the Memorandum of Lease from record title to the Project.

MISCELLANEOUS -

50. (a) This Lease shall be governed and construed in accordance with the laws of the state in which the Project is located.

(b) The headings of the Sections of Part I, and of the Articles of Part II, are for convenient reference only, and are not to be construed as part of this Lease.

(c) The language of this Lease shall be construed according to its plain meaning, and not strictly for or against Landlord or Tenant; and the construction of this Lease and of any of its provisions shall be unaffected by any argument or claim that this Lease has been prepared, wholly or in substantial part, by or on behalf of Tenant.

(d) If Tenant or Landlord is a corporation, limited liability company, or partnership, then Landlord and/or Tenant, as the case may be, each represents and warrants that each individual executing this Lease on behalf of such entity (in his/her representative capacity only) is duly authorized to execute and deliver this Lease on behalf of such entity and that this Lease is binding upon such entity, and that there are no impediments, contractual or otherwise, to such entity's full performance hereunder.

(e) This Lease shall be binding upon the parties hereto and shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Landlord and the successors and assigns of Tenant.

(f) In the event of any suit, action, or other proceeding at law or in equity (collectively, "action"), by either party hereto against the other, by reason of any matter arising out of this Lease, the prevailing party shall recover, not only its legal costs, but also reasonable attorneys' fees (to be fixed by the Court) for the maintenance or defense of said action, as the case may be.

(g) A waiver by either party of any breach(es) by the other of any one or more of the covenants, agreements, or conditions of this Lease, shall not bar the enforcement of any rights or remedies for any subsequent breach of any of the same or other covenants, agreements, or conditions.

(h) This Lease and the referenced exhibits set forth the entire agreement between the parties hereto and may not be changed or terminated orally or by any agreement unless such agreement shall be in writing and signed by the party against whom enforcement of such change or termination is sought.

(i) If any provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

(j) The submission of this Lease for examination does not constitute a reservation of or agreement to lease the Premises; and this Lease shall become effective and binding only upon proper execution and unconditional delivery thereof by Landlord and Tenant.

(k) Landlord shall cooperate with Tenant as reasonably required for Tenant to obtain its Permits, and thereafter for Tenant to obtain any licenses, approvals, permits, or other governmental authorizations as reasonably required for Tenant to operate its business in the Premises undertake any alterations of the Premises permitted hereunder; provided, however, in no event shall Landlord be obligated to incur (i) any costs or expenses in connection with its cooperation, and all such costs and expenses shall be paid by Tenant, or (ii) any indebtedness or monetary liabilities or obligations in connection with any such cooperation. Without limitation of any other provisions of this Lease, Tenant shall indemnify; defend and hold Landlord harmless for, from and against any and all liabilities, losses, damages, penalties, costs, expenses, causes of

action, suites, claims, demands or judgments of any nature whatsoever arising from or in connection with Landlord's cooperation under this Sub Section. Without limitation of the foregoing and provided Landlord incurs no liability therefor, Landlord shall, upon request of Tenant, execute any applications for liquor licenses business licenses, and other licenses and permits and provide any and all information requested by the licensing and/or permitting authority with respect to Landlord, its officers, directors, members, managers, partners and/or shareholders which may be required in order for the Tenant and any party claiming by, through or under Tenant to sell alcoholic beverages and other products and/or services at the Premises if and to the extent not prohibited by laws or matters of record; provided, that Tenant shall maintain such information as confidential and will only disclose such information as and to the extent required to obtain such licenses, approvals and permits.

(l) Wherever in this Lease Landlord or Tenant is required to give its consent or approval to any action on the part of the other, unless expressly provided to the contrary in this Lease, such consent or approval shall not be unreasonably withheld.

(m) Words of gender used in this Lease shall be deemed to include other genders, and singular and plural words shall be deemed to include the other, as the context may require.

(n) The term "force majeure" as used herein shall mean any delay incurred by a party because of matters beyond such party's reasonable anticipation and control such as strikes, walkouts or other labor disputes, acts of God, inability to obtain labor, materials or merchandise, governmental restrictions, regulations or controls, judicial orders, war, riot, abnormal delays in obtaining required governmental permits, fire or other casualty, inclement weather (provided, that reasonable delays due to seasonal inclement weather shall not be deemed sufficient cause to further delay any date, and shall be deemed foreseeable) and other causes (except financial) beyond the reasonable control of the party obligated to perform.

(o) Any use herein the phrase "to the best of Landlord's knowledge" shall be deemed limited to the current, actual knowledge of Kent Jeffrey without imputation of knowledge of any other employee, contractor or agent of Landlord or Landlord's Affiliates. Landlord represents that Kent Jeffrey is an individual within Landlord's organization having personal knowledge of the matters contained herein that are stated to be to Landlord's knowledge.

(p) Time is of the essence of this Lease and each and every provision hereof, except as may be expressly provided otherwise.

51. COUNTERPARTS

This Lease may be executed in separate counterparts, each of which shall be an original and all of which shall be deemed to be one and the same instrument. This Lease shall be effective only upon receipt by each of the parties of a counterpart of this Lease bearing the original signature of the other party.

52. DETERMINATION OF FAIR RENTAL VALUE.

CV5

If Tenant exercises the Second Renewal Option in accordance with Article 3 of Part II hereof, Landlord and Tenant shall endeavor to reach an agreement on the Fair Rental Value of the Premises for the Second Extension Period. If Landlord and Tenant are unable to agree on a Fair Rental Value within a period of 30 days following Tenant's exercise, then the parties hereto shall each appoint a real estate appraiser for the purpose of establishing the Fair Rental Value of the Premises. The two appraisers shall appoint a third appraiser within an additional 30 day period. Each of the appraisers shall have not less than 5 years continuous years of experience immediately prior to his appointment appraising similar commercial properties in San Francisco, California, and shall not have previously worked for either of the parties hereto prior to his appointment. The three appraisers shall each independently determine the Fair Rental Value for Premises within thirty (30) days of the appointment of the third appraiser. The average of the three (3) appraisals shall be deemed the "Fair Rental Value" of the Premises. The term "Fair Rental Value" as used herein shall mean the fixed minimum rental rate that would be paid by new, non-renewal tenants having a net worth comparable to CVS Caremark Corporation, under leases negotiated at arm's length, with substantially the same term of years and with substantially the same renewal options then remaining under the Lease, having no free rent period or Tenant improvement allowance or Landlord construction costs, with co-tenants comparable to those then occupying the Project, for space of comparable size and quality in similar developments, in similar neighborhoods, with similar parking and other amenities, located in San Francisco, California. In no event shall the Fair Market Rent for the Second Extension Period be less than the Fixed Rent in effect immediately prior to commencement of the Second Extension Period. The parties shall each pay the fees and costs of the appraiser appointed by them, and the fees and costs of the third appraiser shall be divided evenly between the parties. If for any reason the Fixed Rent for the Second Extension Period has not been determined prior to the commencement date thereof, Tenant shall continue to pay Fixed Rent at the rate in effect immediately prior to such commencement date, and Tenant shall pay the shortfall, if applicable, promptly following determination of such Fixed Rent.

(Signatures appear on the following page)

CVS

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease on the day and year first above written.

LANDLORD:

MARKET & NOE CENTER
a California limited partnership

BY: Kent Jeffrey
NAME: Kent Jeffrey
TITLE: General Partner

TENANT:

GARFIELD BEACH CVS, L.L.C.
a California limited liability company

BY: _____
NAME: Mark J. Miller
TITLE: Vice President

CVS LEGAL APPROVAL: _____

CVS

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease on the day and year first above written.


LANDLORD:

MARKET & NOE CENTER
a California limited partnership

BY: _____
NAME: Kent Jeffrey
TITLE: General Partner

TENANT:

GARFIELD BEACH CVS, L.L.C.
a California limited liability company

BY:  _____
NAME: Mark J. Miller
TITLE: Vice President

CVS LEGAL APPROVAL: KLD

EXHIBIT A

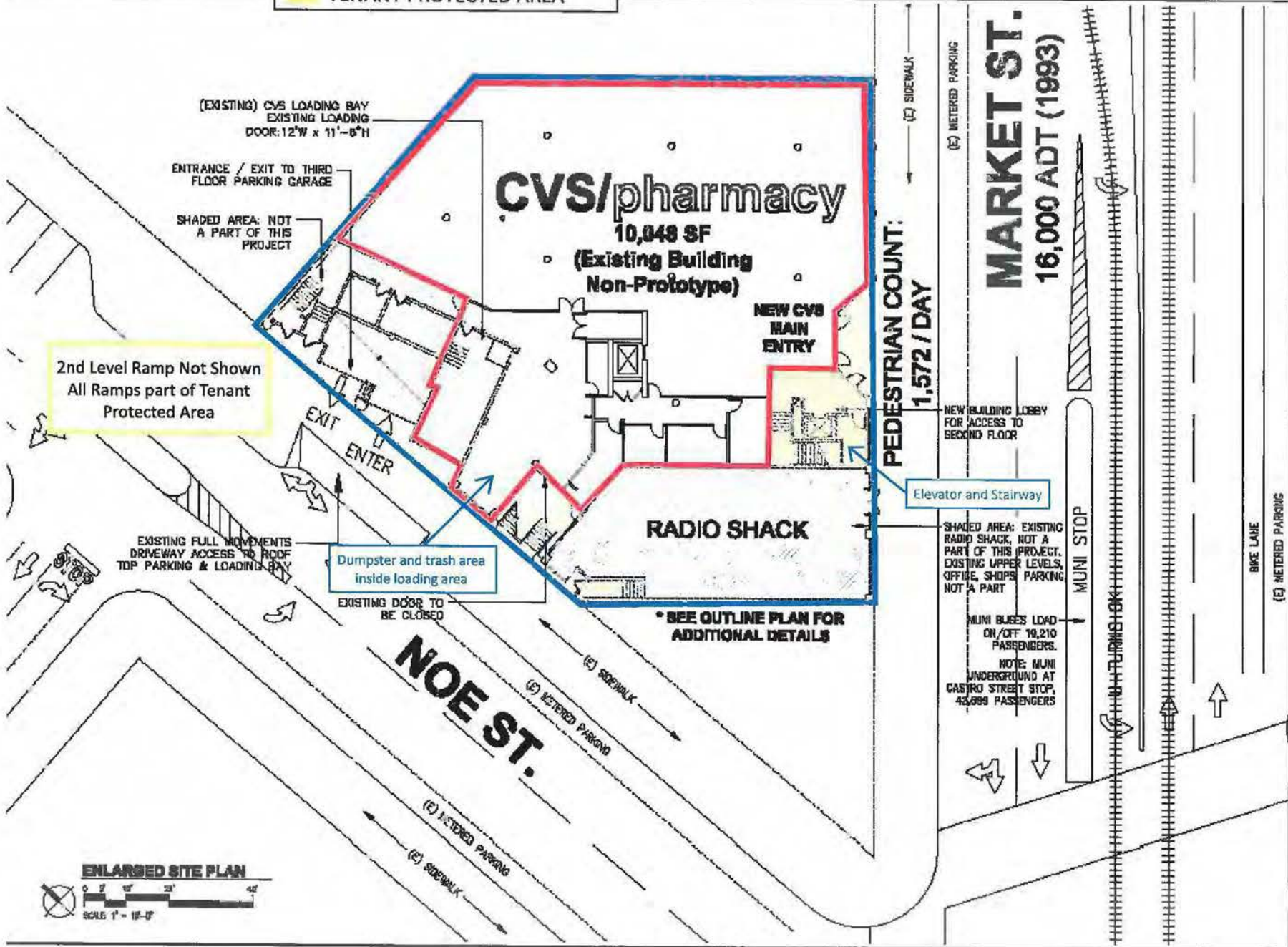
SITE PLAN

CVS

PROJECT PROPERTY / BUILDING (Blue outline)

CVS PREMISES (Red outline)

TENANT PROTECTED AREA (Yellow outline)



EXISTING BUILDING NON-STANDARD
 STONE NUMBER: TBD
 1001 MARKET ST., 3RD FL. E.
 SAN FRANCISCO, CALIFORNIA
 PROJECTING
 DEN. 175-AD-9
 CA PROJECT NUMBER: 05148

ARCHITECT OF RECORD

CONSULTANT:
 TAIT
 INC.

DEVELOPER:
 LANDMARK RETAIL GROUP
 5000 CANTON AVENUE
 SUITE 150
 DUBLIN, CALIFORNIA 94568
 TEL: (916) 533-4400
 FAX: (916) 533-4422

SEAL:

REMARKS:

DESIGNER: O.D.V.2
 DATE: 8/20/11
 JOB NUMBER: 05148

ENLARGED SITE PLAN AREA
 SHEET NUMBER: **SK-1**

NOT BEARING FOR IDENTIFICATION

EXHIBIT A-1

LEGAL DESCRIPTION OF PROJECT

CVS

EXHIBIT "A-1"

(Legal Description)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING at a point on the northwesterly line of Market Street, distant thereon 60 feet northeasterly from its intersection with the easterly line of Noe Street; running thence northeasterly along said line of Market Street 125 feet; thence at a right angle northwesterly 100 feet, more or less, to the intersection with a line extended parallel with the southerly line of 15th Street from a point on the easterly line of Noe Street, which is distant 262 feet, 6 inches southerly from the intersection of said southerly line of 15th Street and said easterly line of Noe Street; thence westerly and parallel with said southerly line of 15th Street 80 feet, more or less, to the easterly line of Noe Street; thence southerly along said line of Noe Street 101 feet, 3-3/4 inches, more or less, to a point thereon which is distant 92 feet and 4 inches northerly from the intersection of said easterly line of Noe Street and northwesterly line of Market Street; thence southeasterly 70 feet, 3 inches, more or less, to the point of beginning.

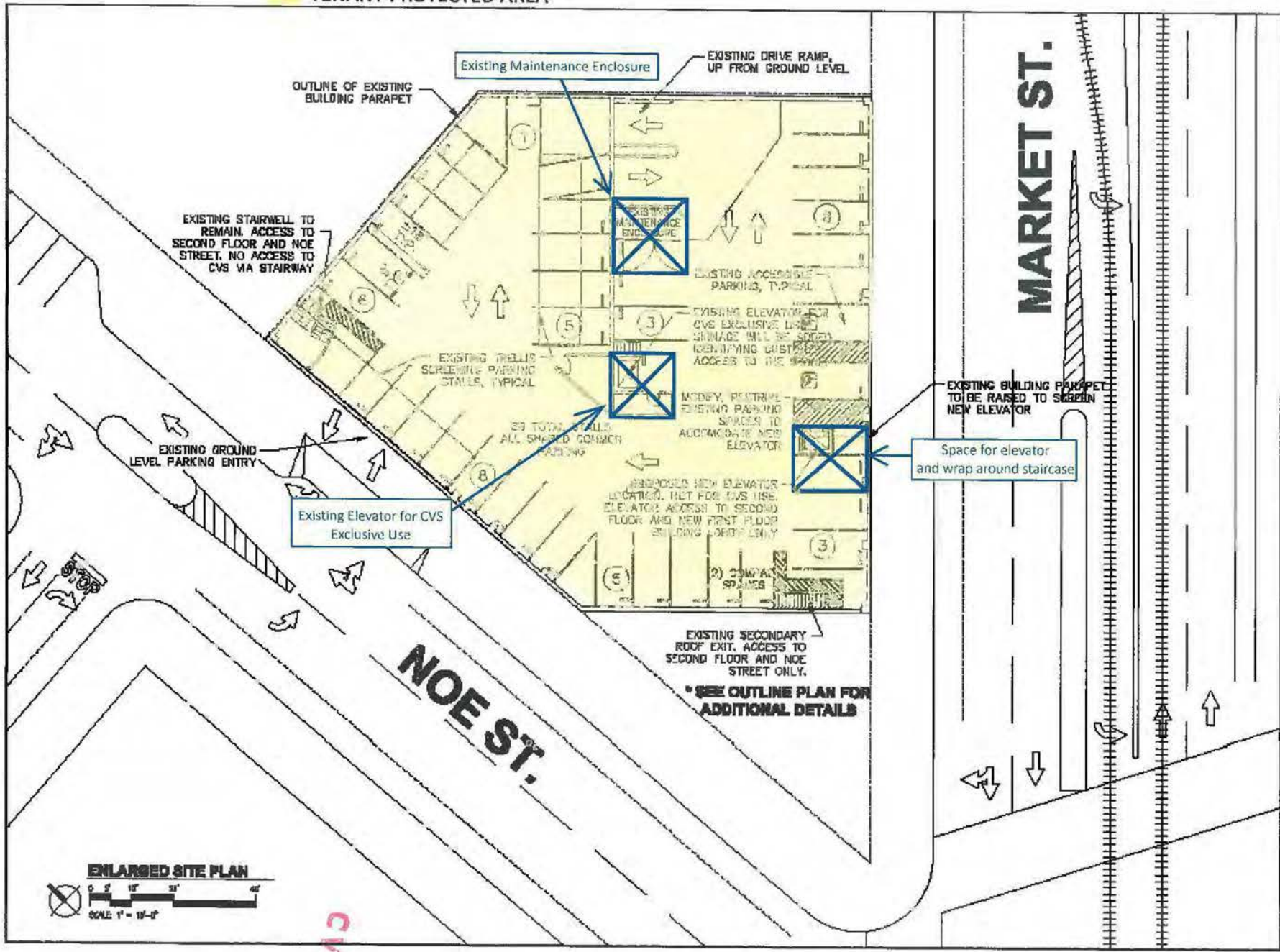
BEING portion of Mission Block No. 102.

APN: Lot 013, Block 3560

CVS

EXHIBIT A-2
DRAFT PARKING PLAN

TENANT PROTECTED AREA



CVS
pharmacy

EXISTING BUILDING
NON-STANDARD

WORK NUMBER: TED

2221 MARKET ST., 9TH FLOOR
SAN FRANCISCO, CALIFORNIA
PROJECT #10
DATE: 7/25/11

CD PROJECT NUMBER: 0345

ARCHITECT OF RECORD:

CONSULTANT:
TAIT

DEVELOPER:
LANDMARK RETAIL GROUP
2000 CANCER AVENUE
SUITE 650
WOODLAND HILLS, CA 91367
TEL: (818) 225-4410
FAX: (818) 225-4422

REAL:

REVISIONS:

DESIGNED BY:	CLERIC
DATE:	8/29/11
JOB NUMBER:	00000
TITLE:	EXISTING ROOF TOP PARKING
DRAWING NUMBER:	SK-3
COMMENTS:	NOT REVISIONED FOR OBSOLETION



CVS

EXHIBIT A-3 (1)
DRAFT

On Noe Street, Tenant may apply for signage and directional signage for parking



1 EXISTING CONDITIONS
SCALE: N.T.S.

NOTE:
UPON RECEIPT OF DETAILED ARCHITECTURAL SHEETS, WE WILL
AMEND THIS ELEVATION & REFLECT SIGNAGE ACCORDINGLY

ACCORDING TO WRITTEN CODE,
"Photo" MAY BE ALLOWED BUT
SUBJECT TO DISCRETIONARY
REVIEW BY PLANNER.



2 PROPOSED SIGNAGE
APPROXIMATE SCALE: 3/32" = 1'-0"

CVS

Signage
100 West Avenue Street
Loma Beach, California
92039-0154
Phone: 762.496.3665
Facsimile: 762.452.1467
www.signage.com

Project
CVS/pharmacy

Address
2300 MARKET ST.
SAN FRANCISCO, CA
94114

Account Manager
Patricia Chappard

Contract
SALES/PROJ/2014/03.30

Subj: **AS NOTED**

Contract No: **11-01-30-50-01**

Date: **08.28.11**

Proj. No:

- Revisions
- 19 AUGUST 2011 (1)
 - 20 AUGUST 2011 (2)
 - 22 AUGUST 2011 (3)
 - Update per plan
 - 20 AUGUST 2011 (2)
 - Change window shape
 - 20 AUGUST 2011 (1)
 - Add photo to elevation
 - 20 AUGUST 2011 (2)
 - edit per comments

APPROVAL

FOR JOB ORDER DATE

Acc. Mgr

FOR SPEC. ONLY DATE

Acc. Mgr

Design

FOR SPEC. ONLY DATE

Acc. Mgr

Page 06 of 10

This is a preliminary drawing unless otherwise indicated. It is intended for your approval. It shall be used for the purpose of securing permits and for the purpose of preparing construction documents. It shall not be used for construction. It shall not be used for any other purpose. It shall not be used for any other purpose. It shall not be used for any other purpose.

© 2011

EXHIBIT A-3 (2)
DRAFT



1 EXISTING CONDITIONS
SCALE N.T.S.



2 PROPOSED SIGNAGE
APPROXIMATE SCALE: 1/4" = 1'-0"

100 Webster Street
San Francisco, CA 94102
Ph: 415.774.1000
Fax: 415.774.1000
www.cvs.com

Project:
CVS/pharmacy
Address:
2260 MARKET ST.
SAN FRANCISCO, CA
94114

Account Manager:
Paula Stangor
City:
SAN FRANCISCO, CA
State:
CA
Country:
US
Order No.:
11-09-038-03
Order Date:
06/28/11
Product:
PHARMACY SIGNAGE
Material:
ALUMINUM
Finish:
WHITE
Color:
WHITE
Notes:
- See attached drawings for details

APPROVALS:
FOR JOB ORDER: **MARK**
Date: **6/27/11**
FOR COMPLETION: **MARK**
Date: **6/27/11**
Project:
FOR INSTALL: **MARK**
Date: **6/27/11**

Page: 01 of 18
This is not a contract. It is a request for information only. The information provided here is for informational purposes only. It is not intended to be a contract. The information provided here is for informational purposes only. It is not intended to be a contract. The information provided here is for informational purposes only. It is not intended to be a contract.

EXHIBIT B

Tenant's Work and Construction Specifications

1. Demolition, removal and disposal related to Tenant's Work, including but not limited to the existing stairwell, demising and interior walls, and previous floor finishes.
2. Concrete: Slab modification to enclose existing atrium and add new stairwell and new elevator core.
3. New Elevator Shaft.
4. New Elevator with standard retail interior finish.
5. Market Street Façade work in order to accommodate new entry for elevator access and CVS, all doors, frames and hardware in a location per Tenant's plans. The new storefront should harmonize with the architecture of the existing Building or as modified per the approval of the Planning Commission during the CU process. One-inch insulated glass shall be used on any new or replacement storefront.
6. Finishes: All Walls within new elevator lobby Taped, Textured and Painted, Lighting, Finished Ceiling, Flooring for Tenant's space and elevator lobby to be consistent material per Tenant's Plans
7. Upgraded Electrical Panel to accommodate new elevator load
8. ADA Requirements triggered by Tenant's Work and CUP, including the removal and replacement of the sidewalk at entry for access
9. Rooftop Parking Improvements: Restriping and Reconfiguration/Improvements related to new elevator access. Must not degrade the waterproofing membrane on the roof.
10. Fire Life Safety Upgrades triggered by Tenant's Work
11. All Seismic and Structural upgrades triggered by Tenant's Work and CUP
12. All City of San Francisco Permit, Fee and Inspection costs triggered by Tenant's Work and CUP
13. All temporary utility costs that might be required
14. All MEPS upgrades triggered by Tenant's Work and CUP
15. Landscaping required by the City, triggered by Tenant's Work and CUP Request

CVS

16. New Street Trees and/or Bicycle Racks, if required by the City or triggered by Tenant's Work and CUP Request

17. Radio Shack Bathroom: Tenant shall furnish a bathroom in the location noted on Exhibit A if and only if (a) it can easily be accommodated in Tenant's plans, and (b) the added SF of usable areadoes NOT trigger additional approvals. The hard and soft cost associated with this bathroom shall be reimbursed by Landlord to Tenant in the form of an offset from first rents due from Tenant to Landlord.

18. All Tenant's Work Plans and Specifications must be approved by the Landlord, not to be unreasonably withheld, conditioned or delayed. If Tenant's plans are not deemed complete within ten (10) business days after receipt by Landlord, they shall be deemed approved. Minor changes subsequent to Landlord's approval shall not require a further approval from Landlord unless the change affects common building systems or elevations.

19. All Tenant's Work Plans and Specifications must meet all requirements of authorities having jurisdiction.

CVS

EXHIBIT C

LANDLORD'S WORK

Tenant understands that except for the items detailed in this Exhibit "C", Landlord is delivering the Premises to Tenant in its current "AS IS" condition, with all faults. Tenant acknowledges that subject to Section 2 of the Lease and the completion of Landlord's Work, it has inspected the Premises or caused the same to be inspected and is satisfied with the physical condition thereof.

Landlord shall, at its sole cost, perform the following work (collectively "Landlord's Work"):

1. Building Shell. Remediation of Hazardous Materials, if any, is subject to the provisions of Part II, Section 2(b)(iii).
2. Utilities and Mechanical.
 - a. DOMESTIC WATER SERVICE: 2" domestic water supply line(s) to the Premises capable of minimum 70gpm to accommodate all applicable appurtenances including, but not limited to, photo lab sink, break room, pharmacy, and restrooms, at locations specified on the CVS plans and specifications.
 - b. SANITARY SEWER SERVICE: 4" sanitary sewer line(s) to the Premises to accommodate all applicable appurtenances including, but not limited to, photo lab sink, break room, pharmacy, walk-in cooler floor drain(s), and restrooms, at locations specified on CVS plans and specifications.
 - c. FIRE PROTECTION: 6" fire service to the Premises for distribution by Tenant, but only if required by City.
 - d. HVAC/ EMS SYSTEM: Tenant to provide units and distribution, however, Landlord to provide a location to accommodate structurally designed area on Landlord's building roof for five (5) condensing units for walk-up cooler as shown on the CVS plans and specifications, and two (2) 1" conduits per unit to the roof (Landlord and Tenant to determine system and space to accommodate Tenant).
 - e. ELECTRICAL SERVICE: Provide electrical panel to accommodate single meter socket, feed, and a minimum 800-amp, 3-phase, 4-wire, 120 / 208 volt service with location and meter per CVS Power Plan as shown on CVS plans and specifications. Meter for CVS space to be sub-metered from all other building meters. (Tenant to determine adequacy of existing system during the Evaluation Period).
 - f. NATURAL GAS: Piping system delivering 900CFH to Tenants Premises stubbed in a location determined by Tenant (Tenant to determine adequacy of existing system during the Due Diligence Period)

g. SIGN CIRCUITS: One (1) empty 3/4" conduit with pull string from electrical service routed through EMS system to each exterior sign fascia, terminating at a junction box at location(s) as specified on the CVS plans and specifications.

h. TELEPHONE/CABLE: Two (2) empty 4" conduit with pull string from central point of telephone service to the Premises per CVS plans and specifications.

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EXHIBIT D

MEMORANDUM OF LEASE

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MEMORANDUM OF LEASE AND COVENANT RUNNING WITH THE LAND

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

Kristine L. Donabedian, Esq.
CVS Caremark Corporation
One CVS Drive
Woonsocket, RI 02895

MAIL TAX STATEMENTS TO:

CVS Caremark
One CVS Drive
Woonsocket, RI 02895
Attn: Store Accounting Store No. #10036

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Notice is hereby given of the Lease hereinafter described

PARTIES TO LEASE:

LANDLORD: Market & Noe Center, a California limited partnership

TENANT: Garfield Beach CVS, L.L.C., a California limited liability company

DATE OF EXECUTION OF LEASE: _____, _____.

TERM OF LEASE: Fifteen (15) Years

The term shall commence upon delivery of the Premises to Tenant as set forth in the Lease.

DESCRIPTION OF LEASED PREMISES:

Landlord hereby leases to Tenant the premises consisting of approximately 9,499 square feet within a Building located on a certain property situated at the northeast corner of Market Street and

CVS

Noe Street in the City of San Francisco, County of San Francisco, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Project").

OPTIONS TO EXTEND LEASE:

The Lease, at the option of the Tenant exercised by written notice to the Landlord, given not less than one hundred and eighty (180) days prior to the expiration of the initial term or the expiration of any extension period may be extended for six (6) immediately successive periods of five (5) years each.

EXCLUSIVE RIGHTS:

The Lease provides that neither Landlord nor any of its officers, directors, trustees, individual members or partners shall lease any space in the Project (excluding the Premises) a store offering one-hour or other on-site photo processing, including, without limitation, digital photo processing, a pharmacy mail order facility, a drug store, a pharmacy prescription department, a retail health center, and for the following uses:

- The off-sale of beer, wine or spirits provided, however, that one (1) first class wine-oriented specialty merchant that is (a) nationally or regionally branded such as Beverages and More, Total Wines or similar, or (b) a high end wine merchant even if not branded, shall be allowed,
- A greeting card store, or for the sale of greeting cards, excluding incidental sales,
- Vitamins and health supplements, excluding incidental sales,
- A candy store provided, however, that either one (1) specialty candy store selling primarily one brand of chocolates such as, but not limited to, See's or Godiva shall be permitted to operate in the Project so long as such store is not greater than two thousand (2,000) square feet of floor area or one (1) candy store which carries a mix of non-specialty and specialty candy items such as Powell's Sweet Shop shall be permitted to operate in the Project so long as such store is not greater than two thousand (2,000) square feet limitation and the overlap with the selection of candy typically sold in the majority of Tenant's other stores then operating in San Francisco, California, does not exceed five percent (5%) of the store's leasable area,
- A convenience store, such as, but not limited to, Seven-Eleven or Circle K,
- Health and beauty aids, excluding incidental sales, and
- A Dollar Store (as used herein, "Dollar Store" would mean a discount, 99 cents store or "dollar" store which sells general merchandise, including by way of example and not in limitation, stores such as "Fred's", "Big Lots", "99 Cents Only", "Dollar Store", "Dollar General" or "Family Dollar").

USE RESTRICTIONS:

The Lease provides that no space in the Project will be leased or used for the following purposes: a pinball, video game, or any form of entertainment arcade; a gambling or betting office, other than for the sale of lottery tickets; a massage parlor (except as set forth below); a cinema,

CVS

theatre, a bowling alley; a roller skating or ice skating rink; a billiards parlor or pool hall (except as set forth below); a firearms shooting range or any other use which creates or causes excessive noise; a health club or exercise salon (except as set forth below); any type of educational or vocational institution (except as set forth below); a flea market; a warehouse; a facility which performs on-site dry cleaning; a gas station; a facility which performs on-site auto repair.

The Lease further provides that no space in the Project will be used for the following purposes unless Landlord provides a system wherein Tenant for itself and its invitees will at all times have exclusive use of at least fifty percent (50%) of the parking spaces in the Parking Areas during Tenant's operating hours: educational/vocational institution, offices, first class health club or exercise salon, first class massage parlor such as Massage Envy, first class day spa such as Berke Williams, a first class billiards or pool hall.

TENANT PROTECTED AREA:

The Lease provides that the layout of the Project shown on Exhibit A-1 will be substantially adhered to so as to maintain the position of the Building, Parking Areas, curbcuts, traffic patterns, and roadways and passageways.

Landlord may make minor, non-material modifications to the Project layout. However, unless Landlord first shall obtain Tenant's consent, which consent shall not be unreasonably withheld or delayed, there will be no changes in the location, shape or dimensions of the Premises, and there will be no change in the Project layout which would have a material, adverse effect on the accessibility to the Premises from the Parking Areas or from the public streets and roadways bordering the Project, or the visibility of Tenant's signs or storefront(s); except as required by Laws, Landlord shall not place any kiosks, planters, trees, shrubs, stairs, or other obstructions in any place in front of the Premises; Landlord shall not permit any vertical or horizontal projection (other than Tenant's signs) on the Building which will abstract the visibility of any Tenant sign or storefront; and Landlord shall not permit any sign to be placed on the Premises exterior walls, except for Tenant's signs.

MISCELLANEOUS:

This instrument is only a brief summary of certain provisions for the purpose of giving notice of the Lease and is not deemed to amend the Lease in any respect. This instrument shall be a covenant running with the land and shall be binding upon successors and assigns. Reference is hereby made to the Lease for a more complete description of the terms.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum of Lease as of this _____ day of _____, 20_____.

LANDLORD:
MARKET & NOE CENTER

By: _____
Name: _____
Title: _____

TENANT:
GARFIELD BEACH CVS, L.L.C.

By: _____
Name: Mark J. Miller
Title: Vice President

CVS LEGAL APPROVAL: _____

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ACKNOWLEDGEMENTS

STATE OF _____)
) **SS:**
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF _____)
) **SS:**
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

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EXHIBIT A

(Legal Description of Project)

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EXHIBIT A-1

(Description of Project)

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EXHIBIT E

EXISTING EXCLUSIVES

NONE

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EXHIBIT F

EXISTING LEASES

Lease between Market & Noe Center, a California limited partnership ("Landlord"), and Tandy Corporation, a Delaware Corporation ("Tenant"), dated May 21, 1988, as amended by Lease Extension Agreement, with signature date of August 18, 1998, as further amended by letter agreement dated October 21, 2003.

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GUARANTY

THIS GUARANTY OF LEASE ("Guaranty") is made as of January 4, 2012 ("the Effective Date") by CVS CAREMARK CORPORATION, a Delaware corporation ("Guarantor"), having its office at One CVS Drive, Woonsocket, Rhode Island 02895, in favor of MARKET & NOE, LLP, a California limited partnership ("Landlord"), with reference to the following facts:

A. Landlord and Garfield Beach CVS, L.L.C., a California limited liability company ("Tenant") desire to enter into a lease dated January 4, 2012 (the "Lease"), concerning the premises located at 2280 Market Street, San Francisco, California, as more particularly described in the Lease (the "Premises");

B. Guarantor has a financial interest in Tenant; and

C. Landlord would not execute the Lease if Guarantor did not execute and deliver to Landlord this Guaranty.

NOW, THEREFORE, in consideration of the execution of the foregoing Lease by Landlord and as a material inducement to Landlord to execute the Lease, Guarantor hereby guarantees to Landlord, its successors and assigns, the payment of the rent reserved in the within Lease and all other sums payable by Tenant thereunder and the performance by Tenant of its covenants and agreements therein contained, and further agrees as follows:

1) Guarantor hereby expressly waives notice of all defaults, and hereby waives all suretyship defenses.

2) This Guaranty is a continuing guarantee under which Landlord may proceed immediately against Tenant and/or against Guarantor following any breach or default by

Tenant or for the enforcement of any rights which Landlord may have as against Tenant under the terms of the Lease or at law or in equity. This Guaranty is a guaranty of payment and performance and not of collection, and is not conditioned or contingent upon the pursuit by Landlord of any remedies which it now has or may hereafter have with respect thereto, at law, in equity or otherwise. Guarantor recognizes that there are some obligations and liabilities of Tenant under the Lease that survive the termination of the Lease and that this Guaranty shall, subject to the applicable statute of limitations, continue in effect until all of Tenant's obligations under the Lease have been satisfied.

3) Guarantor agrees that the waiver of any rights by Landlord against Tenant arising out of defaults by Tenant, shall not in any way modify or release the obligations of Guarantor.

4) Guarantor hereby subrogates all existing or future indebtedness of Tenant to Guarantor to the obligations owed to Landlord under the Lease and this Guaranty.

5) The obligations of Guarantor hereunder shall not be altered, limited or affected by any case, voluntary or involuntary, involving the bankruptcy or insolvency of Tenant or any defense which Tenant may have by reason of an order, decree or decision of any court or administrative body resulting from any such case. Landlord shall have the sole right to accept or reject any plan on behalf of Guarantor proposed in any case, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Tenant and to take any other action which Guarantor would be entitled to take in such case, including, without limitation, the decision to file or not file a claim, provided that such rights of Landlord shall only persist until such time as the obligations to Landlord under the Lease and this Guaranty are fully satisfied.

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6) The term "Landlord" refers to and means the Landlord named in the Lease and also Landlord's successors and assigns whether by outright assignment or by an assignment for security purposes. The term "Tenant" refers to and means the Tenant named in the Lease and also any assignee of Tenant's interest in the Lease or sublessee of Tenant subject to Section 9 below.

7) If either party hereto brings an action at law or in equity to enforce, interpret or seek redress for the breach of this Guaranty, then the prevailing party in such action shall be entitled to recover all court costs, witness fees and reasonable attorneys' fees, at trial, arbitration or on appeal in addition to all other appropriate relief.

8) This Guaranty shall be governed by and construed in accordance with the laws of the State of California, and in a case involving diversity of citizenship, shall be litigated in and subject to the jurisdiction of the courts of California.

9) This Guaranty, the Lease and all amendments and modifications thereto, except as set forth in the Lease or in any such amendment or modification; shall be binding upon the Guarantor; except that Guarantor shall not be liable for any increase in Tenant's obligations resulting from amendments to the Lease occurring after any assignment of the Lease to a non-affiliated third party.

10) This Guaranty shall inure to the benefit of the Landlord, and its heirs, legal representatives, successors and assigns; and shall be binding on the Guarantor and its successors and assigns.

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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed by its duly authorized officer at Woonsocket, Rhode Island, as of this 4th day of January, 20 12

GUARANTOR:
CVS CAREMARK CORPORATION

BY: 

ZENON LANKOWSKY
SECRETARY

CVS LEGAL APPROVAL 

CVS

Project Update/Timeline Exhibit

CVS Store #: _____

Location: _____

Project Update Comments

Timeline	Projected Date	Actual Date
<i>Zoning Approval (if req'd)</i>		
Zoning Submittal Date		
ZBA Hearing		
Final Approval		
	Projected Date	Actual Date
<i>Site Plan Approval</i>		
Site Plan Submittal Date		
Plan Commission Hearing		
City Council Hearing		
Final Approval		
	Start	Finish
<i>Architectural Plans</i>		
<i>Civil Plans</i>		
	Submit	Receive
<i>Permits</i>		
LDP		
Grading		
Demo		
Building		
Other/Site Specific		
	Start	Completion
<i>Construction</i>		
<i>LL Turnover</i>		

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EXHIBIT T-1
NOTICE OF TRANSFER OF FEE INTEREST¹

[MONTH, DATE OF NOTICE], 20[]

VIA CERTIFIED MAIL

[NAME OF THE CURRENT CVS TENANT]

c/o CVS Realty Co.

One CVS Drive

Woonsocket, RI 02895

Attn: Manager, Lease Administration

Store No. []

Re: [Amended and Restated]² Lease by and between [NAME OF THE ORIGINAL LANDLORD³ NAMED IN THE LEASE] and [NAME OF THE ORIGINAL CVS TENANT⁴ NAMED IN THE LEASE] dated as of [MONTH, DATE OF LEASE], 20[] (the "Lease"), covering certain real property situated at [STREET ADDRESS], [CITY], [STATE] (the "Leased Property")

To [NAME OF THE CURRENT CVS TENANT] (the "CVS Tenant"):

You are hereby advised that the [individual][legal entity]⁵ that is currently the Landlord of the above-referenced Leased Property (the "Current Landlord") has transferred all [his][her][its]⁶ right, title and interest in and to the Leased Property effective [MONTH, DATE OF TRANSFER], 20[].

Please note the following relevant information regarding the above-referenced transfer:

1. Full legal name of the new **owner** of the Leased Property (the "New Landlord"):
[LEGAL NAME OF NEW LANDLORD]
2. Pursuant to Section [27 of Part II] of the Lease, please be advised that all future notices, demands, requests, consents, approvals, offers, statements and other instruments or communications directed to New Landlord under the Lease should be sent to the following address:

¹ This Notice of Transfer **must** be accompanied by a properly completed Form W-9

² Use this format, if applicable

³ Use the name of the original Landlord named in the Lease, if different from the "Current Landlord" (as defined herein)

⁴ Use the name of the original CVS tenant named in the Lease, if different from the "CVS Tenant" (as defined herein)

⁵ Choose one

⁶ Choose one

**[LEGAL NAME OF NEW LANDLORD]
 [c/o [NAME OF ADDRESSEE]]
 [STREET ADDRESS]
 [CITY], [STATE] [ZIP CODE+4]
 Attention: [NAME OF CONTACT INDIVIDUAL]
 Telephone No.: [CONTACT INDIVIDUAL'S TEL. NO.]
 Facsimile No.: [CONTACT INDIVIDUAL'S FAX NO.]**

If you have any questions regarding the contents of this letter, please do not hesitate to contact [NAME OF CONTACT INDIVIDUAL] at the address or telephone number specified above.

IN WITNESS WHEREOF, the undersigned have executed this Notice of Transfer as of the date first written above.

[LEGAL NAME OF CURRENT LANDLORD]

By: _____
 Its: _____

[LEGAL NAME OF NEW LANDLORD]

By: _____
 Its: _____

STATE OF _____ §
 § ss.
 COUNTY OF _____ §

I, _____, a notary public in and for said county in said state, hereby certify that _____, whose name as the _____ of _____, a _____, is signed to the foregoing instrument, acknowledged before me on this day that, being informed of the contents of such instrument, he/she as such officer and with full authority, executed the same voluntarily for and as the act of said _____.

Given under my hand and official seal this _____ day of _____, 20__.

[Notary Seal]

 Notary Public
 My commission expires: _____

cc: CVS Pharmacy, Inc.
One CVS Drive
Woonsocket, Rhode Island 02895
Attention: Mark A. Barnabe, Tax Manager, Tax Department

[NAME AND ADDRESS OF LENDER]

CVS

EXHIBIT T-2

NOTICE OF TRANSFER OF EQUITY INTERESTS IN LANDLORD⁷

[MONTH, DATE OF NOTICE], 20[]

VIA CERTIFIED MAIL

[NAME OF THE CURRENT CVS TENANT]

c/o CVS Realty Co.

One CVS Drive

Woonsocket, RI 02895

Attn: Manager, Lease Administration

Store No. []

Re: [Amended and Restated]⁸ Lease by and between [NAME OF THE ORIGINAL LANDLORD⁹ NAMED IN THE LEASE] and [NAME OF THE ORIGINAL CVS TENANT¹⁰ NAMED IN THE LEASE] dated as of [MONTH, DATE OF LEASE], 20[] (the "Lease"), covering certain real property situated at [STREET ADDRESS], [CITY], [STATE] (the "Leased Property")

To [NAME OF THE CURRENT CVS TENANT] (the "CVS Tenant"):

You are hereby advised that the direct or indirect owner of the equity interests (the "Current Equity Owner") in the legal entity that is currently the Landlord of the above-referenced Leased Property (the "Property Owner") has assigned all such equity interests in and to the Property Owner to [LEGAL NAME OF ASSIGNEE] (the "Assignee") effective [MONTH, DATE OF ASSIGNMENT], 20[].

Please note the following relevant information regarding the above-referenced transfer:

1. Full legal name of the Property Owner: [LEGAL NAME OF PROPERTY OWNER]
2. Full legal name of the Current Equity Owner: [LEGAL NAME OF CURRENT EQUITY OWNER]
3. Full legal name of the Assignee of the equity interests: [LEGAL NAME OF ASSIGNEE]
4. Pursuant to Section 27 of Part II of the Lease, please be advised that all future notices, demands, requests, consents, approvals, offers, statements and other instruments or

⁷ This Notice of Transfer **must** be accompanied by a properly completed Form W-9

⁸ Use this format, if applicable

⁹ Use the name of the original Landlord named in the Lease, if different from the "Property Owner" (as defined herein)

¹⁰ Use the name of the original CVS tenant named in the Lease, if different from the "CVS Tenant" (as defined herein)

CVS

communications directed to Landlord under the Lease should be sent to the following address:

[LEGAL NAME OF PROPERTY OWNER]
[c/o [NAME OF ADDRESSEE]]¹¹
[STREET ADDRESS]
[CITY], [STATE] [ZIP CODE+4]
Attention: **[NAME OF CONTACT INDIVIDUAL]**
Telephone No.: **[CONTACT INDIVIDUAL'S TEL. NO.]**
Facsimile No.: **[CONTACT INDIVIDUAL'S FAX NO.]**

If you have any questions regarding the contents of this letter, please do not hesitate to contact **[NAME OF CONTACT INDIVIDUAL]** at the address or telephone number specified above.

IN WITNESS WHEREOF, the undersigned have executed this Notice of Transfer as of the date first written above.

[LEGAL NAME OF CURRENT EQUITY OWNER]

By: _____
Its: _____

[LEGAL NAME OF PROPERTY OWNER]

By: _____
Its: _____

[LEGAL NAME OF ASIGNEE]

By: _____
Its: _____

¹¹ Use this format if the addressee is someone other than the "Property Owner" (as defined herein)

CVS

