

COMMERCIAL LEASE AGREEMENT

Date: February 14, 2023
Tenant(s): Ocean Avenue Association, a California non-profit public benefit corporation
Premises: 1720 Ocean Avenue
San Francisco, California 94112
Building: 1700-1720 Ocean Avenue & 613 Faxon Avenue
San Francisco, California 94112

Rent:	Time Period	Annual Rent	Monthly Rent
	02/14/2023 to 02/29/2024	\$22,200.00	\$1,850.00

Landlord: Howard N. Chung
25 Kearny Street, Suite 302
San Francisco, California 94108
Tel. (415) 788-1280
Fax (415) 788-4315
E-mail: hnchung@yahoo.com

Security Deposit: None

Lease Term: One Year and 15 days, commencing 02/14/2023 and terminating on 2/29/2024.
Commencing March 1, 2024, the lease term shall automatically be on a month-to-month basis terminable by either party with 30 days notice.

Payment Due On Signing: \$1850.00 for February 14, 2023 to March 13, 2023 rent. On March 1, 2023, prorated rent for the period of March 14, 2023 to March 31, 2023 equal to \$1014.51 shall be due and then regular monthly payments in advance of \$1850 commencing 4/1/2023.

ADDITIONAL PROVISIONS

- 1. Rent. Rent shall be due in advance on the first of each month. Rent shall be delivered to Landlord’s address or after agreement to Landlord’s account through electronic payment (e.g., Zelle or ACH).
 - a. Late Charge. Rent shall be considered late if not delivered to and received by the Landlord five (5) days after the date due. Tenant acknowledges that late payment by Tenant to Landlord of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impractical to fix. Therefore, if any installment of Rent is not delivered to and received by the Landlord within five (5) days after the due date, Tenant shall pay to Landlord as additional rent a late charge of eight percent (8%) of the Rent then due. The parties agree that the actual damages suffered by Landlord by reason of late payment is impracticable or difficult to fix and that this late charge represents a fair and reasonable estimate of the costs that Landlord will

incur by reason of late payment by Tenant.

- b. Bad Checks. If payment of Rent is made with a check which is returned by the bank for insufficient funds ("bad check"), Tenant, in addition to late charges and as additional rent, shall immediately pay the Landlord the amount of \$40.00 in order to cover Landlord's expenses associated with the bad check. If payment of Rent is made with a bad check more than twice during the lease term, then Landlord may require Tenant to pay Rent by money order or certified check for all future Rent payments. Nothing in this paragraph shall limit other remedies to Landlord in law.
- c. Finance Charge. All past due and payable amounts, including late charges, shall be assessed a finance charge of ten percent (10%) per annum.

- 2. Condition and Inspection of Premises. Tenant acknowledges that Tenant has conducted its own due diligence and is therefore knowledgeable with all aspects of the physical, legal, environmental, ADA issues (except door—see paragraph 22a), suitability of Premises for Tenant's particular purpose, traffic, parking, zoning, conditional use, and other conditions of the Premises and the Building. Tenant is in no way relying upon any warranty or representation of Landlord regarding the condition of any aspect of the Premises. Tenant bears all risk with respect to the foregoing conditions of the Premises. The taking possession of the Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts the same as "AS IS" and that the Premises, fixtures and the Building were in good and satisfactory condition at the time such possession was taken.

Upon termination of the tenancy, Tenant shall return the Premises to Landlord in as good working order, condition and repair as when received, ordinary wear and tear excepted, and free of all of Tenant's personal property, trash and debris. Burns, stains, holes or tears of any size or kind in the carpeting, draperies, or walls, among other types of damage, do not constitute reasonable wear and tear.

- 3. Permitted Use. Tenant shall use and occupy the Premises only for the use as general office, meeting area and related services and uses ("Permitted Use") and for any other use which is reasonably comparable and for no other purpose. No residential use shall be allowed on the Premises. Tenant shall not use or permit the use of the Premises in a manner that is unlawful, creates waste or a nuisance, or that disturbs the owners and/or occupants of, or causes damage to the Premises or neighboring premises or properties. Landlord hereby agrees to not unreasonably withhold or delay its consent to any written request by Tenant, Tenant's assignees or sublessees, and by prospective assignees and sublessees, for a modification of said Permitted Use, so long as the same will not impair the structural integrity of the improvements on the Premises or in the Building or the mechanical or electrical systems therein, does not conflict with uses by other Tenants, is not significantly more burdensome to the Premises or the Building and the improvements thereon, and is otherwise permissible pursuant to this paragraph. If Landlord elects to withhold such consent, Landlord, upon written request by Tenant, shall within five (5) business days after such written request give a written notification of same, which notice shall include an explanation of Landlord's reasonable objections to the change in use.

- 4. Hazardous Substances.

- a. Hazardous Substance Defined. A "Hazardous Substance," as used in this Lease, is defined as any product, substance, chemical, material or waste, including without limitation on the generality of this definition, petroleum and petroleum products, whose nature, quantity, and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other material or materials: (i) is potentially injurious to the public health, safety

or welfare of the environment or the Premises, (ii) is or becomes regulated or monitored by any governmental authority, or (iii) may give rise to liability to third parties under any common law theory such as nuisance (public or private), waste, trespass, negligence, strict liability or tort.

- b. Spills: Compliance with Law. Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on or under the Premises (including through the plumbing or sanitary sewer system) and shall at all times comply with any and all applicable laws, ordinances, rules, restrictions, regulations, and permit and licensing requirements, as well as the recommendations of Landlord's experts and/or consultants, pertaining to: (i) industrial hygiene, (ii) the environmental conditions on, under or about the Premises, (iii) the use, generation, manufacture, production, storage or disposal on, under or about the Premises of Hazardous Substances, or (iv) the transfer to or from the Premises of any Hazardous Substance. Tenant shall promptly, at Tenant's expense, and in accordance with work plans and contractors approved by Landlord, take all investigatory and/or remedial action recommended by Landlord or Landlord's experts and/or consultants, whether or not formally ordered or required, for the cleanup and/or removal of any contamination of, and for the maintenance, security and/or monitoring of the Premises, the elements surrounding same, or neighboring properties, that was caused during the term of this Lease, or pertains to or involves any Hazardous Substance brought onto the premises during the term of this Lease.
- c. Duty to Inform Landlord. If Tenant has received any notice or claim with respect to a Hazardous Substance on, in, under or about the Premises, Tenant shall immediately, upon receipt thereof, give written notice of such notice or claim to Landlord. Tenant shall concurrently serve Landlord with a copy of any statement, report, notice, registration, permit, license, claim, action or proceeding given or received from any governmental authority or private party, or to persons entering or occupying the Premises, concerning any Hazardous Substance on, in, under or about the Premises, and will provide Landlord with a detailed inspection of the precautions being taken with reference to any and all Hazardous Substances Tenant is then using or maintaining on, or disposing of from, the Premises.
- d. Inspection Costs. Landlord shall have the right but not the obligation to periodically inspect the Premises for compliance by Tenant and all applicable laws, ordinances, rules, restrictions, regulations, permits and licensing requirements and consultant recommendations and to employ experts and/or consultants in connection therewith and/or to advise Landlord with respect to Tenant's activities and/or requests or proposals involving the installation, operation, use, monitoring, maintenance or removal of any Hazardous Substances on or from the Premises. The costs and expenses of inspections made by Landlord shall be paid by Landlord unless: (i) Tenant has breached any covenant or failed to perform any obligation under this Paragraph 4, or (ii) a contamination caused or materially contributed to by Tenant is found to exist or be imminent, or (iii) the inspection is requested or ordered by a governmental authority as the result of any such existing or imminent contamination; in any of such cases Tenant shall be responsible for all such costs and expenses, including attorneys' fees. The costs and expenses incurred by Landlord in connection with reviewing the requests or proposals made by Tenant shall be paid by Tenant, subject to Tenant's having previously approved of the consultant selected and of an estimate of the cost involved. Tenant's such approval shall be not unreasonably withheld or delayed, and Landlord may withhold or condition its consent to any proposal or request made by Tenant until and upon Tenant's approval of the consultant selected by Landlord and the estimated cost thereof.
- e. Failure to Perform. If Tenant fails to perform any obligation under this Paragraph 4, Landlord may, but is not obligated to, cause the same to be performed. Tenant shall, upon demand, reimburse Landlord for costs and expenses incurred in connection therewith and shall fully cooperate therewith. No such action or any inaction by Landlord shall constitute a waiver of any right of

Landlord to enforce Tenant's obligations hereunder.

- f. Indemnification. Tenant shall indemnify, protect, defend and hold Landlord, its trustees, beneficiaries, settlors, agents, employees and/or lender(s), harmless from and against any and all loss of rents and/or damages, liabilities, judgments, costs, claims, liens, expenses, penalties, permits and attorney's and consultant's fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Tenant or under Tenant's control, including, but not limited to: (i) the contamination or injury to person, property or the environment created or suffered by Tenant in or about the Premises, (ii) the investigation, remediation and/or abatement of any contamination therein involved, and (iii) the failure of Tenant to faithfully, fully, and in a timely manner, observe and perform any other provision, term, covenant or condition of this Lease or applicable law with respect to Hazardous Substances. This indemnification shall be fully applicable to all time periods of Tenant's occupancy, including Tenant's occupancy prior to the commencement of this Lease.
- g. Survival of Obligations. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Lease pertaining to Hazardous Substances unless said release agreement specifically sets forth Landlord's intention to release Tenant with respect thereto.

5. Maintenance and Repair.

- a. Tenant's Obligations. Tenant shall, at Tenant's sole cost and expense and at all times, keep and maintain the Premises and every part thereof in good order, condition and repair (whether or not such portion of the Premises requiring repair, or the means of repair the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements of age of such portion of the Premises), including without limitation, the windows, heating system, interior surfaces of exterior walls, ceilings, doors, plate glass, skylights, walkways, internal walls, paint, floors, electrical systems and fixtures but excluding any items which are the responsibility of Landlord. Tenant's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order condition and state of repair. If Tenant fails to perform Tenant's obligations under this paragraph, Landlord may, but shall not have the obligation to, enter upon the Premises after ten (10) days prior written notice to Tenant (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Tenant's behalf, and the put the Premises in good order, condition and state of repair.
- b. Landlord's Obligations. Except for damage caused by any negligent or intentional act or omission of Tenant, Tenant's employees, suppliers, contractors, shippers, customers, or invitees, in which event Tenant shall repair the damage, Landlord shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, and exterior roof. Landlord shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Landlord be obligated to maintain, repair or replace windows, doors or plate glass of the Premises. Tenant expressly waives the benefit of any statute now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Building in good order, condition and repair. Landlord shall not be liable for damages or loss of any kind or nature by reason of Landlord's failure to furnish any services when such failure is caused by accident, breakage, repairs, strikes, lockout, or other disturbances or disputes of any character, or by any other cause beyond the reasonable control of Landlord.

6. Insurance.

- a. Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of Commercial General Liability policy of insurance insuring Tenant and Landlord as an additional insured against any claims for bodily injury, personal injury, and property damage based upon, arising out of in any way the use, occupancy or maintenance of the Premises and the Building. Such insurance shall not be in an amount less than \$1,000,000 per occurrence. Tenant shall cause its insurance agent to issue a certificate of insurance listing Landlord as an additional insured. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an **"insured contract"** for the performance of Tenant's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. All insurance to be carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only.
- b. Property Insurance. Landlord shall obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Building improvements, but not Tenant's personal property, fixtures, equipment or tenant improvements, in an amount not to exceed the full replacement value thereof, as the same may exist from time to time, providing protection against all perils included within the classification of fire, extended coverage, vandalism, and malicious mischief. Tenant shall not be named as an additional insured therein.
- c. Insurance Policies. Insurance required hereunder shall be in companies holding a "General Policyholders Rating" of at least B plus or such other rating as may be required by a lender having a lien on the Premises or Building, as set forth in the most current issue of "Best's Insurance Guide." Tenant shall not do or permit to be done anything which shall invalidate the insurance policies carried by Landlord. Landlord shall deliver to Landlord copies of liability insurance policies required under this paragraph or certificates evidencing the existence and amounts of such insurance within seven (7) days after the commencement date of this Lease. No such policy shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to Landlord. Tenant, shall, at least thirty (30) days prior to the expiration of such policies, furnish Landlord with renewals or "binders" thereof.
- d. Waiver of Subrogation. Tenant and Landlord each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors and/or invitees. Tenant and Landlord shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.
- e. Indemnity. Except for Landlord's gross negligence and/or breach of express warranties, Tenant shall indemnify, protect, defend and hold harmless the Premises, Landlord and its agents, Landlord's master or ground Landlords, partners and lenders from and against any and all claims, loss of rents and/or damages, costs, liens, judgments, penalties, loss of permits, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving or in connection with the occupancy of the Premises by Tenant, the conduct of Tenant's business, any act, omission or neglect of Tenant, its agents, contractors, employees or invitees, and out of any Default or breach by Tenant in the performance in a timely manner of any obligation of Tenant's part to be performed under this Lease. The foregoing shall include but not be limited to the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against Landlord) litigated and/or reduced to judgment. In case any action or proceeding be brought against Landlord by reason of any of the foregoing matters, Tenant upon notice from Landlord shall defend

the same at Tenant's expense by counsel reasonably satisfactory to Landlord and Landlord shall cooperate with Tenant in such defense. Landlord need not have first paid any such claim in order to be so indemnified.

f. Exemption of Landlord from Liability. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, equipment, components, merchandise or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises or the Building, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water, or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Premises or upon portions of the Building, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord shall not be responsible to enforce the provisions of any other lease of the Building. Notwithstanding Landlord's negligence or breach of this Lease, Landlord shall under no circumstances be liable for injury to Tenant's business or for any loss of income or profit therefrom.

7. Destruction; Condemnation. In the event the Premises or Building is destroyed, or are partially destroyed, from any cause whatsoever, so as to cause the Premises or Building to be unfit for use in the general course of business, or in the event the Premises or Building are condemned or closed by any governmental authority, Landlord at Landlord's election shall have the right to declare this Lease and any extension or renewal thereof terminated. If this Lease is so terminated by written notice thereof to Tenant, all rights, duties and obligations of the parties shall immediately terminate, except for any unpaid rent, and Tenant shall immediately surrender, yield up and deliver possession of the Premises to Landlord or Landlord's duly authorized agents. Any condemnation proceeds awarded by any condemning authority shall belong solely to Landlord.

8. Assignment and Subletting.

a. Landlord's Consent Required. Tenant shall not assign this Lease, or sublet or permit the Premises or any part thereof to be used by others, without the prior written consent of Landlord in each instance subject to the terms.

b. Terms and Conditions Applicable to Assignment and Subletting.

i. Regardless of Landlord's consent, any assignment or subletting shall not (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Tenant under this Lease, (ii) release Tenant of any obligations hereunder, nor (iii) alter the primary liability of Tenant for the payment of Rent and any other sums due Landlord hereunder or for the performance of any other obligations to be performed by Tenant under this Lease.

ii. Landlord may accept any rent or performance of Tenant's obligations from any person other than Tenant pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of any rent for performance shall constitute a waiver or estoppel of Landlord's right to exercise its remedies for the Default or Breach by Tenant of any of the terms, covenants or conditions of this Lease.

iii. The consent of Landlord to any assignment or subletting shall not constitute a consent to

any subsequent assignment or subletting by Tenant or to any subsequent or successive assignment or subletting by the assignee or sublessee. However, Landlord may consent to subsequent sublettings and assignments of the sublease or any amendments or modifications thereto without notifying Tenant or anyone else liable under this Lease or the sublease and without obtaining their consent, and such action shall not relieve such persons from liability under this Lease or the sublease.

- iv. In the event of any Default or Breach of Tenant's obligations under this Lease, Landlord may proceed directly against Tenant, any guarantors or anyone else responsible for the performance of the Tenant's obligations under this Lease, including any sublessee, without first exhausting Landlord's remedies against any other person or entity responsible therefor to Landlord, or any security held by Landlord.
 - v. Each request for consent to an assignment shall be in writing, accompanied by information relevant to Landlord's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a non-refundable deposit of \$750.00 as reasonable consideration for Landlord's considering and processing the request for consent. Tenant agrees to provide Landlord with such other or additional and/or documentation as may be reasonably requested by Landlord.
 - vi. Any assignee of, or sublessee under, this Lease, shall by reason of accepting such assignment or entering into such sublease, be deemed, for the benefit of Landlord, to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Tenant during the term of said assignment or sublease, other than such obligation as are contrary to or inconsistent with provisions of an assignment or sublease to which Landlord has specifically consent to in writing.
 - vii. The occurrence of a transaction described in paragraph 8(2)(c) (conditions relating to subleasing) shall give Landlord the right (but not the obligation) to require that the security deposit be increased by an amount equal to four times the then monthly rent, and Landlord may make the actual receipt by Landlord of the security deposit increase a condition to Landlord's consent to such transaction.
 - viii. Landlord, as a condition to giving its consent to any assignment or subletting, may require that the amount and adjustment schedule of the rent payable under this Lease be adjusted to what is then the market value and/or adjustment schedule for property similar to the Premises as then constituted, as determined by Landlord.
- c. Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Tenant of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:
- i. Tenant hereby assigns and transfers to Landlord all of Tenant's interest in all rentals and income arising from any sublease of all or a portion of the Premises, heretofore or hereafter made by Tenant, and Landlord may collect such rent and income and apply same toward Tenant's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Tenant's obligations under this Lease, Tenant may, except as otherwise provide in this Lease, receive, collect and enjoy the rents accruing under such sublease. Landlord shall not, by reason of the foregoing provision or as otherwise provided in this

Lease, receive, collect and enjoy the rents accruing under such sublease. Landlord shall not, by reason of the foregoing provision or any other assignment of such sublease to Landlord, nor by reason of the collection of the rents from a sublessee, be deemed liable to the sublessee for any failure of Tenant to perform and comply with any of Tenant's obligations to such sublessee under such sublease. Tenant hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Landlord stating that a Breach exists in the performance of Tenant's obligations under this Lease, to pay to Landlord the rents and other charges due and to become due under the sublease. Sublessee shall rely upon any such statement and request from Landlord and shall pay such rents and other charges to Landlord without any obligation or right to inquire as to whether such Breach exists and notwithstanding any notice from or claim from Tenant to the contrary. Tenant shall have no right or claim against such sublessee, or until the Breach has been cured, against Landlord, for any such rents and other charges so paid by said sublessee to Landlord.

- ii. In the event of a Breach by Tenant in the performance of its obligations under this Lease, Landlord at its option and without any obligation to do so, may require any sublessee to attorn to Landlord, in which event Landlord shall undertake the obligations of sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Landlord shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any other prior Defaults or Breach of such sublessor under such sublease.
- iii. Any matter or thing requiring the consent of the sublessor under a sublease shall also require the consent of Landlord herein.
- iv. No sublessee under a sublease approved by Landlord shall further assign or sublet all or part of the Premises without Landlord's prior written consent.
- v. Landlord shall deliver a copy of any notice of Default or Breach to the sublessee, who shall have the right to cure the Default or Breach of the Tenant within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Tenant for any such Defaults cured by sublessee.

9. Improvements; Alterations.

- a. Improvements. None. Tenant takes Premises on an "as is" basis.
- b. Alterations. Tenant shall not, without Landlord's prior written consent, make any alterations, improvements, additions, or utility installations in, on or about the Premises, or the Building, except for nonstructural alterations to the Premises not exceeding \$1,500 in cumulative costs, during the term of this Lease. In any event, whether or not in excess of \$1,500 in cumulative cost, Tenant shall make no change or alteration to the exterior of the Premises or the Building without Landlord's prior written consent (excepting the provisions re: signage at paragraph 20).
- c. Bond. Landlord may require Tenant to provide Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Landlord against any liability for mechanic's and materialmen's liens and to insure completion of the work.
- d. Other Improvement and Alteration Requirements. Tenant shall pay, when due, all claims for labor

or materials furnished or alleged to have been furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises, or the Building, or any interest therein. Tenant shall give Landlord not less than ten (10) days' notice prior to the commencement of any work in the Premises, and Landlord shall have the right to post notices of non-responsibility in or on the Premises or the Building as provided by law. If Tenant shall, in good faith, contest the validity of any such lien, claim or demand, then Tenant shall, at its sole expense defend itself and Landlord against the same and shall pay and satisfy and such adverse judgment that may be rendered thereon before the enforcement thereof against the Landlord the Premises or the Building, upon the condition that if Landlord shall require, Tenant shall furnish to Landlord a surety bond satisfactory to Landlord in an amount equal to such contested lien claim or demand indemnifying Landlord against liability for the same and holding the Premises and the Building free from the effect of such lien or claim. In addition, Landlord may require Tenant to pay Landlord's attorney's fees and costs in participating in such action if Landlord shall decide it is to Landlord's best interest to do so.

10. Taxes on Personal Property. Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in or on the Premises or elsewhere. When possible, Tenant shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of the Landlord. If any of Tenant's said personal property shall be assessed with Landlord's real property, Tenant shall pay to Landlord the taxes attributable to Tenant within ten (10) days after receipt of a written statement setting forth the taxes applicable to Tenant's property.

11. Compliance with Law. Tenant shall, at its sole cost and expense, comply with all requirements of municipal, county, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, and shall faithfully observe in the use of the Premises all municipal and county ordinances and state and federal statutes now in force or which may hereafter be in force. The judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such ordinance or statute in the use of the Premises, shall be conclusive of that fact as between Landlord and Tenant.

12. Default; Breach; Remedies.
 - a. Default; Breach. Landlord and Tenant agree that if an attorney is consulted by Landlord in connection with a tenant Default or Breach (as hereinafter defined), \$350.00 is a reasonable minimum sum per such occurrence for legal services and costs in the preparation and service of a notice of Default, and that Landlord may include the cost of such services and costs in said notice as rent due and payable to cure said default. A **"Default"** by Tenant is defined as a failure by Tenant to observe, comply with or perform any of the terms, covenants, conditions or rules applicable to Tenant under this Lease. A **"Breach"** by Tenant is defined as the occurrence of any one or more of the following Defaults, and, where a grace period for cure after notice is specified herein, the failure by Tenant to cure such Default prior to the expiration of the applicable grace period, and shall entitle Landlord to pursue the remedies set forth in paragraph 12(b).
 - i. The vacating of the Premises without the intention to reoccupy the same, or the abandonment of the Premises.
 - ii. Except as expressly otherwise provided in this Lease, the failure by Tenant to make any payment of Rent or any other monetary payment required to be made by Tenant hereunder as and when due, the failure by Tenant to provide Landlord with reasonable evidence of

insurance or surety bond required under this Lease, or the failure of Tenant to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of three (3) days following written notice thereof by or on behalf of Landlord to Tenant.

- iii. A Default by Tenant as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under the attached Rules and Regulations that are to be observed, where such Default continues for a period of thirty (30) days after written notice thereof by or on behalf of Landlord to Tenant; provided, however, that if the nature of Tenant's Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach of this Lease by Tenant if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.
 - iv. The occurrence of any of the following events: (i) the making by Tenant of any general arrangement or assignment for the benefit of creditors; (ii) Tenant's becoming a "debtor" as defined in 11 U.S. Code Section 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provisions of this subparagraph 10(1)(d) is contrary to any applicable law, such provision shall be of no force or effect, and shall not affect the validity of the remaining provisions.
 - v. The discovery by Landlord that any financial statement of Tenant or of any Guarantor, given to Landlord, was materially false.
 - vi. If the performance of Tenant's obligations under this Lease is guaranteed: (i) the death of a Guarantor; (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty; (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing; (iv) a Guarantor's refusal to honor the guaranty; or (v) a Guarantor's breach of its guaranty obligation on an anticipatory breach basis, and Tenant's failure, within sixty (60) days following written notice by or on behalf of Landlord to Tenant of any such event, to provide Landlord with written alternative assurances of security, which, when coupled with the then existing resources of Tenant, equals or exceeds the combined financial resources of Tenant and the Guarantors that existed at the time of execution of this Lease.
- b. Remedies. In the event of any Breach of this Lease by Tenant, then Landlord, besides any other rights and remedies Landlord may have, shall have the immediate right of re-entry and may remove all persons and property from the Premises. If the Landlord's right of re-entry is exercised following abandonment of the Premises by the Tenant, then Landlord may consider any personal property belonging to Tenant and left on the Premises to also have been abandoned, in which case Landlord may dispose of all such personal property in any manner Landlord shall deem proper and is hereby relieved of all liability for doing so. If Tenant Breaches this Lease and abandons the Premises before the end of the term, or if Tenant's right to possession is terminated by Landlord because of a Breach of this Paragraph, then in either such case, Landlord may recover from Tenant all damages suffered by Landlord as the result of Tenant's failure to perform its obligations hereunder, including,

but not restricted to, the worth at the time of the award (computed in accordance with paragraph (3) of Subdivision (a) of Section 1951.2 of the California Civil Code) of the amount by which the rent then unpaid hereunder for the balance of the terms exceeds the amount of such rental loss for the same period which the Tenant proves could be reasonably avoided by Landlord, and in such case, Landlord, prior to the award, may, but shall not be obligated, to relet the Premises for the purpose of mitigating damages suffered by Landlord because of Tenant's failure to perform its obligations hereunder; provided, however, that even though Tenant has abandoned the Premises following such Breach, this Lease shall nevertheless continue in full force and effect for as long as the Landlord does not terminate Tenant's right of possession, and until such termination, Landlord may enforce all its rights and remedies under this Lease, including the right to recover the rent from Tenant as it becomes due hereunder. Landlord also may exercise all remedies pursuant to California Civil Code Section 1951.4 (Landlord may continue lease in effect after Tenant's breach and abandonment and recover rent as it becomes due, if Tenant has right to sublet or assign, subject only to reasonable limitations).

c Breach by Landlord. Landlord shall not be deemed in breach of this Lease unless Landlord fails within a reasonable time to perform an obligation required to be performed by Landlord. For purposes of this paragraph X(3), a reasonable time shall in no event be less than thirty (30) days after receipt by Landlord, and by any lender(s) whose name and address shall have been furnished to Tenant in writing for such purpose, of written notice specifying wherein such obligation of Landlord has not been performed; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach of this Lease by Landlord if Landlord commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

13. Subordination. This Lease shall be subject and subordinate to all ground or underlying leases and to all mortgages and deeds of trust now or hereafter which may affect such leases or the Building, and to all renewals, modifications, considerations, replacements and extensions thereof. This paragraph shall be self-operative. Tenant shall, at Landlord's request, execute within ten (10) days any appropriate certificate or instrument that Landlord may request in furtherance of the provisions of this paragraph.

14. Property Loss; Damage. Landlord shall not be liable for any damages or injury resulting from: (i) theft or otherwise of Tenant's property; (ii) falling plaster, steam, gas, electricity, water, rain or snow which may leak from any part of the Building or from pipes, appliances or plumbing works of the same or from the street or sub-surface or from any other place or by dampness or any other cause of whatever nature, including earthquake damage, unless caused by or due to the gross negligence of Landlord; and (iii) other residents or persons in the Building, or caused by operations in construction of any public or quasi-public work. Tenant shall look solely to Landlord's interest in the Building for satisfaction of any claim or judgment.

15. Utilities. Tenant shall be responsible for and pay the installation and maintaining of all utility accounts and/or costs, including but not limited to PG&E, water, telephone, and garbage.

16. Waiver by Trial by Jury. To the extent permitted by law, Tenant and Landlord do hereby waive by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the others on any matters related whatsoever or in any way connected with this Lease or Tenant's use of the Premises.

Tenant's Initials _____

17. No Brokers. Tenant represents, warrants and covenants that it is not represented by a real estate broker or agent in this transaction and that further no real estate broker or agent will claim any

commission from Landlord. Landlord represents, warrants and covenants that Landlord is not represented by a real estate broker or agent in this transaction and that further no real estate broker or agent will claim any commission from Landlord. Tenant and Landlord hereby indemnify and agree to defend each other, from any and all claims of real estate brokers and agents originated by such Tenant or Landlord.

18. Waivers. No waiver by Landlord of the Default or Breach of any term, covenant, or condition hereof by Tenant, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Tenant of the same or any other term, covenant or condition hereof. Landlord's consent to, or approval of, any such act shall not be deemed to render unnecessary the obtaining of Landlord's consent to, or approval of, any subsequent or similar act by Tenant, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. Regardless of Landlord's knowledge of a Default or Breach at the time of accepting rent, the acceptance of rent by Landlord shall not be a waiver of any Default or Breach by Tenant of any provision hereof. Any payment given Landlord by Tenant may be accepted by Landlord on account of moneys or damages due Landlord, notwithstanding any qualifying statements or conditions made by Tenant in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Landlord at or before the time of deposit of such payment.
19. Landlord's Access; Showing Premises; Repairs. Landlord and Landlord's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times for the purpose of showing the same to prospective purchasers, lenders, or Tenants, and making such alterations, repairs, improvements or additions to the Premises or to the Building, as Landlord may reasonably deem necessary. Landlord may at any time place on or about the Premises or Building any ordinary "For Sale" signs and Landlord may at any time during the last one hundred eighty (180) days of the term hereof place on or about the Premises any ordinary "For Lease" signs. All such activities of Landlord shall be without abatement of rent or liability to Tenant.
20. Signs. Tenant shall not place any sign upon the exterior of the Premises or the Building, except that Tenant may, with Landlord's prior written consent and at Tenant's sole expense, install (but not on the roof) such signs as are reasonably required to advertise Tenant's own business, so long as such signs are in a location designated by Landlord and comply with all applicable local laws and regulations and the signage criteria established for the Building by the Landlord. The installation of any sign on the Premises by or for Tenant shall be subject to the provisions of paragraph 5 (maintenance and repair). Unless otherwise expressly agreed herein, Landlord reserves all right to the use of the roof of the Building, and the right to install advertising signs on the Building, including the roof, which do not unreasonably interfere with the conduct of Tenant's business; Landlord shall be entitled to all revenues from such advertising signs. Notwithstanding the foregoing, Tenant shall be permitted to install at its reasonable discretion: (a) a banner sign on the signage posts at the exterior of the Premises and (b) glass film or other signage on the door
21. Security Measures. Tenant hereby acknowledges that the rental payable to Landlord hereunder does not include the cost of guard service or other security measures, and that Landlord shall have no obligation whatsoever to provide the same. Tenant assumes all responsibility for the protection of the Premises, Tenant, its agents and invitees and their property from the acts of third parties.
22. Disability Access and Certified Access Specialist.
 - a. San Francisco Administrative Code. Tenant hereby acknowledges, confirms and agrees, as of the date of this Lease, as follows: (i) Landlord has provided Tenant notice, as required by Section 38.3 of

the San Francisco Administrative Code, that the Building may not currently meet all applicable construction-related accessibility standards, including standards for public restrooms and ground floor entrances and exits; (ii) Landlord has provided Tenant a copy of the San Francisco Small Business Commission's "Access Information Notice"; and (iii) Tenant has executed and delivered to Landlord the "Disability Access Obligations Notice Under San Francisco Administrative Code Chapter 38" in the form of Exhibit C hereto.

Tenant is responsible for the construction of the tenant improvements and accordingly shall be responsible for any ADA issues for the tenant improvements within the Premises; Landlord shall be responsible for any improvements outside the Premises and within the common areas of the Building. As provided in this Lease, Tenant shall be responsible, at its sole cost and expense, for the making of all alterations, additions or improvements to the Premises, as are required to comply with applicable Laws (including without limitation, the Americans With Disabilities Act, as amended from time to time, along with all regulations promulgated in connection therewith) to the extent the compliance obligation relates to or is triggered by (i) Tenant's particular use of the Premises, or (ii) any alterations, additions or improvements to the Premises, whether now in effect or enacted in the future and whether or not now foreseeable. Landlord and Tenant hereby agree to use reasonable efforts to notify the other party if they make alterations, additions or improvements to the Premises and/or Building which might impact accessibility under Federal and State disability access laws.

Landlord shall be responsible for the ADA accessibility of the entrance to the Premises. An ADA compliant electric door opener has been installed. Landlord is finalizing with the City and County of San Francisco as to the completing of the ADA entry requirements. Tenant shall cooperate with any ADA work that must be done.

(b) Certified Access Specialist Inspection. California law requires the Landlord to notify Tenant whether Landlord has had the Premises inspected by a Certified Access Specialist. Landlord has caused the Premises to be so inspected. A copy of the CASp report has been provided to Tenant. The CASp consultant has stated that the following changes will be made to the report: (i) page 5, section 4, Category Determination, box "Category Four" instead of "Category Three" will be checked and (ii) page 7, section 5.2, the boxes for "Technical Infeasibility" and "Unreasonable Hardship" will be checked instead of "Alternate Methods." Landlord will obtain more information and reports from engineers and architects and will then negotiate with the City as to what improvements are to be made.

Pursuant to Civil Code Section 1938, the following statement is made:

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or Landlord may not prohibit the Tenant or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the Tenant or tenant, if requested by the Tenant or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

23. Miscellaneous.

- a. No residential occupancy shall be permitted at any time by the Tenant, Tenant's agents, employees, or contractors, on the Premises.
- b. Time is of the essence for each and every provision of this Lease.

- c. In the event of litigation (including submission to arbitration) to enforce this Lease or to protect or preserve any rights hereunder, or arising in any way from this Lease, the prevailing party shall be entitled to those attorney's fees, expenses, costs and disbursements actually incurred in any such action.
- d. If any term of this Lease shall to any extent be invalid or unenforceable, the remainder of the Lease shall not be affected, and each provision of this Lease shall be valid and enforceable to the extent permitted by law.
- e. This Lease shall constitute the entire agreement between Landlord and Tenant and supersedes any prior agreements. Any amendments to this Lease must be in writing and signed by both parties.
- f. Within five (5) days of Landlord's request, Tenant shall execute a Tenant Estoppel or other appropriate instrument acknowledging the primary terms of this Lease and the claims, if any, against Landlord. Failure to comply shall be deemed Tenant's acknowledgment that the certificate as submitted by Landlord is true and correct and may be relied upon by any lender or purchaser.
- g. Any holding over at the expiration of this Lease shall create a month-to-month tenancy. The rent shall equal 106% of the last monthly rent then applicable.
- h. In the event that Tenant consists of two or more persons, each person thereto shall be jointly and severally liable under this Lease.
- i. All notices to be given hereunder shall be given in writing, personally or by depositing same in the United States mail, postage prepaid, and addressed to Tenant at the Premises, whether or not Tenant has departed from, abandoned or vacated the Premises, and to Landlord at the address provided on page 1 of this Lease or such other address as Landlord shall provide to Tenant from time to time.
- j. Tenant agrees to each and every provision of the Rules and Regulations, attached hereto as Exhibit A and incorporated herein by this reference.

IN WITNESS WHEREOF, Landlord and Tenant execute this Lease as of the date above.

OCEAN AVENUE ASSOCIATION, a
California non-profit public benefits corporation

Christian Martin, Executive Director

Howard N. Chung, Landlord

EXHIBIT A

RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or Common Area without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises; provided, however, that Landlord may furnish and install a Building standard window covering at all exterior windows. Tenant shall not without prior written consent of Landlord cause or otherwise sunscreen any window.
2. The sidewalks, halls, passages exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises. No Tenant and no employees or invitees of any Tenant shall go upon the roof of the premises without Landlord approval.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.
5. Tenant shall not overload the floor of the premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building.
8. Unless allowed as a Permitted Use, no cooking shall be done or permitted by any Tenant on the premises, nor shall the Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 PM and 8:00 AM, the following day, access to the Building, or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.
14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portion of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

EXHIBIT C

DISABILITY ACCESS OBLIGATIONS NOTICE

**DISABILITY ACCESS OBLIGATIONS UNDER
SAN FRANCISCO ADMINISTRATIVE CODE CHAPTER 38**

Before you, as the Tenant, enter into a lease with us, the Landlord, for the Premises, please be aware of the following important information about the Lease:

You May Be Held Liable for Disability Access Violations on the Premises. Even though you are not the owner of the Premises, you, as the Tenant, as well as the Premises owner, may still be subject to legal and financial liabilities if the Premises does not comply with applicable federal and state disability access laws. You may wish to consult with an attorney prior to entering into this Lease to make sure that you understand your obligations under federal and state disability access laws. The Landlord must provide you with a copy of the Small Business Commission Access Information Notice under Section 38.6 of the Administrative Code in your requested language. For more information about disability access laws applicable to small businesses, you may wish to visit the website of the San Francisco Office of Small Business or call 415-554-6134.

The Lease Must Specify Who Is Responsible for Making Any Required Disability Access Improvements to the Premises. Under City law, the Lease must include a provision in which you, the Tenant, and the Landlord agree upon your respective obligations and liabilities for making and paying for required disability access improvements on the Premises. The Lease must also require you and the Landlord to use reasonable efforts to notify each other if they make alterations to the Premises that might impact accessibility under federal and state disability access laws. You may wish to review those provisions with your attorney prior to entering into this Lease to make sure that you understand your obligations under the Lease.

PLEASE NOTE: The Premises may not currently meet all applicable construction-related accessibility standards, including standards for public restrooms and ground floor entrances and exits.