

1.17 Landlord's Broker: Firm: [REDACTED]
Individual: [REDACTED]

1.18 Tenant's Broker: Firm: _____
Individual: _____

1.19 Security Deposit: \$18,882.50

1.20 Prepaid Rent: \$18,882.50

1.21 Guarantor's name and address: N/A

1.22 Radius Restriction Area: N/A

1.23 Special Terms: _____

SECTION 2 PREMISES

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the space described or outlined on the attached Exhibit A (the "Premises"), including the building or buildings constructed or to be constructed at the Premises at the location shown on Exhibit A (the "Building").

SECTION 3 TERM

The term of this Lease is set forth in Section 1.9 (the "Term"). The Term shall commence on the "Commencement Date" which shall be the earlier of (a) Upon completion of Landlord's Work and Tenant Improvements as provided in attached Exhibit B, (b) September 1, 2007, to June 30, 2017 days after the Premises are ready for occupancy, determined as provided below, or (c) the date on which Tenant begins to transact business at the Premises. The Premises shall be considered ready for occupancy as soon as all work required to be performed by Landlord, if any, is substantially completed (as reasonably determined by Landlord) and the Premises are vacant. Landlord shall endeavor to give Tenant not less than ten days prior written notice of the date on which the Premises shall be ready for occupancy. If Landlord is required to perform any work at the Premises, those requirements shall be set forth in the attached Exhibit B. If the first day of the Term is a day other than the first day of a calendar month, then the Term shall be deemed extended by the number of days between the Commencement Date and the first day of the first calendar month thereafter so that the Term of the Lease shall expire at midnight at the end of a calendar month ("Expiration Date"). After the Commencement Date is determined pursuant to this Section 3 and Exhibit B, Landlord shall notify Tenant in writing of the Commencement Date. Tenant's right to possession shall commence on the Commencement Date.

3.1 Right to Terminate

Tenant shall have the right to terminate the Lease any time after September 1, 2011, by giving written notice to Landlord on or before April 1 of a succeeding year and the termination is effective on June 30 of that succeeding year. Tenant's right to terminate early is subject to the following conditions: a) Tenant is not then in default under Section 14; b) Tenant has lost at least 30% of its funding from contracts with the federal and state governments and its component school districts for Functional Living Skills program and provides Landlord with evidence of such loss of funding; c) Tenant shall reimburse Landlord a pro rata cost of broker's commission paid by Landlord at the time of execution of this Lease; the pro rata cost shall be determined by dividing 120 months into the number of months remaining in the term of this Lease but for the early termination date and then applying the resultant percentage to the cost of the broker's commission as

How many conditions?

described above; and d) Tenant shall reimburse Landlord a share of the cost of Tenant improvements; the applicable Tenant improvements and the method for determining Tenant's share of the cost are attached and made part of this lease as Exhibit B. In the event there is exceptional cost for installation of kitchen venting to meet code regulations, Landlord will consider some reimbursement to Tenant. Tenant shall continue its obligation to pay rent and any other applicable charges required in the Lease during the period after notice is given until the early termination date.

SECTION 4 RENT

4.1 Base Rent

Throughout the Term, Tenant shall pay to Landlord, as minimum rent, the amounts set forth in Section 1.11 in accordance with the schedule set forth in Section 1.11 ("Base Rent"). Tenant shall pay Base Rent in advance on the first day of each calendar month of the Term at the address for rent payments set forth in Section 1.3, or at such other place as Landlord shall designate from time to time except that Tenant shall pay the first month's Base Rent payment on the date Tenant executes this Lease.

4.2 Base Rent Increase

Effective on each anniversary date of the Commencement Date (each an "Adjustment Date"), Base Rent shall be adjusted by Landlord in the same proportion as any increase in the "Consumer Index" (as defined below) during the 12-month period ending on the first day of the calendar month immediately preceding each such Adjustment Date. The "Consumer Index" shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-1984=100) U.S. City Average for All Items, as published by the United States Department of Labor, Bureau of Labor Statistics. If the Consumer Index is not available for the month preceding any Adjustment Date, the month used shall be the nearest available month preceding the Adjustment Date. If the Consumer Index is discontinued or revised during the Term, then such other index or computation with which it is replaced or other reasonable replacement as determined by Landlord shall be used. Landlord shall submit a statement to Tenant reflecting the increase, if any, as provided in this Section. If such statement is delayed, Tenant shall continue to pay the Base Rent in effect and shall pay Landlord any deficiency in Base Rent due within fifteen days after submission of such statement. Base Rent shall be in accordance with schedule set forth in Section 1.11 ("Base Rent"). In no event shall Base Rent decrease pursuant to this Section 4.2.

4.3 Additional Expenses

4.3.1 Operating Expenses. In addition to Base Rent, Tenant shall be responsible for and shall pay when due all Operating Expenses pertaining to the Premises. As used herein "Operating Expenses" shall mean all costs and expenses of operation, maintenance, management, and repair of the Premises except the costs and expenses related to Landlord's responsibilities under Section 8.2.2 and any parking areas, drives, walkways, and landscaped areas affiliated therewith, including but not limited to: wages, salaries and benefits of employees engaged in the operation, maintenance, and repair of the Premises; all accounting, legal and professional fees incurred in connection with the operation of the Premises; costs of repairs, replacements and general maintenance; costs of services supplied to Tenant; and management fees.

4.3.2 Taxes and Assessments. In addition to Base Rent, Tenant shall pay as additional rent all property taxes and assessments of any public authority against the Premises, and the real property of which the Premises are a part, or the ownership, management or operation thereof, any rent tax, local improvement district, gross receipts tax, tax on Landlord's interest under this Lease, or any tax in lieu of or in addition to the foregoing, whether or not such tax is now in effect (excluding any tax based upon Landlord's net income), and the cost of contesting any such tax or assessment (collectively, "Taxes"). Tenant shall make all such payments directly to the applicable governmental authority no later than ten days prior to the due date of the applicable installment. Tenant shall, concurrently with such payments, furnish to Landlord satisfactory evidence that such Taxes have been paid. If any Taxes to be paid by Tenant shall cover any period of time prior to or after the expiration or earlier termination of the term of this Lease, Tenant's share of such Taxes shall be equitably prorated to cover only the period of time within the Tax fiscal year that this Lease is in effect, and Landlord shall reimburse Tenant for any overpayment after such proration. If the Premises and the real property of which the Premises are a part (including any parking areas,