

SUBLEASE AGREEMENT

This **SUBLEASE AGREEMENT** (this "**Sublease**") is made as of _____, 2015 (the "**Effective Date**") between **TAIC – SAN FRANCISCO, INC.**, a California corporation D/B/A The Art Institute of California – San Francisco (the "**Sublessor**"), and **THE SAN FRANCISCO COMMUNITY COLLEGE DISTRICT** (the "**Sublessee**").

Preamble

1170 Market Street LLC, a California limited liability company ("**Landlord**") and Sublessor are parties to that certain Office Lease, dated February 13, 1998, as amended by that certain First Amendment and Extension of Lease, dated as of January 16, 2008 and that certain Second Amendment and Extension to Lease, dated as of February 18, 2009 (as amended and as may be further amended, from time to time, the "**Master Lease**") for certain premises as more particularly described in the Lease (the "**Premises**"), in the building having a common address of 1170 Market Street, in the City of San Francisco, State of California (the "**Building**"). Sublessee desires to obtain space in the Premises, and Sublessor desires to sublease space in the Premises to Sublessee, all upon the terms and subject to the conditions hereinafter set forth. Sublessee is the parent organization of City College of San Francisco.

Agreement

For good and valuable consideration, and intending to be legally bound hereby, the parties agree as follows:

1. Preamble. The Preamble is herein incorporated by reference.
2. Sublease. On the Commencement Date (hereinafter defined), Sublessor shall sublease to Sublessee, and Sublessee shall sublease from Sublessor, a portion of the Premises, containing a total of approximately 22,668 rentable square feet and consisting of the following floors: (a) lower level containing approximately 4,527 rentable square feet ("**Lower Level**"), (b) first (1st) floor containing approximately 3,939 rentable square feet ("**First Floor**"), (c) second (2nd) floor containing approximately 4,734 rentable square feet ("**Second Floor**" and together with the Lower Level and the First Floor, collectively, the "**Lower Floors**"), (d) third (3rd) floor containing approximately 4,734 rentable square feet ("**Third Floor**"), and (e) and fourth (4th) floor containing approximately 4,734 rentable square feet ("**Fourth Floor**" and together with the Third Floor, collectively, the "**Upper Floors**"), as more particularly shown on Exhibit A, attached hereto and made a part hereof (the "**Sublet Premises**"), for general office and classroom use only, together with the nonexclusive right to use the common areas, if any, of the Building, subject to the applicable terms, conditions, requirements and limitation set forth in the Master Lease. During the Term (hereinafter defined), Sublessee shall not use the Sublet Premises for any other purpose or for any illegal or improper purpose or purpose which shall constitute a nuisance, and Sublessee shall not interfere with Sublessor's use or other parties occupying the remainder of the Premises during the Term.

It is the intention of the parties thereto that this Sublease: (i) does not create an estate for years; (ii) grants to Sublessee a contractual right to occupy the Sublet Premises; (iii) creates the relationship of sublessor and sublessee hereunder, and no other relationship whatsoever; (iv) does not constitute an assignment of the Master Lease or any interest therein to Sublessee; and (v) does not limit or restrict Sublessor's rights or privileges with respect to the balance of Sublessor's Premises not subject to this Sublease. In addition, Sublessor shall remain the "Tenant" under the Master Lease and Sublessee is not granted, and shall not have any interest therein, notwithstanding the subleasing of the Sublet Premises pursuant hereto. EXCEPT AS EXPRESSLY PROVIDED FOR IN THIS SUBLEASE, NOTWITHSTANDING ANYTHING IN THIS SUBLEASE TO THE CONTRARY, NO RIGHTS OF TENANT ARISING FROM THE MASTER LEASE ARE GRANTED OR ASSIGNED TO SUBLESSEE INCLUDING, BUT NOT LIMITED TO, ANY RIGHTS TO RENEW, EXTEND, SURRENDER OR TERMINATE THE MASTER LEASE.

3. Term. The Term (hereinafter defined) of this Sublease as to the Upper Floors shall commence on the later of (i) July 1, 2015 or (ii) the date on which the Consent (as defined in paragraph 23 hereof) is fully executed (the "**Upper Floors Commencement Date**"); and the Term this Sublease as to the Lower Floors shall commence on the later of (i) August 3, 2015 or (ii) the date on which the Consent (as defined in paragraph 23 hereof) is fully executed (the "**Lower Floors Commencement Date**" and together with the Upper Floors Commencement Date, the "**Commencement Date**") and, subject to Sections 6 and 7 below, shall expire on February 28, 2021 (the "**Term**"). Notwithstanding the foregoing: (i) in the event the Consent is not received by Sublessor and Sublessee on or before the thirtieth (30th) day after the Effective Date, Sublessee may terminate this Sublease upon written notice to Sublessor; and (ii) in the event the Consent is not received by Sublessor and Sublessee on or before the sixtieth (60th) day after the Effective Date, either party may terminate this Sublease upon written notice to the other party. If Sublessor does not deliver the Sublet Premises within sixty (60) days after the Commencement Date, Sublessor shall abate Base Rent each day after sixty (60) days for the portion of the Sublet Premises not delivered to Sublessee. In the event of a delay in either the Upper Floors Commencement Date or the Lower Floors Commencement Date, the rental abatement period (7/1/15 – 8/31/15) contemplated below shall be extended on a day for day basis for each day of delayed commencement.

4. Rent, Utilities, Security Deposit, Furniture; Rules and Regulations.

(a) Rent. Monthly base rent for the Sublet Premises (the "**Base Rent**") shall be in the amounts outlined as follows:

<u>Rental Period</u>	<u>Rent/RSF/Year</u>	<u>Upper Floors Monthly Base Rent</u>	<u>Lower Floors Monthly Base Rent</u>	<u>Total Monthly Base Rent</u>
7/1/2015 – 7/31/2015	\$37.50	\$0.00	-	\$0.00
8/1/2015 – 8/31/2015	\$37.50	\$0.00	\$0.00	\$0.00
9/1/2015 – 9/30/2015	\$37.50	\$29,587.50	\$0.00	\$29,587.50

10/1/2015 – 6/30/2016	\$37.50	\$29,587.50	\$41,250.00	\$70,837.50
7/1/2016 – 6/30/2017	\$38.63	\$30,475.13	\$42,487.50	\$72,962.63
7/1/2017 – 6/30/2018	\$39.78	\$31,389.38	\$43,762.13	\$75,151.50
7/1/2018 – 6/30/2019	\$40.98	\$32,331.06	\$45,074.99	\$77,406.05
7/1/2019 – 6/30/2020	\$42.21	\$33,300.99	\$46,427.24	\$79,728.23
7/1/2020 – 2/29/2021	\$43.47	\$34,300.02	\$47,820.06	\$82,120.08

shall be due and payable on the first day of each month during the Term, commencing on the Commencement Date, to Sublessor at the following address: *Education Management LLC, c/o Education Management Corporation, 210 Sixth Avenue, 33rd Floor, Pittsburgh, PA 15222, Attn: Treasury Department* or in accordance with the following wiring instructions:

Bank: Bank of America
 ABA: 026009593
 Account: 8666108936
 Name: EDMC, LLC Concentration
 Description: The San Francisco Community College District rent for the month of (Month)

or at such other place as Sublessor may from time to time designate in writing. **Notwithstanding the foregoing, the Base Rent for the third month shall be due and payable to Sublessor within five (5) days of execution of this Sublease by Sublessee.** If Sublessee's obligation to pay Base Rent commences or ends on a day other than the first, or last, day of a calendar month, as applicable, Sublessee shall pay to Sublessor a pro rata portion of the monthly installment of Base Rent, such pro rata portion to be calculated on the number of days in such partial month within the Term. All Base Rent and Additional Rent (hereinafter defined) payable by Sublessee hereunder shall be paid to Sublessor without notice, and without any deduction or set-off whatsoever.

(b) Utilities and Services. Included in the Base Rent shall be janitorial services as set forth on Exhibit B attached hereto and made a part hereof, and Sublessee's reasonable electricity, standard HVAC (not overtime), gas, water, sanitary sewer, and trash removal service charges, to the extent such services are available to Sublessor in or about the Sublet Premises; provided, however, that any overages shall be charged to Sublessee as set forth in Subsection 4(c)(ii) below. As of the date of this Sublease, the current standard HVAC hours are 5:00 a.m. through 11:30 p.m. Monday through Saturday, provided, however, that such standard hours are subject to change based on Sublessor's class schedule and breaks. If Sublessee requests HVAC overtime hours, Sublessor shall use commercially reasonable efforts to provide the same and the cost shall be \$150.00 per hour. Sublessee's telephone and cable hook-up and charges and any alarm and security system charges shall be at Sublessee's sole cost and expense.

Sublessor may impose on Sublessee a reasonable additional charge if Sublessor is required to pay, whether charged by Landlord or otherwise, for the usage of any additional or unusual utility, janitorial, maintenance or repair services required because of Sublessee's use or

occupancy of the Sublet Premises or any portion of the Building beyond usage typical for similar buildings in the vicinity of the Building, whether because of non-building standard improvements in the Sublet Premises, the carelessness or misconduct of Sublessee, its employees, agents, licensees, invitees, students, guests or visitors (collectively, the “**Sublessee Parties**”), or otherwise. In addition, Sublessee shall be solely responsible for payment of all costs and fees required to be paid by Sublessor, whether imposed by the Landlord in accordance with the Master Lease, or otherwise, for any janitorial, maintenance or repair or replacement service furnished beyond the building standard or outside of building standard operating hours with respect to the Sublet Premises or due to the carelessness or misconduct of Sublessee, or any of the Sublessee Parties, at Sublessee’s request. Sublessee also shall be responsible for any late charges (not to be greater than seven percent (7%) of such overdue amount), penalties or other fees due under the Master Lease (including, without limitation, interest of twelve percent (12%) per annum) as a result of Sublessee’s failure to make timely payments due hereunder. If Sublessee fails to pay or reimburse Sublessor for the cost of any of the utilities or services referenced in this section 4 (b) within the time period permitted hereunder and such failure continues uncured for five (5) days after Sublessor’s or Landlord’s billing therefor, then, in addition to all other rights and remedies available to Sublessor under this Sublease, Sublessor shall have the right to refrain, or cause Landlord to refrain, as applicable, from providing to Sublessee any building services beyond the building standard or outside of building standard operating hours and Sublessee shall not be entitled to any services except building standard and within building standard operating hours.

(c) Additional Rent. Sublessee shall be obligated to pay the following together with, and at the same time, as the Base Rent:; operating expenses, cleaning, utilities, trash, guard service, late fees, non-standard work orders, and any other amounts owed as additional rent under this Sublease (collectively, “**Additional Rent**” and together with Base Rent, “**Rent**”).

(i) Sublessee is obligated to pay taxes and operating expenses as provided for in the Master Lease that are attributable to the Sublet Premises, commencing Month 13, and on such date, Sublessee shall be obligated to pay its pro rata share of the increases above the taxes and operating expenses paid during the 2015 calendar year (“**Sublessee’s Tax and Opex Payment**”). Sublessee’s Tax and Opex Payment is payable when Sublessor’s tax and operating expenses payment(s) is/are payable by Sublessor under the Master Lease, and shall be paid by Sublessee to Sublessor within ten (10) business days after receipt of a statement from Sublessor indicating the amount due and a computation of Sublessee’s share. Sublessee agrees that Sublessor may rely upon Landlord’s statement to Sublessor setting forth the itemization and calculation of all amounts of the taxes and operating expenses, a copy of which shall be provided to Sublessee, which shall be binding and conclusive upon Sublessee relating to the amounts stated therein. The obligations of Sublessee and Sublessor pursuant to this paragraph shall survive the expiration or earlier termination of this Sublease, so long as Sublessor provides a statement of the taxes and operating expenses within six (6) months after Sublessor’s receipt of such costs from the Landlord. Failure to pay any such Sublessee’s Tax and Opex Payment shall constitute a default (as defined below) under this Sublease.

(ii) Sublessee is also obligated to pay for overages with respect to gas, electricity, water and sewer, guard service, cleaning and trash as provided for in the Master Lease that are attributable to the Sublet Premises, commencing Month 13, and on such date, Sublessee shall be obligated to pay a fixed two percent (2%) above a \$8.00 per square foot base year for Months 1-12, which shall escalate on Month 13 (and Months 25, 37, 49, 61 and 73) by two percent (2%) (“**Sublessee’s Cleaning and Utilities Payment**”). Sublessee hereby agrees that Sublessor shall not be required to provide any evidence or documentation of these expenses and the parties hereby stipulate to this fixed cost that Sublessee will pay to Sublessor, on a monthly basis, along with Sublessee’s Tax and Opex Payment. The obligations of Sublessee and Sublessor pursuant to this paragraph shall survive the expiration or earlier termination of this Sublease, and failure to pay any such Sublessee’s shall constitute a default (as defined below) under this Sublease. For illustrative purposes, provided below is a schedule demonstrating the mechanics of Sublessee’s Cleaning and Utilities Payment. Subtenant shall not be required to pay a pass-through/charge for Months 1-12. Commencing on Month 13 and each year thereafter, Subtenant shall be responsible for a monthly payment according to the below the schedule:

<u>Months</u>	<u>Current</u>	<u>Base</u>	<u>Overage</u>	<u>Annual</u>	<u>Monthly</u>
1-12	\$8.00	\$8.00	\$0.00	\$0.00	\$0.00
13-24	\$8.16	\$8.00	\$0.16	\$3,626.88	\$302.24
25-36	\$8.32	\$6.00	\$0.32	\$7,253.76	\$604.48
37-48	\$8.49	\$6.00	\$0.49	\$11,107.32	\$482.93
49-60	\$8.66	\$6.00	\$0.66	\$14,960.88	\$1,246.74
61-72	\$8.83	\$6.00	\$0.83	\$18,814.44	\$1,567.87
73+	\$9.01	\$6.00	\$1.01	\$22,894.68	\$1,907.89

(d) Security Deposit. Within three (3) business days of receipt of Consent, Sublessee shall deposit with Sublessor the sum of Seventy Thousand Eight Hundred Thirty-Seven and 50/100 Dollars (\$70,837.50) (“**Security Deposit**”) which shall be held by Sublessor as security. The purposes of the Security Deposit are (i) to remedy any defaults by Sublessee in the payment of Rent, (ii) to repair damages to the Building, Premises, or the Sublet Premises caused by Sublessee, or any of the Sublessee Parties, and (iii) to otherwise secure the faithful performance by Sublessee of all of the provisions, covenants and conditions of this Sublease to be kept and performed by Sublessee, during the Term.

If at any time during the Term, (A) Sublessee should default in the payment of Rent, (B) Sublessee, or any of the Sublessee Parties should cause damage to the Sublet Premises, Premises, or the Building, or (C) Sublessee should otherwise fail to keep and perform any of the provisions, covenants and conditions of this Sublease to be kept and performed by Sublessee, Sublessor, in its sole discretion, may, in addition to all other rights and remedies which it may have pursuant to this Agreement, at law or in equity, and after any applicable notice and/or cure period set forth herein, utilize all or any part of the Security Deposit toward the payment of any cost, expense or damage incurred or sustained by Sublessor or for payment of Rent or other amounts due to Sublessor under this Sublease (but Sublessor shall not be required to do so). If Sublessor elects to utilize the Security Deposit as aforesaid, Sublessee shall, within ten (10) days after written demand therefor, deposit cash with Sublessor in an amount sufficient to restore the Security Deposit to its original amount. The parties agree that the provisions of this section shall

not operate as a limitation upon the amount of damages to which Sublessor is entitled by virtue of any default by Sublessee or failure by Sublessee to perform all of the provisions, covenants, conditions and agreements of this Sublease. Sublessor shall not be required to pay Sublessee interest on the Security Deposit. Sublessor's obligations with respect to the Security Deposit are those of a debtor and not trustee. Sublessor shall have the right to commingle the Security Deposit with Sublessor's general and other funds, to the extent permitted by applicable law. Sublessor shall return the Security Deposit (or so much of it as remains after any disbursement to Sublessor under this section) within thirty (30) days after the expiration of the Term of this Sublease and Sublessee has vacated the Sublet Premises. Sublessor, may, but shall not be obligated, to apply the Security Deposit to any Rent due by Sublessee hereunder.

Sublessor's obligations and Sublessee's right with respect to the Security Deposit shall be governed by the terms of this Sublease, and Sublessee hereby waives all rights it may otherwise have under California Civil Code Section 1950.7 or any similar or successor laws.

(e) Furniture, Fixtures, and Equipment. Sublessee shall have the right to use the furniture, fixtures, equipment and cabling listed on Exhibit C (collectively, "FF&E") during the Term for no additional cost; provided, however, that (i) Sublessee acknowledges that Tenant has made no representation or warranty concerning the safety, condition, functionality, or fitness for a particular use of the FF&E and Sublessee assumes the risk for the use of the same by its employees, agents and guests and any personal property or physical injury that may result therefrom, (ii) Sublessee shall maintain such FF&E in the same condition as such FF&E is on the Commencement Date, reasonable wear and tear excepted, and shall be responsible for any damage to such FF&E, (iii) Sublessor shall retain ownership and title to such FF&E throughout the Term, but on the last day of the Term, ownership and title to the FF&E (other than any cabling included therein) shall automatically be vested in Sublessee without any consideration therefor so long as an Event of Default is not existing as of the last day of the Term, and (iv) if the ownership and title to the FF&E (other than any cabling, included therein) so vests in Sublessee, Sublessee shall remove the FF&E (other than any cabling included therein) from the Sublet Premises upon the expiration of the Term. Sublessee acknowledges that the FF&E shall be conveyed "AS IS," "WHERE IS," AND "WITH ALL FAULTS" as of the last day of the Term, without any express or implied representation or warranty of any kind whatsoever, including but not limited to, condition, fitness for use, fitness for any particular purpose, merchantability, or as to compliance with specification, suitability, performance, design, absence of defects, operation or non-infringement or patent, copyright, trademark or other intellectual property rights of the FF&E (or any part thereof), or any other warranty, express or implied, and that Sublessee shall rely solely on its own independent investigations and inspections of the FF&E and not in reliance on any information provided by Sublessor or Sublessor's agents.

(f) Rules and Regulations. Sublessee hereby agrees to abide and comply with the Rules and Regulations for the Building as set forth on Exhibit D attached hereto and made a part hereof, including, without limitation, any amendments thereto as provided to Sublessee.

(g) Access; Guard Hours. Sublessee shall have access to the Sublet Premises 24 hours per day, 7 days per week, 365 days per year, except in the event that Landlord closes the Building for any reason and bans access thereto, including, without limitation, state and

national holidays. Notwithstanding the foregoing, Sublessee acknowledges that the current front desk/security guard service regular hours are as follows: (i) when Sublessor's classes are in session: 7:00 am to 12:00 am (midnight), Monday through Saturday, and 8:00 am to 5:00 pm Sunday, and (ii) when classes are NOT in session: 8 am to 9 pm, Monday through Friday (no weekend hours). Sublessee acknowledges that the front desk/security guard hours are subject to change.

5. Master Lease Acknowledgment and Ratification. By execution hereof, Sublessor ratifies the Master Lease, and Sublessee acknowledges that a copy of the Master Lease (from which certain terms have been redacted) was provided to Sublessee prior to its execution of this Sublease, is in full force and effect and is made a part hereof by reference. Sublessee shall be obligated to perform all of Tenant's obligations under the Master Lease insofar as those obligations are applicable to the Sublet Premises.

6. Compliance with Master Lease; Default. This Sublease is and shall be subject and subordinate to the Master Lease, and to the matters to which the Master Lease is or shall be subject and subordinate. With respect to the Sublet Premises, Sublessee shall perform, observe and otherwise comply with the terms and conditions to be performed by Sublessor under the provisions of the Master Lease, except for the payment of Rent and Additional Rent thereunder and such other obligations that are not applicable to the Sublet Premises, and except as expressly modified and amended by this Sublease, and shall indemnify Sublessor and Landlord against all claims, damages, costs, and expenses arising out of Sublessee's failure to perform or observe any such terms or conditions. Sublessee shall not do or cause to be done or suffer or permit any act to be done which would or might cause the Master Lease, or the rights of Sublessor, as tenant under the Master Lease, to be endangered, canceled, terminated, forfeited or surrendered, or which would or might cause Sublessor to be in default thereunder or liable for any damage, claim or penalty. Sublessee agrees, as an express inducement for Sublessor's executing this Sublease, that if there is any conflict between the provisions of this Sublease and the provisions of the Master Lease which would permit Sublessee to do or cause to be done or suffer or permit any act or thing to be done which is prohibited by the Master Lease, then the provisions of the Master Lease shall prevail. All rights and remedies given to the Landlord in the Master Lease are hereby given to Sublessor under this Sublease. If Sublessee shall default hereunder or thereunder and not cure within the lesser of the times permitted for cure of such default hereunder or under the Master Lease, Sublessor shall have all remedies against Sublessee provided for Landlord under the Master Lease, at law, or in equity, and if such default shall constitute a default under the Master Lease, Landlord shall have all remedies available to Landlord thereunder. In addition, Sublessor may cure any such default on behalf of Sublessee, in which event Sublessee shall pay, as Additional Rent, all costs and expenses incurred by Sublessor in curing such default, including reasonable attorneys' fees, to Sublessor together with the next monthly installment of Rent. **Notwithstanding anything to the contrary contained herein or in the Master Lease, it shall be a default hereunder if Sublessee fails to pay any Rent or any other sum of money when due within five (5) days after the date such amount is due.**

Sublessor shall have no duty to perform any obligations of or provide any services to be provided by the Landlord and shall under no circumstances be responsible or liable to Sublessee

for any default, failure or delay on the part of the Landlord in the performance of any obligations under the Master Lease, nor shall such default of the Landlord affect this Sublessee's obligations hereunder; provided, that in the event of any such default or failure of performance by Landlord, Sublessor agrees, upon notice from Sublessee but without incurring liability, expense or obligation, to make demand upon Landlord to perform its obligations under the Master Lease and to otherwise cooperate with Sublessee as Sublessee may reasonably request, in enforcing the remedies provided in the Master Lease. If such default or failure deprives Sublessee of physical possession of the Sublet Premises, Base Rent and Additional Rent shall be abated until such possession is restored.

7. Master Lease Termination.

(a) If a Master Lease Termination (as hereinafter defined) occurs prior to the expiration or earlier termination of this Sublease, then at Landlord's option, this Sublease shall terminate immediately or Sublessee shall attorn to Landlord and recognize Landlord as Sublessee's landlord under this Sublease, upon the terms and conditions and at the rental rate specified in this Sublease, and for the then remaining Term, except that Landlord shall not be bound by any provision of this Sublease which in any way increases Landlord's duties, obligations or liabilities to Sublessee beyond those owed to Sublessor under the Master Lease. Sublessee agrees to execute and deliver at any time and from time to time, upon the request of Landlord, any instruments which may be necessary or appropriate to evidence such attornment.

(b) "**Master Lease Termination**" means any event, which by voluntary or involuntary act or by operation of law, might cause or permit the Master Lease to be terminated, expire, be canceled, be foreclosed against, or otherwise come to an end, including but not limited to (i) a default by Sublessor under the Master Lease of any of the terms or provisions thereof; (ii) foreclosure proceedings brought by the holder of any mortgage or trust deed to which the Master Lease is subject; (iii) the termination of Sublessor's leasehold estate by dispossession proceedings or otherwise; or (iv) any casualty loss, default of Landlord or similar event.

8. Condition of Premises; Compliance with Laws; Alterations.

(a) Sublessee acknowledges and agrees that, except as may be expressly set forth in this Sublease, there have been no representations or warranties made by or on behalf of Landlord or Sublessor with respect to the Sublet Premises, the Premises, or the Building or with respect to the suitability of the same for the conduct of Sublessee's business or occupancy thereof. Sublessee is taking the Sublet Premises "AS-IS; WHERE-IS" and the taking of possession of the Sublet Premises by Sublessee shall conclusively establish that the Sublet Premises and the Building were at such time in satisfactory condition, order, and repair. The Sublessee shall be wholly responsible for damages or losses incurred in or to the Sublet Premises. Sublessor represents that as of the date of this Sublease, Sublessor has no actual knowledge of any non-compliance of the Sublet Premises with applicable laws; provided, however, that Sublessee acknowledges that Sublessor has done no investigations or made any inquiries as to compliance or non-compliance of the Sublet Premises with applicable laws.

(b) Sublessor shall not be required to construct any improvements in or make any repairs to the Sublet Premises, except Sublessor shall remove all non-attached equipment (excluding the FF&E and any cabling) prior to the Commencement Date. No work, alterations, additions or improvements in or to the Sublet Premises shall be performed by Sublessee without Sublessor's prior written consent in each instance, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Sublessor shall not unreasonably withhold, delay or condition consent to work in the Sublet Premises in the nature of painting and similar type cosmetic work, provided that (i) Landlord has given its written consent to such work in advance and (ii) such work shall be performed under the terms, conditions, rules and regulations of the Master Lease. Further, notwithstanding Sublessor's consent, Sublessee agrees that none of the alterations, additions or improvements to the Sublet Premises by Sublessee shall entail or incorporate work of fine art (as such term is defined in California Civil Code Section 987) in such a fashion that it cannot reasonably be removed without defacement, mutilation, alteration or destruction of such work. In connection with any work, alterations, additions or improvements done by Sublessee as set forth in this subparagraph (b), in the event that the City or other governing body requires additional work, alterations, additions or improvements to the Sublet Premises or anywhere else in the remainder of the Building due to Sublessee's work, alterations, additions or improvements ("Government Required Improvements"), then Sublessee shall be solely responsible for the cost of such Government Required Improvements.

(c) Sublessee at its sole expense shall comply with all laws which shall impose any duty upon Sublessee with respect to the use of the Sublet Premises by Sublessee, including, without limitation, complying with standards of health, sanitation, and safety. Sublessee shall not do anything which shall constitute a public nuisance or create a hazardous condition. Sublessee at its sole expense shall obtain all required licenses or permits for the conduct of its business or for the making of repairs, alterations, improvements or additions to the Sublet Premises which Sublessee is required or permitted to make hereunder. Sublessee shall also be responsible for the compliance herewith of the Sublessee Parties.

(d) Sublessor has a building-wide/elevator card key system and Sublessee shall comply with all procedures and processes in relation to this system. The cost of the card keys with respect to the Sublet Premises shall be paid by Sublessee.

9. **Security System**. If Sublessee wishes to establish or install any automated and/or non-automated security system in, on or about the Sublet Premises, Sublessee shall first notify Sublessor of Sublessee's plan for such system, and Sublessor shall have the right to review and approve or disapprove such plan and system in Sublessor's reasonable discretion. Any automated and/or non-automated security system installed by Sublessee shall not adversely affect the Premises or the Building, or any other tenants of the Building. If Sublessor approves any such plan and Sublessee establishes or installs such automated and/or non-automated security system (which shall then be considered a Sublessee improvement under this Sublease), and such system shall adversely affect the Premises or the Building, or the desirability of the Premises or the Building for office or classroom space, or have any adverse effect on other tenants, Sublessor shall have the right to review Sublessee's security system from time to time and request Sublessee to make changes in personnel and/or equipment. Sublessee shall make such requested changes immediately upon Sublessor's request. Sublessee shall have sole

responsibility for the protection of itself, Sublessee Parties and all property of Sublessee and Sublessee Parties located in, on or about the Sublet Premises or the Building.

10. **Signage**. Sublessee shall have the rights of Sublessor relating to signage as provided for under the Master Lease. In the event Sublessee desires to install signage or graphics outside of its Suite, Sublessee shall provide written notice to Sublessor along with plans and specifications of such desired signage or graphics, and Sublessor shall either approve or disapprove in a manner consistent with the Master Lease; provided, however, that consent for signage outside of elevator in front of suite shall not be unreasonably withheld or delayed by Sublessor. Such signage shall also be subject to the consent rights of Landlord under the Master Lease and at Sublessee's sole cost and expense. Notwithstanding the foregoing, Sublessee shall have the right to have a slot on the building directory sign for each floor of the Sublet Premises.

11. **Maintenance, Repairs, Operations.**

(a) Except as provided in Section 11(b) below, Sublessee shall be responsible, at its sole cost and expense, for the maintenance, repair and replacement of the improvements within, and constituting, the Sublet Premises in accordance with the Master Lease and as follows:

(i) Sublessee shall keep and maintain the interior of the Sublet Premises in good condition and repair and shall promptly replace all lightbulbs at its sole cost and expense.

(ii) To the extent the same are installed by the Sublessee or Sublessee Parties, Sublessee shall, at its sole cost and expense, perform all maintenance, repairs and replacements to the HVAC system, plumbing system, electrical system and other similar systems, equipment, utility lines, fixtures and/or other alterations or improvements in and/or exclusively servicing the Sublet Premises.

(iii) Sublessee shall maintain, repair and replace any improvements within the Sublet Premises and/or Building that are damaged as a result of the acts, omissions or negligence of Sublessee and/or Sublessee Parties.

(b) Apart from Sublessee's obligations under Section 11(a), Sublessor shall perform all maintenance, repairs and replacements to the HVAC system, the sprinkler system, the plumbing system and the electrical system servicing the Premises (including the Sublet Premises), as well as to all structural portions of the Sublet Premises, including, without limitation, the ceiling, floor, roof, foundation and walls, to the extent that the same are not the obligation or responsibility of Landlord under the Master Lease.

12. **Waiver; Restoration; Holdover.**

(a) Sublessee waives to Sublessor the benefit of all applicable laws, statutes, ordinances, codes, rules and regulations now or hereafter in force, in this state or elsewhere requiring notice to vacate the Sublet Premises at the end of the Term.

(b) Sublessee shall, at its sole cost and expense, immediately prior to the expiration or sooner termination of this Sublease or surrender of a portion of the Sublet Premises, restore the Sublet Premises, or portion thereof, to at least as good condition as it was in on the Commencement Date, ordinary wear and tear excepted, and otherwise as required upon surrender pursuant to this Sublease. In the event of expiration or termination of this Sublease or the expiration or surrender of any portion of the Sublet Premises in any manner whatsoever, Sublessee shall forthwith remove Sublessee's goods and effects and those of any other persons claiming under Sublessee, including, without limitation, any alarm and security system components and wiring, and quit and deliver the Sublet Premises to the Sublessor peaceably and quietly and broom clean. Sublessee shall repair any damage to the Building, or portion thereof, caused by any such removal. Goods and effects not removed by Sublessee after the expiration or termination of this Sublease shall be considered abandoned. Sublessor shall give Sublessee notice of right to reclaim abandoned property pursuant to applicable local law and may thereafter dispose of the same as it deems expedient, including, without limitation, storage in a public warehouse or elsewhere at the cost and for the account of Sublessee, but Sublessee shall promptly upon demand reimburse Sublessor for any expenses incurred by Sublessor in connection therewith (including, without limitation, expenses for removal of the alarm and security system, to the extent not removed, and repair of any damage to the Sublet Premises, the Premises or Building), which obligation shall survive the termination or expiration of this Sublease. In the event the appliances, equipment, carpet and/or any other items and/or improvements located within the Sublet Premises, the Premises, or the Building or the structures within such Sublet Premises and belonging to Landlord or Sublessor is damaged (ordinary wear and tear excepted) by Sublessee or any of the Sublessee Parties, then Sublessee shall be responsible for such damage.

(c) Sublessee is aware that it is extremely important that Sublessee surrender the Sublet Premises to Sublessor upon the expiration of the Term; among other things, if Sublessee fails to do so, Sublessor could incur significant liability to the Landlord. Therefore, Sublessee agrees that if it fails to surrender the Sublet Premises to Sublessor upon the expiration of the Term, then it shall be conclusively presumed that the value to Sublessee of remaining in possession, and the loss that will be suffered by Sublessor as a result thereof, far exceed the Rent that would have been payable had the Term continued during such holdover period. If Sublessee shall not immediately surrender the Sublet Premises on the day of the termination or expiration of the Term, then Sublessee shall, by virtue of this Sublease, become a tenant at the sufferance of Sublessor at 200% of the Rent then being paid by Sublessee, and Sublessee shall be subject to all of the other conditions and covenants of this Sublease; provided, however, that in such event Sublessee shall not be released from any further costs, damages or liabilities whether direct, indirect or consequential, suffered by Sublessor and occasioned by Sublessee's holding over. Without limiting the foregoing, if Sublessee fails to surrender the Sublet Premises upon the termination or expiration of this Sublease, in addition to any other liabilities to Sublessor accruing therefrom, Sublessee shall protect, defend, indemnify and hold Sublessor harmless from all loss, costs (including reasonable attorneys' fees and consequential damages) and liability

resulting from such failure, including, without limiting the generality of the foregoing, any claims made by Landlord any succeeding subtenant of Sublessor or any succeeding tenant of Landlord founded upon such failure to surrender.

13. Notices. All notices, consents, requests, demands and other communications required or permitted hereunder (a) shall be in writing; (b) shall be sent (unless otherwise provided) by messenger, certified U.S. mail, or a reliable overnight courier service such as Federal Express, charges prepaid as applicable, to the appropriate address(es) or number(s) set forth below; and (c) shall be deemed to have been given on the date of receipt (or refusal) by the addressee (or, if the date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by a receipt executed by the addressee (or a responsible person in his or her office), the records of the person or entity delivering such communication or a notice to the effect that such addressee refused to claim or accept such communication, if sent by messenger, U.S. mail or overnight courier service. The parties acknowledge that notices may be sent by electronic means, but must be sent concurrently by messenger, certified U.S. mail, or a reliable overnight courier service as provided in this section. All such communications shall be sent to the respective parties at their address below, or to such other addresses or numbers as any party may inform the other by giving five (5) business days' prior written notice.

Sublessor:

Education Management LLC
210 Sixth Avenue, Suite 3300
Pittsburgh, Pennsylvania 15222-2603
Attn: Vice President of Corporate Real
Estate and Senior Real Estate Counsel

Sublessee:

The San Francisco Community College
District
33 Gough Street
San Francisco, CA 94103
Attention: Ron Gerhard, CFO and Chairman

And

Jones Lang LaSalle Americas, Inc.
525 William Penn Place, 25th Floor
Pittsburgh, PA 15259
Attn: Lease Administration-EDMC 2023-A-
L001SL04

And

Benesch Friedlander Coplan and Aronoff
200 Public Square, Suite 2300
Cleveland, Ohio 44114
Attn: Real Estate Department Chair

14. Liability of Sublessor.

(a) Notwithstanding anything to the contrary contained in this Sublease, Sublessor and the Sublessor Parties shall not be liable for, and Sublessee (on behalf of itself and

all Sublessee Parties) hereby waives all claims against Sublessor and the Sublessor Parties relating to any damages or injury to person or property or resulting from the loss of use thereof, which damage or injury is sustained by Sublessee or by other Sublessee Party, based on, arising out of, or resulting from, any cause whatsoever, including any due to the Building, Premises, or any portion of the Sublet Premises becoming out of repair, or due to the occurrence of any accident or event in or about the Sublet Premises, the Premises, or the Building or any portion thereof, or due to any act or neglect of any other person. The provisions of this section shall apply particularly, but not exclusively, to damage or injury caused by electricity, steam, gas, fire, water or by the bursting or leaking of pipes, faucets, sprinklers, plumbing fixtures and windows, and shall apply without distinction as to the person whose act or neglect was responsible for the damage or injury and whether the damage or injury was due to any of the causes specifically enumerated above or to some other cause of an entirely different nature. As a material inducement to Sublessor to enter into this Sublease, Sublessee agrees that all personal property owned by Sublessee or any other Sublessee Party located in or on the Sublet Premises or elsewhere in the Building shall be there at the risk of Sublessee only, and that Sublessor and the Sublessor Parties shall not be liable for any loss or damage thereto or theft thereof. However, Sublessor shall not be released from liability to Sublessee for any damage caused by Sublessor's gross negligence or willful misconduct, to the extent such damage is not covered by insurance carried or herein required to be carried by Sublessee; provided, however, under no circumstances shall Sublessor have any liability to Sublessee, any Sublessee Party or other person for: (i) damage to property; (ii) interruption of or loss to business, or lost revenues or profits; or (iii) punitive, special, indirect or consequential damages.

(b) Sublessee shall not have the right to offset or deduct any amount owed to Sublessee pursuant to any claim against Sublessor from any Rent or other sum payable by Sublessee to Sublessor hereunder. Sublessee's sole remedy for recovery upon such claim shall be to institute an independent action against Sublessor. Wherever in this Sublease consent or approval of Sublessor is required, if Sublessor shall refuse such consent or approval, Sublessee shall not make or be entitled to make, and Sublessee hereby waives, any claim for damages based upon any assertion that Sublessor unreasonably withheld, conditioned, or delayed its consent or approval. Sublessee's sole remedy with respect to the same shall be an action or proceeding for specific performance, injunction or declaratory judgment.

15. Hazardous Substances. Neither Sublessee nor any Sublessee Party shall generate, use, treat, store, handle, release or dispose of, or permit the generation, use, treatment, storage, handling, release or disposal of Hazardous Substances in the Sublet Premises, the Premises, or the Building, or transport or permit the transportation of Hazardous Substances to or from any of the Sublet Premises, the Premises, or the Building except for limited quantities of office cleaning products used or stored at the Sublet Premises in compliance with all applicable Environmental Laws (defined herein). Sublessee will hold Sublessor harmless and indemnify Sublessor against and from any damage, loss, expense or liability resulting from any and all claims, damages, losses, expenses, liabilities, fines, penalties, charges, administrative or judicial proceedings and orders, judgments, remedial action, enforcement actions of any kind (and all other costs and expenses incurred in connection therewith) to the extent resulting from any breach of this covenant, including, without limitation, reasonable attorneys' fees and costs incurred as a result thereof (including, without limitation, those on appeal and in all manner of proceedings).

Sublessee's obligations under this section shall survive the termination or expiration of the Sublease.

As used herein, "**Hazardous Substance**" shall be interpreted to mean any substance or material defined as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any applicable federal, state or local environmental law, ordinance, regulation or rule presently in effect, as the same may be amended from time to time, including, without limitation, Sections 25115, 25117, 25122.7, 25140, 25249.8, 25281, 25316 and 25501 of the California Health and Safety Code and Title 22 of the California Code of Regulations, Division 4.5, Chapter 11, and any policies or rules promulgated thereunder as well as any County or City ordinances that may operate independently of, or in conjunction with, the State programs (the "**Environmental Laws**"), and it shall be interpreted to include, but not be limited to, any substance (including, without limitation, pollutants, lead, asbestos, radon and petroleum products) which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease.

16. Sublessee's Insurance. Sublessee shall, at its sole cost and expense, maintain during the Term hereof, such insurance as is required of Sublessor under the Master Lease or such coverages, if greater, as are described below:

(a) Sublessee shall, at its sole cost and expense, maintain worker's compensation insurance in an amount required by law and commercial general liability insurance (including fire legal liability insurance) adequate to protect Sublessor, Landlord and their respective agents against liability for injury to or death of any person in connection with the use, operation or condition of the Sublet Premise and Sublessor's property. Such liability insurance at all times shall be in the amount of not less than One Million Dollars (\$1,000,000) combined single limit and Two Million Dollars (\$2,000,000) general aggregate limit. If, in the opinion of an insurance professional employed or retained by Sublessor, the amount of insurance or the coverage afforded thereby at any time is not adequate, Sublessee shall increase and alter the insurance coverage as required by Sublessor, but such increases shall not be more often than annually and shall be commercially reasonable. Any such insurance shall also cover the Sublessee's liability with respect to damage caused by the Sublessee Parties.

(b) Sublessee shall at all times maintain in effect policies of insurance providing "Special Form", property insurance coverage for its leasehold improvements, trade fixtures, merchandise, and other personal property from time to time in or on the Sublet Premises, in an amount not less than One Hundred Percent (100%) of their actual replacement cost. In addition, Sublessee shall carry business risk insurance covering a period of at least six (6) months and in an amount sufficient to cover all insurable business risks during such period. Sublessee understands that and agrees that it shall be Sublessee's own obligation to insure the personal property within the Sublet Premises.

(c) All insurance required to be carried by Sublessee shall be issued by responsible insurance companies, qualified to do business in the locality where the Sublet Premises are located and reasonably acceptable to Sublessor and shall provide (i) that no material change or cancellation of said policies shall be made without thirty (30) days prior written notice

to Sublessor and Sublessee; (ii) that any coverage of Sublessor or sum payable to Sublessor shall be unaffected by any act or omission of Sublessee or any other insured which might otherwise result in forfeiture of said insurance; and (iii) that the insurance company issuing the same shall not have any right of subrogation against Sublessor or Sublessor's insurer. Each policy and renewal shall name Education Management LLC and Landlord as additional insureds. Copies of all policies or certificates evidencing the existence and amounts of said insurance shall be delivered to Sublessor by Sublessee upon request. Each policy shall also contain provisions required by any mortgagee of Sublessor's property or any portion thereof, if any. Copies of all policies or certificates evidencing said insurance shall be delivered to Sublessor at least five (5) days prior to the Commencement Date and renewals thereof shall be delivered to Sublessor at least ten (10) days prior to the expiration of any such policy. If Sublessee fails to adhere to the requirements of this section, Sublessor, in addition to any other remedies it may have, may order such insurance and charge the cost thereof to Sublessee, which amount shall be payable by Sublessee upon demand as Additional Rent.

(d) Neither party hereto nor its representatives, partners, officers, directors, agents or employees shall be liable to the other party or to such other party's insurance carrier, by way of subrogation or otherwise, for any loss or damage to the waiving party or its property or the property of others under its control, even though such loss or damage might have been occasioned by the negligence or fault of such party, its representatives, partners, officers, directors, agents or employees, if such loss or damage is covered by insurance benefiting the party suffering the loss or damage provided, however, that this waiver and release shall not affect such policies or the right of the insured to recover thereunder. To the extent available, Sublessor and Sublessee further agree to provide such endorsements for said insurance policies agreeing to the waiver of subrogation as required herein.

17. Indemnity.

(a) If any damage to the Sublet Premises, the Premises, the Building, or any part thereof results from any act or omission of Sublessee, or any of the Sublessee Parties, then Landlord or Sublessor may, in addition to its other remedies under this Sublease or the Master Lease, at their option, repair such damage and Sublessee shall, upon demand by Landlord or Sublessor, reimburse Landlord or Sublessor forthwith for all costs of making such repairs. Such reimbursement shall be immediately due and payable as Additional Rent hereunder.

(b) Sublessee shall indemnify, protect, defend (with counsel approved by Sublessor) and hold harmless Sublessor and its officers, directors, affiliates, employees, agents, licensees, and contractors (the "**Sublessor Parties**") from and against any and all claims, judgments, awards, amounts paid in settlements, penalties, fines, damages, liabilities, losses, suits, proceedings and costs (including, without limitation, reasonable attorneys' fees) of any kind or nature, known or unknown, contingent or otherwise, suffered or incurred, whether before, during or after the Term, including, without limitation, any accident, injury to or death of persons or loss of or damage to property, arising from or related to: (i) any default by Sublessee (after the passage of any applicable notice and/or grace periods) in the observance or performance of any of the terms, covenants or conditions of this Sublease or the Master Lease on Sublessee's part to be observed or performed; (ii) the use or occupancy of the Sublet Premises;

(iii) the condition of the Sublet Premises or any occurrence or happening on the Sublet Premises from any cause whatsoever, except to the extent resulting from the gross negligence or willful misconduct of Sublessor, or any Sublessor Party not covered by insurance; or (iv) any acts or omissions of Sublessee or any other Sublessee Party in, on or about the Sublet Premises, Premises, or the Building, either prior to, during or after the expiration of the Term or earlier termination of this Sublease, except to the extent arising from Sublessor's gross negligence or willful misconduct. Sublessor shall not be liable to Sublessee and Sublessee hereby waives all claims against Sublessor, whether or not based on negligence, for any entry into the Sublet Premises, for any damage to Sublessee's property, business or person, or for damage to any person or property in or about the Sublet Premises, the Premises, or the Building.

18. Access to the Sublet Premises. Sublessor or its agent or the Landlord may enter the Sublet Premises at reasonable times and upon reasonable prior notice (except in an emergency when no notice shall be required), to establish order, inspect the Sublet Premises, or to show said property to persons seeking to rent or purchase the Sublet Premises or to persons seeking to provide financing to or otherwise enter into a transaction with Sublessor involving the Sublet Premises, or to make maintenance, repairs, or improvements to the Sublet Premises, or to determine occupancy. This section is not to be construed as obligating Sublessor to make any repairs.

19. Waiver of Jury Trial. IT IS MUTUALLY AGREED BY AND BETWEEN SUBLESSOR AND SUBLESSEE THAT THE RESPECTIVE PARTIES HERETO SHALL AND DO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER (EXCEPT FOR PERSONAL INJURY OR PROPERTY DAMAGE) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS SUBLEASE, THE RELATIONSHIP OF SUBLESSOR AND SUBLESSEE, AND SUBLESSEE'S USE OR OCCUPANCY OF SAID SUBLET PREMISES. IT IS FURTHER MUTUALLY AGREED THAT IN THE EVENT SUBLESSOR COMMENCES ANY SUMMARY PROCEEDING FOR NON-PAYMENT OF RENT, SUBLESSEE WILL NOT INTERPOSE ANY COUNTERCLAIM OF WHATEVER NATURE OR DESCRIPTION IN ANY SUCH PROCEEDING.

20. No Broker. Sublessee and Sublessor covenant, warrant and represent to each other that, other than Sublessor's brokers, Jones Lang LaSalle ("JLL") and Sublessee's broker, CBRE, there was no broker involved on behalf of Sublessor or Sublessee in consummating this Sublease, and that no conversations or prior negotiations were had with any broker other than JLL and CBRE concerning the renting of the Sublet Premises. Sublessee agrees to defend, indemnify and hold Sublessor harmless against any claims for brokerage commission arising out of any conversations or negotiations had by Sublessee with any broker other than JLL or CBRE.

21. Patriot Act. Each party shall take any actions that may be required to comply with the terms of the USA Patriot Act of 2001, as amended, any regulations promulgated under the foregoing law, Executive Order No. 13224 on Terrorist Financing, any sanctions program administrated by the U.S. Department of Treasury's Office of Foreign Asset Control or Financial Crimes Enforcement Network, or any other laws, regulations, executive orders or government

programs designed to combat terrorism or money laundering, if applicable, on this Sublease. Each party represents and warrants to the other party that it is not any entity named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury, as last updated prior to the date of this Sublease, and covenants that throughout the Term it shall not be so named.

22. Force Majeure. Neither Sublessee nor Sublessor shall be deemed in default under this Sublease (excluding, however, monetary defaults) to the extent that any such failure or delay stems from a cause beyond the reasonable control of the respective party, including, without limitation, any act of God, war, insurrection, applicable governmental or judicial law or regulation, zoning ordinance, labor strike, order or decree, and the doing or performing of such act or thing shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay and Sublessee shall not be entitled to any diminution of Rent, damages or compensation therefor.

23. No Option; Landlord's Consent. The submission of this Sublease for examination or execution by Sublessee does not constitute a reservation of or option for the Sublet Premises. This Sublease shall become effective only upon execution and delivery thereof by both parties and upon Landlord's written consent to this Sublease (the "Consent").

24. Relationship. It is understood, covenanted and agreed between the parties hereto that nothing in this Sublease shall constitute Sublessor an employer, employee, principal, agent or partner of Sublessee and the relationship hereby created between the parties hereto shall be strictly and solely that of Sublessor and Sublessee.

25. Financial Statements of Sublessee. Sublessee shall provide financial statements of Sublessee to Sublessor or to Landlord within ten (10) days after a request therefor, and such request may occur no more than twice during any calendar year, except that in the event Sublessee is late in the payment of any Rent more than twice in any six (6) month period, Sublessor shall have the right to request financial statements at such time and such request shall not be applied towards the twice per year limit.

26. Time of the Essence. Time is of the essence with respect to this Sublease and each of its provisions.

27. Attorneys' Fees. In the event of any action or proceeding brought by either party under this Sublease, the prevailing party shall be entitled to recover for the costs and fees of its attorneys in such matter and the other party shall promptly pay such costs and fees within ten (10) days after receipt of a demand therefor.

28. Headings. The paragraph and section headings to this Sublease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Sublease.

29. Sub-sublease and Assignment. Sublessee may only sub-sublease or assign its interest under this Sublease in accordance with the Master Lease and upon Landlord's and Sublessor's prior written consent.

30. Miscellaneous. This Sublease: (a) may be amended only by a writing signed by each of the parties; (b) may not be assigned, pledged or otherwise transferred, by Sublessee, whether by operation of law or otherwise, except as otherwise provided herein; (c) may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument; (d) and any exhibits attached hereto contains the entire agreement of the parties with respect to the transactions contemplated hereby and supersedes all prior written and oral agreements, and all contemporaneous oral agreements, relating to such transactions; (e) shall be governed by, and construed and enforced in accordance with, the laws of the State of California without giving effect to any conflict of laws rules; and (f) shall be binding upon, and inure to the benefit of, the parties and their respective heirs, successors and permitted assigns. The waiver by a party of any breach or violation of any provision of this Sublease shall not operate or be construed a waiver of any subsequent breach or violation hereof. Delivery of an executed counterpart of this Sublease by electronic means shall be equally as effective as delivery of a manually executed counterpart of this Sublease. Any party delivering an executed counterpart of this Sublease by electronic means shall also deliver a manually executed counterpart of this Sublease, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability or binding effect of this Sublease.

31. California Notices.

- (a) The Premises has not been inspected by a Certified Access Specialist as that term is defined in California Civil Code Section 1938.
- (b) Sublessor and Sublessee hereby waive the provisions of any statutes with relate to termination of leases when real property is destroyed, including, without limitation, California Civil Code Sections 1932(2) and 1933(4) and agree that in such event their rights, obligations and duties shall be governed by the terms of this Sublease and the Master Lease.
- (c) Sublessor and Sublessee agree that their rights and duties in the event of a taking of the Premises shall be governed solely by the terms of this Sublease and the Master Lease, and each waives all rights it may otherwise have pursuant to California Code of Civil Procedure Section 1265-110 – 1265.130 or any similar or successor laws.
- (d) Sublessee hereby waives all rights in California Code of Civil Procedure Section 1932(1), 1932(2), 1933, 1941, and 1942 and all similar or successor related provisions of law, as the same may be supplemented, amended, replaced or substituted from time to time.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first written above:

WITNESS/ATTEST:

WITNESS/ATTEST:

SUBLESSOR:

TAIC – SAN FRANCISCO, INC.

By: _____

Name: _____

Title: _____

SUBLESEE:

**THE SAN FRANCISCO COMMUNITY
COLLEGE DISTRICT**

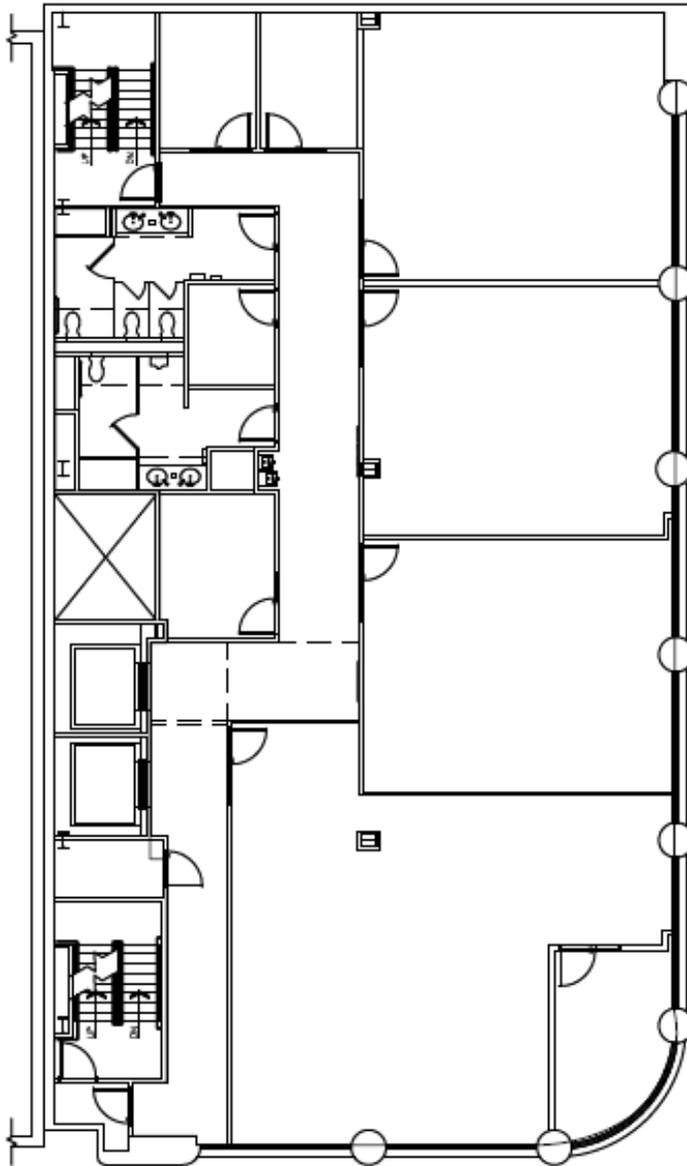
By: _____

Name: _____

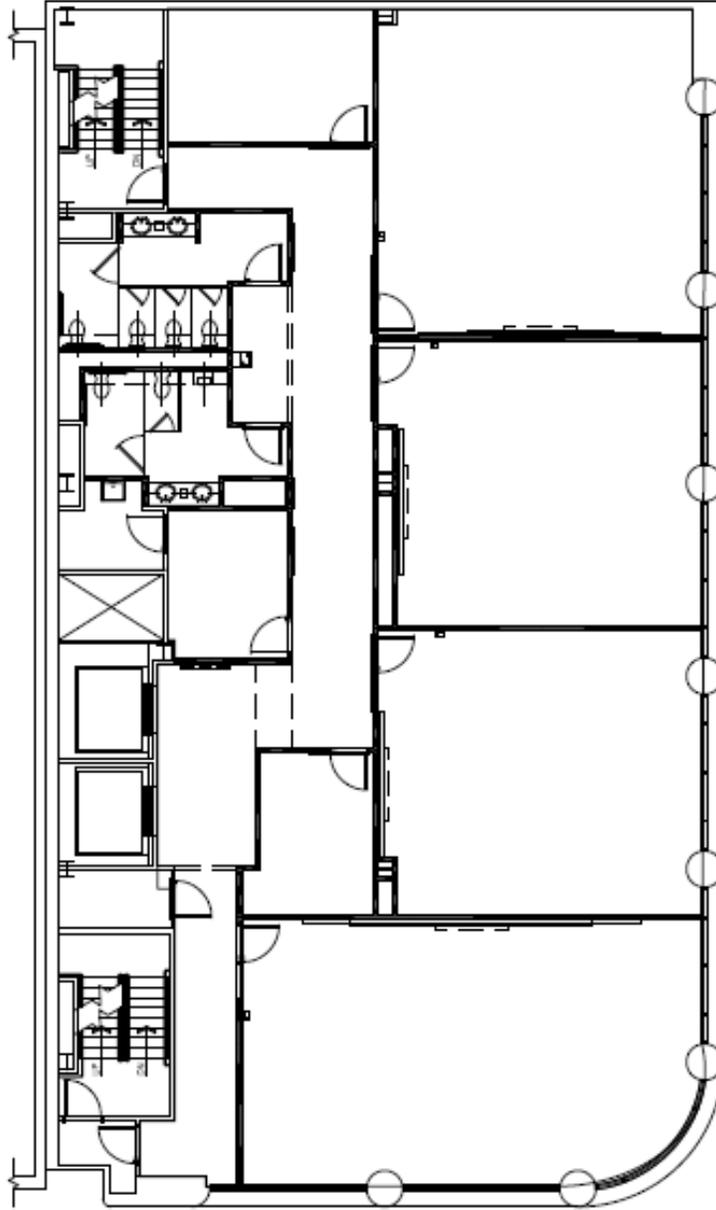
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EXHIBIT A
FLOOR PLAN

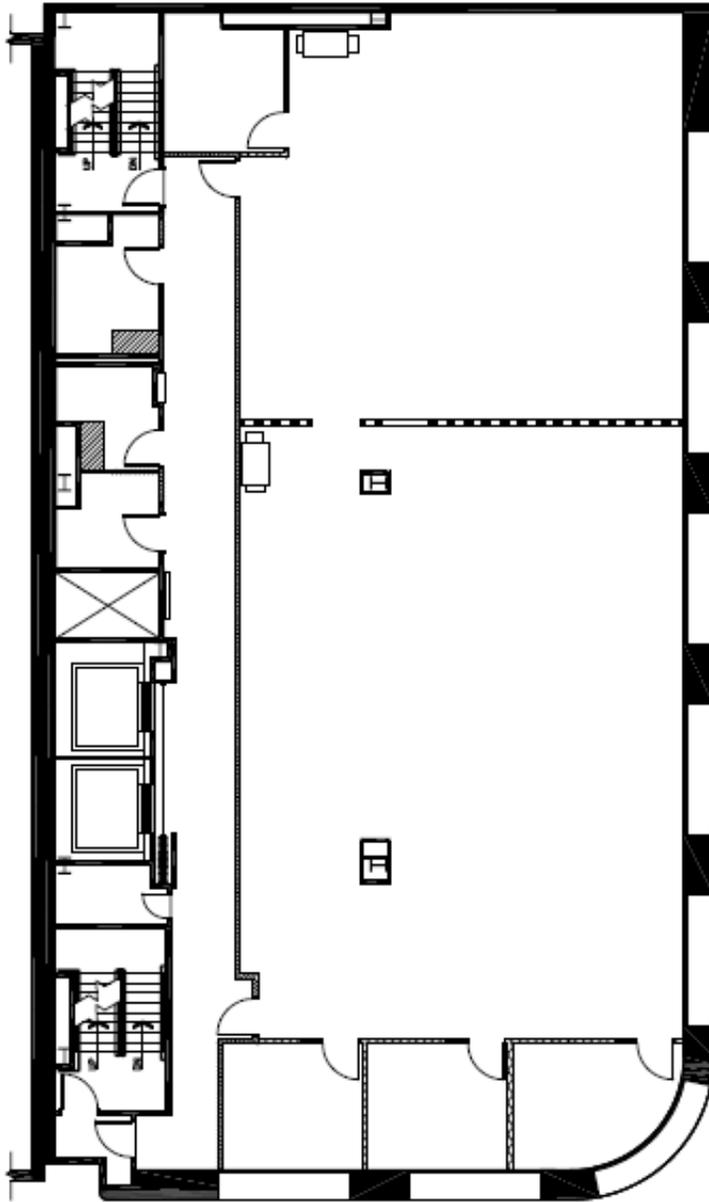
4th Floor



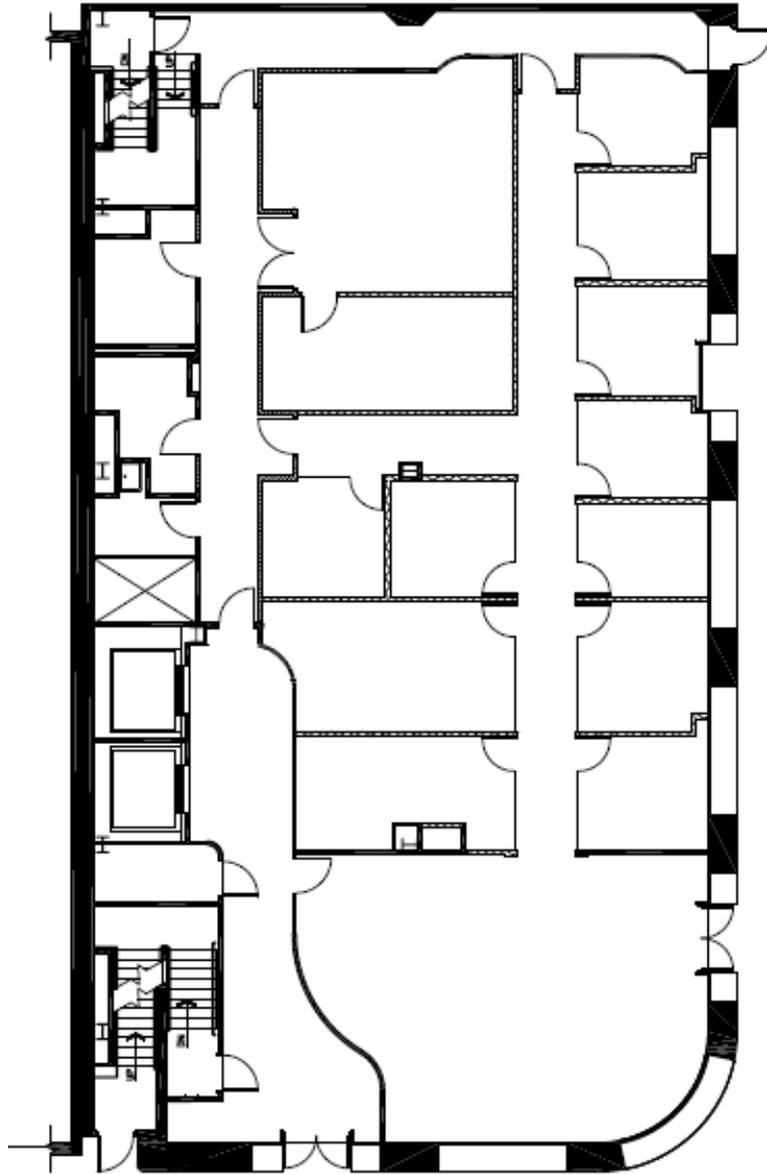
3rd Floor



2nd Floor



1st Floor



Lower Level

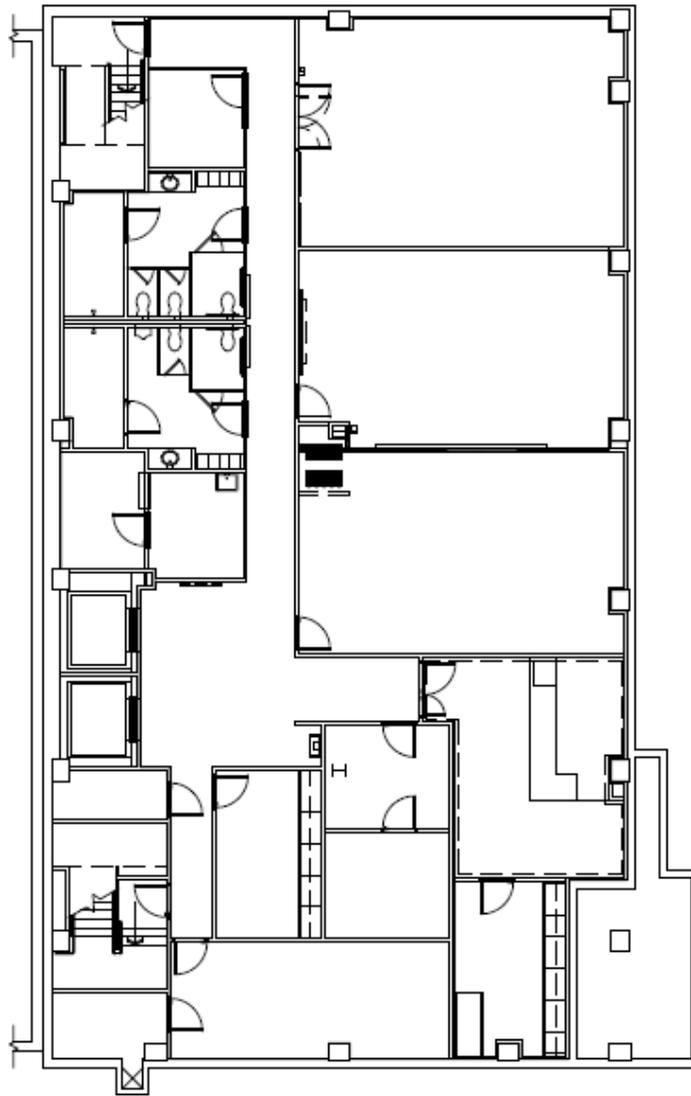


EXHIBIT B

Janitorial Specifications

A. OFFICES, GENERAL OFFICE AREA, CONFERENCE ROOMS

NIGHTLY

1. Vacuum and clean all open carpet areas including corridors and paths of travel.
2. Damp wipe all exposed counter surfaces.
3. Empty all wastebaskets and trash containers and remove trash to designated area. Replace liner, if soiled.

MONTHLY

1. Vacuum and/or damp mop all floor areas.
2. Remove all cobwebs.
3. Spot clean all doors, doorframes and around light switches.
4. Damp wipe all flat surfaces, furniture, cabinets and ledges within normal reach (within eight (8) feet).

QUARTERLY

1. Edge vacuum carpet.
2. Spot clean walls.

TWICE A YEAR

1. Clean, apply finish and buff all hard floors, apply sealer as required.
2. Vacuum air vents.

ANNUALLY

1. Clean all fire extinguishers.
2. Wash all diffusers and air vents
3. Dust horizontal/vertical blinds.

B. RESTROOMS, LOUNGES, BREAKROOMS

NIGHTLY

1. Clean and sanitize all restrooms including toilets, toilet seats, urinals, sinks, mirrors and fixtures.
2. Wet mop and disinfect floors.
3. Dust and spot clean partitions.
4. Dust low ledges and moldings.
5. Spot clean walls.
6. Spot clean all doors, doorframes, light switches, and any glass surfaces.
7. Dust all furniture, cabinets, ledges, etc. within normal reach (within eight (8) feet).
8. Clean, disinfect and dry shine drinking fountains.
9. Empty all wastebaskets and containers and remove trash to designated area; replace

liner.

10. Replenish consumable supplies.

MONTHLY

1. Scrub and sanitize all restroom floors.
2. Acid clean/de-scale inside of urinals and toilets, flush to remove acid residue.
3. Add water and chemicals to all floor drains.
4. Wash all trash receptacles (including sanitary napkin disposal units, etc.).

ANNUALLY

1. Wash diffusers and air vents.
2. Wash all ceramic tile walls and toilet partitions.

C. ELEVATORS, LOBBIES, ENTRANCE WAYS AND CORRIDORS

NIGHTLY

1. Vacuum and clean all open carpeted areas including corridors and paths of travel.
2. Dust all furniture, cabinets, ledges, etc., within normal reach (within eight (8) feet).
3. Spot clean elevator walls.
4. Spot clean all doors, doorframes, light switches, and any glass surfaces.
5. Dust elevator rails and button panels.
6. Spot clean and polish all bright metal work, using appropriate chemicals.
7. Empty and damp wipe exteriors and interiors of all wastebaskets and trash containers, and remove trash to designated area. Replace liner, if soiled.
8. Clean, disinfect and dry shine drinking fountains.
9. Spot clean all doors, doorframes and around light switches.
10. Clean room signage and directories.
11. Clean elevator door tracks, as needed.

TWICE A MONTH

1. Dust all high ledges and moldings.
2. Wash all entrance glass inside and outside.
3. Clean and polish elevator doors.

MONTHLY

1. Dust horizontal/vertical blinds.
2. Wash all trash receptacles inside and out.

ANNUALLY

1. Dust exterior of lighting fixtures within normal reach (within eight (8) feet).
2. Vacuum air vents.
3. Pressure wash exterior entrances, walkways, loading docks and balcony decks.
4. Wash all diffusers and air vents.

D. STAIRWELLS, WALKWAYS

WEEKLY

1. Police all attached walk off mats/carpet on stairs and landings.
2. Dust stairway handrails.
3. Spot clean all doors, doorframes and walls (accessible areas).
4. Dust-mop all hard surface floors.

MONTHLY

1. Dust all low ledges.
2. Damp wipe doors.
3. Damp mop and/or vacuum stairs and landing.

QUARTERLY

1. Dust all walls.
2. Dust light fixtures.

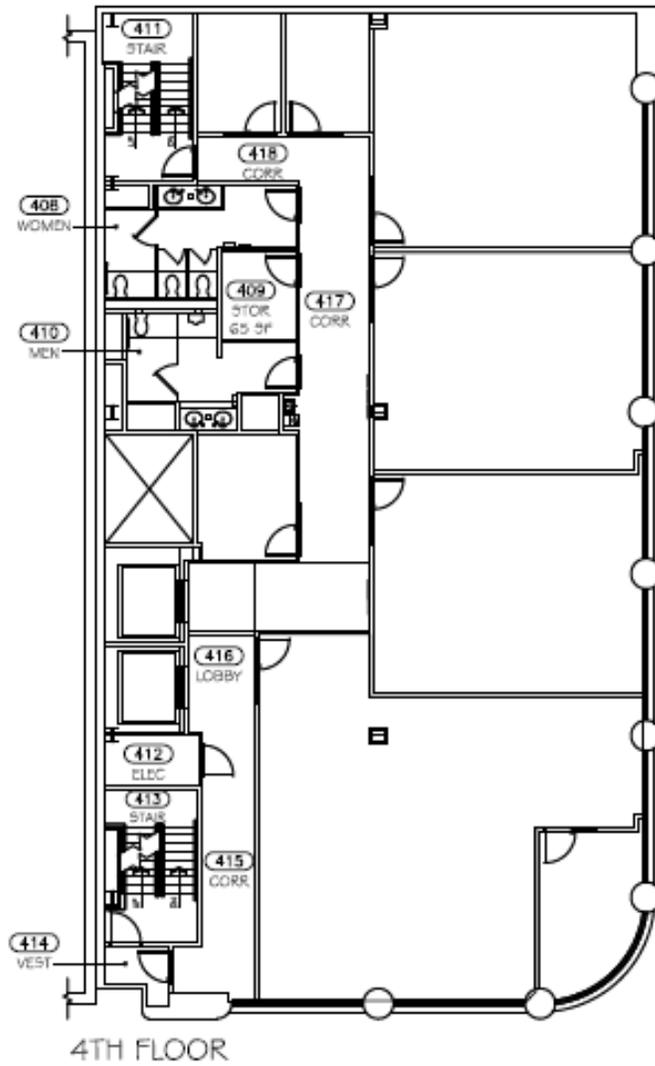
ANNUALLY

1. Clean/wash exterior windows upper floors and skylights to be billed as an additive alternate.
2. Wash all diffusers and air vents.

EXHIBIT C

FURNITURE, FIXTURES, AND EQUIPMENT

4th Floor



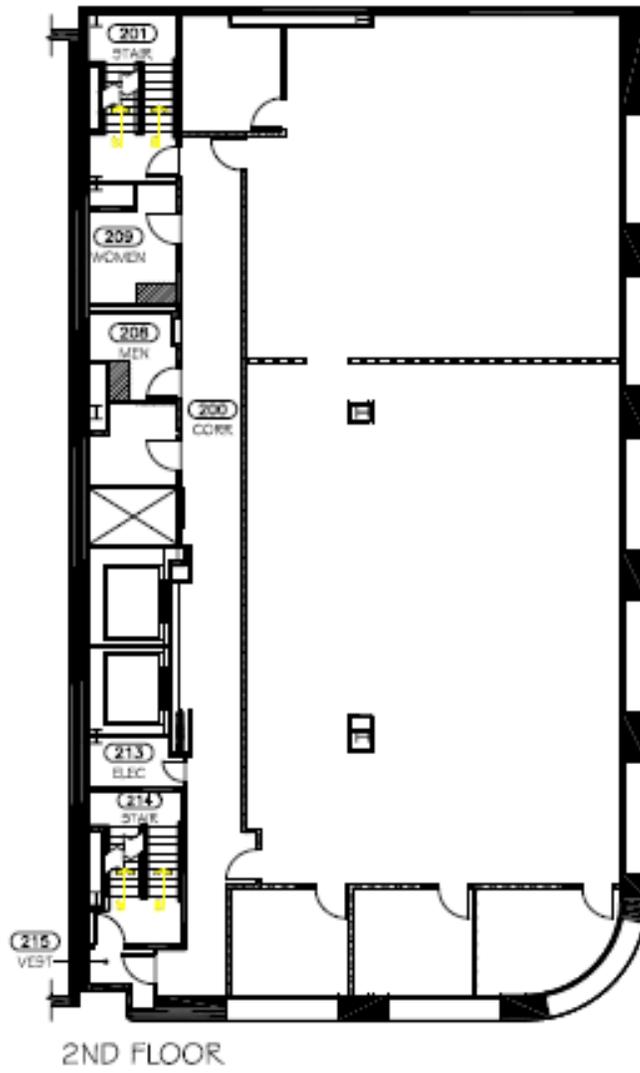
 TO REMAIN

3rd Floor



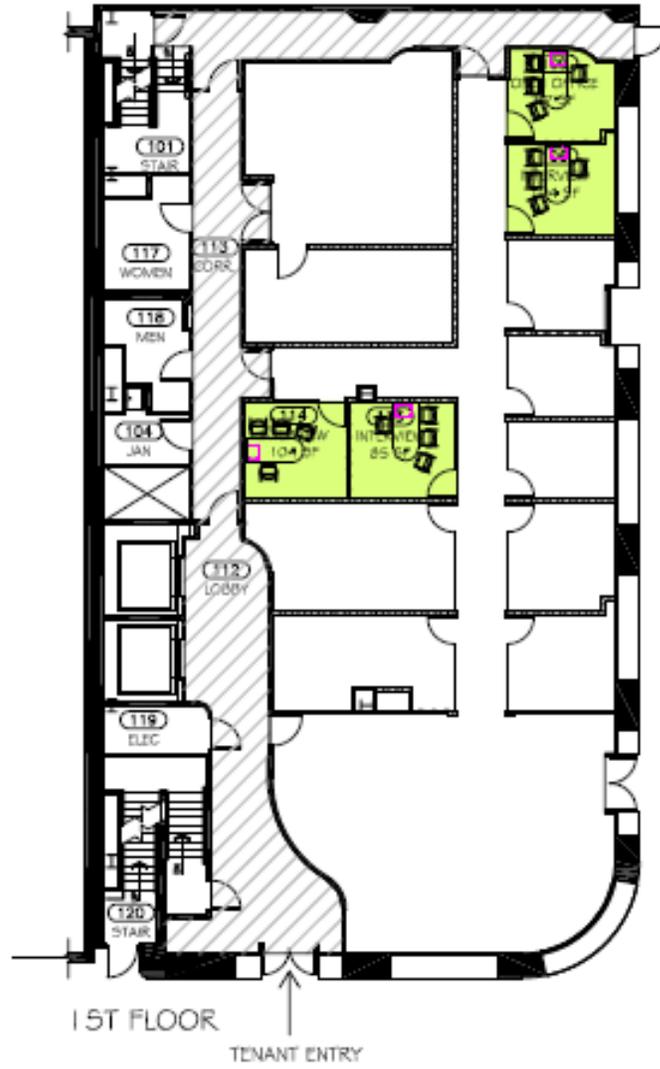
 TO REMAIN

2nd Floor



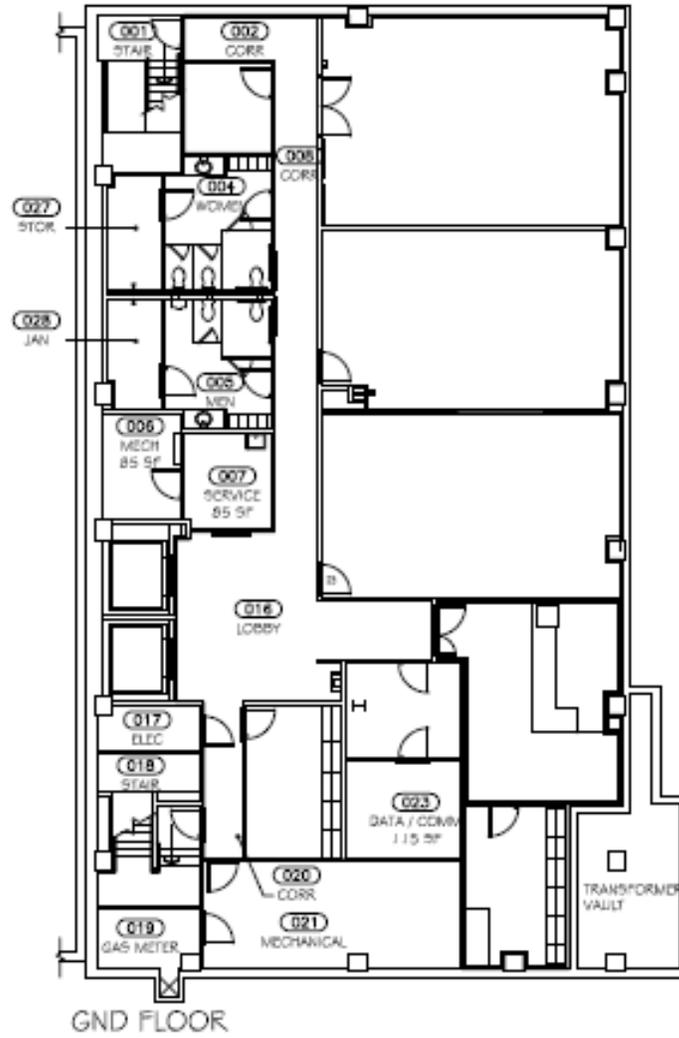
 TO REMAIN

1st Floor



 TO REMAIN

Lower Level



 TO REMAIN

EXHIBIT D

RULES AND REGULATIONS

1. The sidewalks, entrances, exits, passages, parking areas, courts, elevators, vestibules, stairways corridors, terraces, lobbies or halls shall not be obstructed or used for any purpose other than ingress and egress. The halls, passages, entrances, exits, elevators and stairways are not for the use of the general public, and Sublessor shall retain the right to control and prevent access thereto of all persons whose presence, in the judgment of Sublessor, is deemed to be prejudicial to the safety, character, reputation and interests of the Building and its tenants. No tenant shall go up on the roof of the Building.

2. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window of the Premises other than Sublessor's standard window covering; without Sublessor's prior written consent. No electric ceiling fixtures, other than those installed by Sublessor are permitted. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the prior written consent of Sublessor.

3. No sign, picture, placard, advertisement notice, lettering, direction or handbill shall be exhibited, distributed, painted, installed, displayed, inscribed, placed or affixed by any tenant on any part of the exterior of the Premises, the Building, the Property or the interior of the Premises which is visible from the exterior of the Premises, without the prior written consent of Sublessor. In the event of the violation of the foregoing by any tenant, Sublessor may remove same without any liability, and may charge the expense incurred in such removal to the tenant violating this rule. Interior signs on doors shall be inscribed, painted or affixed for each tenant by the Sublessor at such tenant's expense, and shall be of a size, color and style acceptable to the Sublessor. Nothing may be placed on the exterior of corridor walls or corridor doors other than Sublessor's building standard sign on the corridor door, applied and installed by Sublessor.

4. Sublessee shall not, and Sublessee shall not permit Sublessee's Employees to, drill into, or in any way deface any part of the Premises, Building, or Property. No boring, cutting or stringing of wires or any floor coverings shall be permitted, except with the prior written consent of the Sublessor.

5. No bicycles, vehicles, birds or animals (except guide dogs) of any kind shall be brought into or kept in or about the Premises or the Building, and no birds or animals (except guide dogs) shall be brought into or kept in or about the Building. No cooking shall be done or permitted by Sublessee on the Premises, except that the preparation of coffee, tea, hot chocolate and similar items for Sublessee shall be permitted, and Sublessee shall also be permitted to heat foods in a microwave oven for use by Sublessee or its employees. No Sublessee shall cause or permit any food, unusual or objectionable odors or smells to be produced or to permeate the Premises or common areas of the Building.

6. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises for general office purposes. No Sublessee shall occupy or permit any portion of the Premises to be occupied as an office for any

persons other than those persons employed by Sublessee and conducting the business of Sublessee for which this Premises was originally rented without the prior written consent of Sublessor. No Sublessee shall sell or permit retail sales of any goods or merchandise in or on its Premises. No Sublessee shall engage or pay any employees on its Premises except those actually working for such Sublessee on its Premises, nor shall any Sublessee, without Sublessor's prior written consent, use the Premises address in any advertisements for laborers working at a location other than the Premises. No Premises shall be used for lodging or sleeping or for any immoral or illegal purposes.

7. No Sublessee shall make, or permit to be made, any noises which disturb other occupants of the Building whether by the use of any musical instrument, radio, television, phonograph, screening room, loud, unusual or disruptive noise, or in any other way. No Sublessee shall use, keep or permit to be used any foul or noxious gas or substance in, on or about the Premises.

8. Sublessee shall not at any time bring or keep, and Sublessee shall not permit Sublessee's Employees to at any time bring or keep, within the Premises or the Building, any flammable, combustible or explosive fluid, chemical substance or material. Electric spaceheaters shall not be used at any time by Sublessee or Sublessee's Employees.

9. No new or additional locks or bolts of any kind shall be placed upon any of the doors by Sublessee, nor shall any changes be made in existing locks or the mechanism thereof without the prior written consent of Sublessor. If Sublessor consents in writing to such a lock change, Sublessee must furnish Sublessor with a key. Sublessee must, upon the termination of its tenancy, give, return and restore to Sublessor all keys of stores, offices, vaults and toilet rooms, either furnished to, or otherwise procured by Sublessee, and in the event at any time of any loss of keys so furnished, Sublessee shall pay to Sublessor the cost of replacing the same or of changing the lock or locks opened by such lost key if Sublessor shall deem it necessary to make such changes.

10. Furniture, freight, packages, equipment, safes, bulky matter or supplies of any description shall be moved in or out of the Building, only after Sublessor has been furnished with prior notice and approved thereof in writing and only during such hours and in such manner as may be prescribed by the Sublessor from time to time. The scheduling and manner of all Sublessee move-ins and move-outs shall be subject to the discretion and approval of Sublessor, and said move-ins and move-outs shall only take place at such times as Sublessor may designate. Sublessor shall have the right to approve or disapprove the movers or moving company employed by Sublessee, and Sublessee shall cause said movers to use only the loading facilities and elevators designated by Sublessor. In the event Sublessee's movers damage the elevator or any other part of the Property, Sublessee shall immediately pay to Sublessor the amount required to repair said damage. The moving of safes or other fixtures or bulky or heavy matter of any kind must be done under the Sublessor's supervision, and the person employed by any Sublessee for such work must be acceptable to Sublessor, but such persons shall not be deemed to be agents or servants of the Sublessor, and Sublessee shall be responsible for all acts of such persons. The Sublessor reserves the right to inspect all safes, freight or other bulky or heavy articles to be brought into the Building and to exclude from the Building all safes, freight or other bulky or heavy articles which violate

any of these Rules or this Sublease of which these Rules are a part. The Sublessor reserves the right to determine the location and position of all safes, freight, furniture or bulky or heavy matter brought onto the Premises, and Sublessor shall have the right to require that same be placed upon supports approved in writing by Sublessor to distribute the weight.

11. No furniture shall be placed in front of the Building, or in any lobby or corridor or balcony, without the prior written consent of Sublessor. Sublessor shall have the right to remove all non-permitted furniture, without notice to Sublessee, and at the expense of Sublessee.

12. Sublessor reserves the right to disapprove any vendor, including but not limited to, those which provide the following services or products: water, ice, towel, janitorial, maintenance, delivery, courier, private postal, or other like services. No Sublessee shall obtain or purchase food or beverages on the Property from any vendor or supplier except at hours and under regulations established by Sublessor.

13. Sublessor shall have the right to prohibit any advertising by any Sublessee which, in Sublessor's opinion, tends to impair the reputation of the Building or its desirability as an office building and, upon written notice from Sublessor, Sublessee shall immediately refrain from or discontinue such advertising.

14. Sublessor reserves the right to exclude from the Building between the hours of 10:00 p.m. and 6:00 a.m., Monday through Friday, and at all hours on Saturday, Sunday and state and/or Federal holidays, all persons who are not authorized by Sublessee. Such authorization shall be in accordance with procedures established by Sublessor in its sole and absolute discretion. Each Sublessee shall be responsible for all persons whom it causes to be present in the Building and shall be liable to Sublessor for all acts of such persons. In the case of invasion, riot, public excitement, Act of God, or other circumstance rendering such action advisable in Sublessor's opinion, Sublessor reserves the right to prevent access of all persons, including Sublessee, to the Building during the continuance of the same by such actions as Sublessor may deem appropriate, including the closing and locking of doors.

15. All of Sublessee's Employees, while in the Building and outside of the Premises, shall be subject to and under the control and direction of Sublessor (but shall not be deemed to be an agent or servant of Sublessor), and Sublessee shall be responsible for all acts of such Sublessee's Employees.

16. All doors opening onto public corridors shall be kept closed, except when in use for ingress and egress. All doors leading to equipment and utility rooms shall be kept closed.

17. Canvassing, soliciting and peddling in the Building are prohibited and each Sublessee shall cooperate to prevent the same.

18. All office equipment of any electrical nature (other than that office equipment which is typically used in normal office uses and which does not cause excessive vibration noise or annoyance) shall be placed by Sublessee in the Premises in settings and locations approved in writing by Sublessor, to absorb or prevent any vibration, noise or annoyance.

19. No air conditioning unit or other similar apparatus shall be installed or used by Sublessee without the prior written consent of Sublessor.

20. Sublessee shall faithfully observe and comply with the terms of any and all covenants, conditions and restrictions recorded against the Property.

21. Restrooms and other water fixtures shall not be used for any purpose other than that which the same are intended, and any damage resulting to the same from misuse on the part of Sublessee shall be paid for by Sublessee. Each Sublessee shall be responsible for causing all water faucets, water apparatus and utilities to be shut off before such Sublessee leaves the Premises each day, and Sublessee shall be liable for any waste or damage sustained by other tenants or occupants of the Building or Sublessor as a result of Sublessee's failure to perform said duty.

22. The terms used in this Exhibit shall have the same meanings as defined in the respective Sublease for each Sublessee, unless a contrary meaning is expressly set forth herein. For all purposes of this Exhibit, (i) the term "Sublessee" shall be defined as the respective tenant under each Sublease to which this Exhibit is attached and to all other tenants of the Project and shall include and encompass each of those tenants' employees, agents, contractors, licensees, students and invitees, and (ii) the term "Premises" shall be defined as the respective Premises leased under each Sublease to which this Exhibit is attached and to the Premises of all other tenants of the Building.

23. No distress sale, fire sale, bankruptcy sale, liquidation, relocation sale, closing sale, going-out-of business sale, auction, sheriff's sale, receiver's sale, or any other sale that, in Sublessor's opinion, adversely affects the reputation of the Building or suggests that the business operations are to be discontinued in the Premises shall be advertised or conducted in or about the Premises.

24. Sublessee shall not place any grease or cooking oil into any trash compactor, normal garbage containers, floor drains, sink drains or toilets.

25. Sublessee shall, upon request by Sublessor, supply Sublessor with the names and telephone numbers of personnel designated by Sublessee to be contacted on an after-hours basis should circumstances warrant.

These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any sublease of any premises in the Building. Sublessor may waive any one or more of these Rules and Regulations for the benefit of any particular subtenant or subtenants, but no such waiver by Sublessor shall be construed as a waiver of such Rules and Regulations in favor of any other subtenant or subtenants, nor prevent Sublessor from thereafter enforcing any such Rules and Regulations against any or all of the subtenants of the Building.

Sublessor reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the

Building, and for the preservation of good order in and about the Building. Subtenant agrees to abide by all such rules and regulations herein stated and any additional rules and regulations which are adopted. Subtenant shall be responsible for the observance of all of the foregoing rules by Subtenant's employees, agents, clients, customers, invitees, students and guests.