

LEASE

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THIS LEASE, executed in duplicate at San Francisco, California, this _____ day of _____ by and between _____ hereinafter referred to as Lessor, and _____ hereinafter referred to as Lessee,

WITNESSETH:

That Lessor hereby leases and demises to Lessee, and Lessee hereby takes and hires from Lessor, those certain premises situated in the City of San Francisco, County of San Francisco, State of California, described as follows:

Those certain premises commonly known and described as _____ located in the building which is located on that certain improved real property known as _____

To have and to hold the said premises unto the said Lessee for a term commencing on _____, 200 (the "Commencement Date") and continuing to the _____ day of _____ (the "Expiration Date"). If Lessor, for any reason whatsoever, cannot deliver possession of the Premises to Lessee on the date specified herein for the commencement of the Term, this Lease shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage resulting therefrom. In that event, however, Lessee shall not be liable for any Rent or until Lessor delivers possession of the Premises to Lessee but the Expiration Date shall not be modified. If Lessor tenders possession of the Premises to Lessee prior to the commencement of the Term and Lessee chooses to accept such possession, then the Term and Lessee's obligations hereunder shall commence on the date that it accepts such possession. Any failure to deliver possession at the stated commencement of the term of this lease or delivery of possession prior to the stated commencement date shall not in any way affect the obligations of Lessee hereunder or the expiration date hereof.

This Lease is made by Lessor in consideration of the rentals herein agreed to be paid by Lessee and the agreements hereinafter contained to be kept and performed by Lessee, and it is agreed that payment of said rentals and the performance by Lessee of all of said agreements shall be conditions precedent to Lessee's right to occupy the said premises or to claim any interest therein under this Lease.

1. RENT -- Lessee shall pay to Lessor as rent equal monthly installments of _____ (\$ _____) in advance on the first day of each month of the term hereof, with rent for; any partial months being prorated. All payments to be made by Lessee to Lessor hereunder shall be payable without deduction or offset in lawful money of the United States at Lessor's office or at such other place as Lessor may designate from time to time in writing. If any installment of rent or other payment is not

paid when due, the same shall bear interest at the highest rate permitted by law from the date when it became due until paid, but this provision shall not be construed to relieve Lessee from any default hereunder arising through the failure on the part of Lessee to make any payment at the time and in the manner specified. Lessor's acceptance of partial payments of amounts due, or payments without inclusion of late charges or interest, shall not be deemed to limit, restrict, or waive Lessor's right to collect the full amounts due and all accrued late charges and interest. Receipt of a check shall not be deemed to constitute payment unless the check is honored by the bank upon which it is drawn, and late charges and interest shall accrue from the original due date if a check is dishonored. Lessor may require that all payments be made by cashier's check if a check from Lessee is dishonored by the bank upon which it is drawn for any reason whatsoever.

2. SECURITY DEPOSIT -- In addition to Lessee's deposit of the first month's rent, Lessee shall deposit with Lessor upon execution hereof 100.00 (\$ 100.00) as security for Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby. If Lessor so uses or applies all or any portion of said deposit, Lessee shall within 10 days after written demand therefor deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount hereinabove stated, and Lessee's failure to do so shall be a material breach of this Lease. During the term Lessor may use and commingle said deposit with other funds of Lessor. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Lessor, shall be returned to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder) at the expiration of the term hereof, and after Lessee has vacated the premises. No trust relationship is created herein between Lessor and Lessee with respect to said deposit.

3. REAL PROPERTY TAXES -- In addition to the tax payments required pursuant to paragraph 29 below, Lessee shall pay 0 % of all real estate taxes and assessments levied throughout, the term of this Lease against the building of which the premises are a part (including the land underlying the building). All such taxes shall be payable by Lessee to Lessor within 15 days after receipt of an invoice from Lessor advising Lessee of taxes to be paid by Lessee. Taxes for any partial year during the term hereof shall be prorated between Lessor and Lessee. With respect to any assessments which may be levied against or upon the premises, or which under the laws then in force may be evidenced by improvement or other bonds or may be paid in annual installments, only the amount of such annual installment with appropriate proration for the computation of the annual taxes and assessments levied against the premises. As used herein, the term "real property tax" shall include any form of assessment, license fee,

transit tax or fee, rent tax, levy, penalty, tax (other than income, inheritance, or estate taxes), or charge in lieu of tax, imposed by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, drainage or other improvement district thereof, as against Lessor's right to rent or other income therefrom, or as against Lessor's business of leasing the premises, and Lessee shall pay any and all charges and fees which may be imposed by the EPA or other similar government regulations or authorities.

4. PROPERTY INSURANCE -- Lessee shall pay 10 % of the premiums paid by Lessor for property insurance in the amount of the estimated full replacement value of the building in which the premises are located. Such insurance may cover all risks, including fire, earthquake, and collapse, as Lessor may in its judgment select. Lessee's share of the premiums shall be payable by Lessee to Lessor within 15 days after receipt of any invoice from Lessor advising Lessee of Lessee's share.

5. USE OF PREMISES -- Lessee covenants to use the premises for the sole purpose of RESTAURANT
and for no other purpose without the written consent of Lessor first had and obtained.

6. PUBLIC UTILITY CHARGES -- Lessee agrees to pay for any and all services including by way of specification, but not limitation, janitor services, and all charges for water, fuel, gas, heat, electricity, power, refrigerated air and all other similar services which may be furnished to or used in or about the said premises, whether such services are furnished through a separate meter or not, and in the event Lessee fails to pay said charges when due, then Lessor may pay the same and the amount so paid shall be deemed additional rental payable to Lessor upon demand. Lessor shall in no event be liable to Lessee for any interruption in the service of any such utilities and/or services to the demised premises, or for any damages claimed to be caused thereby, howsoever such interruption may be caused; and this Lease and all of its terms, conditions and provisions shall continue in force and effect despite any such interruption.

7. CONDITION OF PREMISES -- Lessee acknowledges that Lessee has thoroughly examined and knows the condition of said premises and that no statements or representations as to the past, present or future condition of repair thereof, or of the building of which the same are a part, not herein specifically expressed, have been made by or on behalf of Lessor. Lessee agrees to accept said premises in the condition in which the same may be upon the commencement of the term hereof, hereby waiving any claim or right on account thereof and agrees that Lessor, except as herein otherwise expressly provided, shall not be called upon or required at any time to make any improvements, alterations, changes, additions, replacements or repairs of any nature whatsoever, in or to said premises or any part thereof. Lessee expressly waives any right to require Lessor to make repairs, or to make repairs at the cost of Lessor, which Lessee may have under the provisions of any law, statute, ordinance or regulation, including,

without limitation, Sections 1941 and 1942 of the California Civil Code. Lessee expressly covenants and agrees, at Lessee's own cost and expense, to keep the demised premises and each and every part thereof, including the plumbing, heating, air conditioning and electrical systems, in good condition and repair at all times during the term hereof, and to make promptly any and all repairs, renewals and replacements which may at any time be necessary or proper to put and keep the demised premises in as good condition as when received by Lessee from Lessor, and reasonable use and wear excepted. If at any time during the term hereof, Lessee fails, refuses or neglects to keep the demised premises or any part thereof in good condition and repair, then Lessor, at its option, may enter upon the said premises as may be necessary, but at the cost of and for the account of the Lessee, and any amounts paid or incurred therefore shall be deemed to be additional rent and shall be payable by Lessee to Lessor upon demand.

8. ACCIDENT LIABILITY -- Lessee hereby agrees to indemnify, defend, and hold Lessor and any lender of Lessor harmless against all Claims (as defined below) arising from: Lessee's possession, use, maintenance, and repair of the Premises or use of the Building Common Areas; any act or omission of Lessee or Lessee's Permittees; any default of Lessee under this Lease; or other acts or omissions which result in personal injury, loss of life, or property damage sustained in and about the Premises. As used in this Article, "Claims" means any claim, suit, proceeding, action, cause of action, responsibility, demand, judgment and execution, and attorneys' fees and costs related thereto or arising therefrom. Lessor shall not be liable to Lessee or any other person, for or on account of any injury or damage occasioned in or about said premises or said building, to persons or to property of any nature or sort whatsoever, or for or on account of any injury or damage to persons or property that may result by reason of any patent or latent defect, structural or otherwise, in the construction or condition or present or future lack of repair of said premises or said building, or of the wiring, equipment or apparatus therein or thereof, nor for any damage or injury occasioned by or from any plumbing, gas, water, steam or other pipes being out of repair, or by the bursting, leaking or running of any water closet, tank, plumbing, nor for any other damage by water in, above, upon or about said premises, nor for any damage caused by water being upon or coming through the roof, by or from the use, misuse, or disuse of said premises or building or any part thereof or of any equipment therein or apparatus thereof or by any other Lessee or occupant thereof or by or from any act, omission or neglect of any such other Lessee or occupant or by or from acts of owners or occupants of adjoining or contiguous properties, or in any manner whatsoever growing out of the past, present or future condition or use of the demised premises or said building or any part thereof.

9. ALTERATIONS AND FIXTURES -- Lessee covenants not to make any alterations, improvements or additions in or to the premises without the written consent of Lessor, except such as Lessee may be required to make under the terms hereof. If, because of the use to which Lessee puts the demised premises, any alterations, improvements or additions shall be required in or to said premises because of any present

or future statute, law, ordinance or regulation, then the same shall be made and the cost thereof be paid by Lessee; and should Lessee fail to make such alterations, improvements or additions, the same may be made by Lessor and any moneys paid or the amount of any indebtedness incurred by Lessor shall be deemed to be additional rent and shall be payable to Lessor by Lessee upon demand. Provided that Lessee is not in default in the payment of rental or in the performance of any of Lessee's agreements contained herein, and provided further, that this Lease shall not have been declared terminated because of any default by Lessee hereunder, then Lessee shall have the right to remove, and may be required upon thirty (30) days written notice by Lessor to remove, any trade fixtures installed or attached by Lessee in or about the premises but shall repair any damage caused by the affixing or removal of the same. If this Lease is terminated because of any default by Lessee in the payment of rental or in the performance of any of Lessee's obligations hereunder, or if Lessor takes possession of the premises after any such default, then all ornamental, trade and other fixtures, including counters, shall, at the option of Lessor, remain affixed to the premises and shall be delivered up to Lessor without compensation therefore. In no event may any such fixtures be removed if Lessee be adjudged a bankrupt and this Lease is terminated for that reason.

10. DESTRUCTION OF PREMISES -- If the premises or the building in which they are located are destroyed or rendered untenable by fire or any other cause, Lessee shall give immediate notice thereof to Lessor. Lessor may then elect either to terminate this Lease or to restore the demised premises to substantially their former condition. Lessor shall be allowed thirty (30) days from the date of such notice within which to make such election. If Lessor shall not terminate this Lease, it shall restore the premises to a good and tenantable condition within 120 working days after such destruction or injury unless prevented or delayed by strikes, lockouts, labor troubles or any other causes beyond Lessor's control. The rent payable hereunder shall abate proportionately during such time as the premises are un-tenantable, provided, however, that if the premises are destroyed or rendered un-tenantable due to the fault or neglect of Lessee, Lessee's servants, employees, agents, visitors, or licensees, there shall be no apportionment or abatement of rent. It is expressly understood and agreed that Lessee shall in no case be entitled to compensation or damages on account of any inconvenience or annoyance in making repairs and that no allowance or deduction whatever from the rent herein provided for shall be made for a partial destruction of or damage to said premises which does not prevent Lessee from carrying on business even though Lessee may be inconvenienced thereby. If Lessor elects to restore and repair the premises, Lessor need not restore the premises to exactly their former condition, but it shall be sufficient if the premises as restored are substantially unchanged.

11. LESSOR'S RIGHT OF ENTRY -- Lessor hereby reserves the right to enter upon any part of the demised premises for the purpose of inspecting the same or making repairs or alterations to the plumbing, heating, electrical or air conditioning systems or other improvements connected with any portion of the building other than that hereby

leased, and Lessor shall have the right to change or alter said building of which the demised premises are a part, or add thereto, and for that purpose may erect scaffolding or necessary structures, and in such event Lessee shall not be allowed any damages for any injury or inconvenience occasioned thereby. Lessee agrees to allow two "For Rent" signs of a reasonable size to be put and remain on the front of the premises during the last thirty (30) days of the term.

12. SIGNS -- Lessee may install on the demised premises signs which identify Lessee and the business Lessee conducts within said premises, provided Lessee's signs comply with (a) applicable requirements of governmental authorities, (b) applicable recorded restrictions and (c) Lessor's requirements for coordination of Lessee's signs with the signs of other Lessees and occupants in the building in which the premises are located, in which respect, Lessor may limit the location, size and type of Lessee's signing.

Lessee shall maintain its signs in neat condition and repair throughout the term hereof. Lessee shall repair any damage which maintenance, alterations or renovation of its signs may cause during at the expiration of the term hereof. Lessee shall remove its signs from the premises at the expiration of the term hereof.

13. LESSOR'S REMEDIES --- The occurrence of any of the following shall constitute a material default and breach of this Lease by Lessee:

a. Any failure by Lessee to pay Rent which continues for a period of five (5) days after the due date.

b. A failure by Lessee to observe and perform any other provision of this Lease to be observed or performed by Lessee, where such failure continues for thirty (30) days after written notice thereof by Lessor to Lessee; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty-day period Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion.

c. A Transfer of this Lease by Lessee without Lessor's prior written consent.

d. The making by Lessee of any general assignment for the benefit of creditors; the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within ninety (90) days); the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within ninety (90) days; or the attachment, execution, or other judicial seizure of substantially all of Lessee's assets

located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within ninety (90) days.

(1) In the event of any such default by Lessee, then in addition to any other remedies available to Lessor at law or in equity, Lessor shall have the immediate option to terminate this Lease and all rights of Lessee hereunder by giving written notice of such intention to terminate. In the event that Lessor shall elect to so terminate this Lease then Lessor may recover from Lessee:

(2) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; plus

(iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(v) at Lessor's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the rate of the greater of ten percent (10%) per annum or the discount rate of the Federal Reserve Bank plus four percent (4%). As used in subparagraph (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

e. In the event of any such default by Lessee, Lessor shall also have the right with or without terminating this Lease, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Lessee.

f. In the event of the vacation or abandonment of the Premises by Lessee or in the event that Lessor shall elect to re-enter as provided above or shall take

possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, then if Lessor does not elect to terminate this Lease, then Lessor may from time to time, without terminating this Lease, either recover all Rent as it becomes due or relet the Premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion may deem advisable with the right to make alterations and repairs to the Premises.

g. In the event that Lessor shall elect to relet, the rentals received by Lessor from such reletting shall be applied: first, to the payment of any indebtedness other than Rent due hereunder from Lessee to Lessor; second, to the payment of any cost of such reletting; third, to the payment of the cost of any alterations unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future Rent as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of Rent hereunder, be less than the Rent payable during that month by Lessee hereunder, then Lessee shall pay such deficiency to Lessor immediately upon demand therefor by Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor, as soon as ascertained, any costs and expenses incurred by Lessor in such reletting including reasonably necessary costs of alterations and repairs to the Premises.

h. No repossession, re entering or reletting of the Premises or any part thereof by Lessor shall relieve Lessee or any Guarantor of its liabilities and obligations under this Lease.

i. No re-entry or taking possession of the Premises by Lessor shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Lessee or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Lessor because of any default by Lessee, Lessor may at any time after such reletting elect to terminate this Lease for any such default.

j. Lessee acknowledges that late payment of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Lessor by the terms of its obligations. Therefore, if any installment of Rent due from Lessee is not received by Lessor within ten (10) days after notice from Lessor that it is due, Lessee shall pay to Lessor an additional sum of 5% of the overdue Rent or \$100.00 whichever is greater as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Lessor will incur by reason of late payment of Lessee. Such amount shall constitute the liquidation of Lessor's damages for processing, accounting and other indirect administrative charges and expenses (not including attorneys fees) incurred by Lessor by reason of Lessee's default. Acceptance of any late

charge shall not constitute a waiver of Lessee's default with respect to the overdue amount or prevent Lessor from exercising any of the other rights and remedies available to Lessor other than the right to collect the above described processing, accounting and other indirect administrative charges and expenses incurred by Lessor.

k. Upon default of Lessee to make any payment required of it under this Lease, in addition to any reimbursement due Lessor, Lessee shall pay to Lessor interest at the rate per annum of the greater of ten percent (10%) or four percent (4%) plus the discount rate of the Federal Reserve Bank of San Francisco but not more than that amount which can be legally charged as interest under the then applicable law.

l. Any suit or suits for the recovery of the amount and damages set forth herein may be brought by Lessor, from time to time, at Lessor's election, and nothing in this Lease will be deemed to require Lessor to await the date upon which this Lease or the Term would have expired had there occurred no Event of Default. Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lessor of any one or more of the rights or remedies will not preclude the simultaneous or later exercise by Lessor of any or all other rights or remedies. All costs incurred by Lessor in collecting any amounts and damages owing by Lessee pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by Lessor, will also be recoverable by Lessor from Lessee.

14. Compliance with Laws and Use of Premises. Lessee agrees to:

a. Comply with all statutes, ordinances, rules, regulations, and orders of all municipal, state, and federal authorities now in force or which may hereafter be in force pertaining to the use of the Premises. Lessee shall not use or permit the Premises to be used in whole or in part for any purpose or use in violation of any of the laws, ordinances, regulations, or rules of any public authority at any time applicable thereto;

b. Keep the Premises in a neat, sanitary, and orderly condition, free of debris, and shall not deposit or allow others to deposit trash, waste, or debris within Building Common Areas except within designated areas;

c. Not commit, or allow others to commit, any waste upon the Premises, Building or Building Common Areas;

d. Not engage, or allow others to engage, in any activity which will increase the existing premium rate of insurance on the Premises, Building or Building Common Areas, or cause a cancellation of any insurance policy or permit to

remain in or about any such area any article that may be prohibited by standard form fire insurance policies;

e. Not use, or allow others to use, the Premises, or Building, for or carry on or permit any offensive, noisy, or dangerous trade, business, manufacture, or occupation, or any nuisance or anything against public policy, or interfere with the business of or disturb the quiet enjoyment of any other Lessee in the Building;

f. Not use the exterior of the roof or walls of the Premises or Building for any purpose or allow others to do so;

g. Not display anything upon or pile any boxes or debris which may be seen through any windows or on any glass hallway doors unless and until Lessor has consented thereto;

h. Not use, encroach upon or allow others to use the Building for purposes other than the purposes intended for such areas; and

i. Faithfully observe and comply (and cause Lessee's Invitees to observe and comply) with the Rules and Regulations put into effect by Lessor from time to time, and all reasonable and non-discriminatory modifications of and additions thereto.

j. Lessee shall not use, generate, manufacture, store, or dispose of, in, under, or about the Premises or the Building or transport to or from the Premises, the Building, the Land, any Hazardous Materials. For purposes of this Lease, "Hazardous Materials" includes, but is not limited to: (i) flammable, explosive, or radioactive materials, hazardous wastes, toxic substances, or related materials; (ii) all substances defined as "hazardous substances," "hazardous materials," "toxic substances," or "hazardous chemical substances or mixtures" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., as amended by Superfund Amendments and Reauthorization Act of 1986; the Hazardous Materials Transportation Act, 49 U.S.C. § 1901, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; (iii) those substances listed in the United States Department of Transportation Table (49 CFR 172.10 and amendments thereto) or by the Environmental Protection Agency (or any successor agent) as hazardous substances (40 CFR Part 302 and amendments thereto); (iv) any material, waste, or substance which is (A) petroleum, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a "hazardous substance" pursuant to § 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq. (33 U.S.C. § 1321) or listed pursuant to the Clean Water Act (33 U.S.C. § 1317); (E) flammable explosives; or (F) radioactive materials; and (v) all substances identified as hazardous materials in Section 66680-66685 of Title 22 of the California Administrative Code, as the same may be amended from time to time.

k. Lessee shall be solely responsible for, and shall indemnify and hold harmless Lessor, its directors, officers, employees, agents, successors, and assigns from and against, any loss, damage, cost, expense, or liability directly or indirectly arising out of or attributable to Lessee's and Lessee's invitees' use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Premises or the Building, including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repairs, cleanup or detoxification of the Premises or the Building and the preparation and implementation of any closure, remedial, or other required plans; and (c) all reasonable costs and expenses incurred by Lessor in connection with clauses (a) and (b) of this Section, including but not limited to reasonable attorneys' fees. Notwithstanding the foregoing, Lessee may use in the Premises those Hazardous Materials which are customarily used for general office purposes (i.e., copier toner, liquid paper, glue, ink, and Lessor approved cleaning solvents and for medical purposes in accordance with established procedures and as authorized by applicable laws and regulations) subject however to the foregoing indemnity.

l. The parties acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.) and regulations and guidelines promulgated thereunder ("ADA"), and any similarly motivated state and local Laws ("Local Barriers Acts"), as the same may be amended and supplemented from time to time (collectively referred to herein as the "Disabilities Acts") establish requirements for business operations, accessibility and barrier removal, and that such requirements may or may not apply to the Premises depending on, among other things: (i) whether Lessee's business is deemed a "public accommodation" or "commercial facility", (ii) whether such requirements are "readily achievable", and (iii) whether a given alteration affects a "primary function area" or triggers "path of travel" requirements. The parties hereby agree that: (a) Lessee shall perform any required ADA Title III and related Local Barriers Acts compliance in the Premises, and (c) Lessor may perform, or require that Lessee perform, and Lessee shall be responsible for the cost of, ADA Title III and related Local Barriers Acts "path of travel" and other requirements triggered by any public accommodation or other use of, or alterations in, the Premises. Lessee shall be responsible for ADA Title I and related Local Barriers Acts requirements relating to Lessee's employees.

15. ASSIGNMENT -- Except upon Lessor's written consent, which shall not be unreasonably withheld or delayed, Lessee may not assign, transfer, or encumber this Lease or any estate or interest herein, or permit the same to occur, or sublet or grant any right of occupancy for any part of the Premises, or permit such occupancy by any other parties other than Lessee and Lessee's employees, or modify or terminate any agreement providing for any of the foregoing (the foregoing collectively referred to as "Transfer," and the other party thereto the "Transferee"). Any prohibited Transfer is voidable by Lessor.

a. Lessor's consent to a Transfer may, without limitation, be conditioned on Lessor's determination whether (a) the Transferee will conduct business of a quality equal to that of Lessee, consistent with the character of the Building and its occupants, and consistent with any exclusives or other rights held by or contemplated for other occupants; (b) the Transferee's financial responsibility shall equal or exceed that of Lessee and that which is then required by Lessor, whichever is greater. Consent by Lessor to any Transfer shall not be a waiver of Lessor's rights as to any subsequent Transfers. Any approved sublease shall be expressly subject to the terms and conditions of this Lease. If Lessee's obligations under this Lease have been guaranteed by third parties (herein called "Guarantors"), then Lessor's consent to the Transfer may be conditioned upon Lessor's receipt of the written consent of each Guarantor to such Transfer and the terms thereof. In the event of any Transfer, each transferor and all Guarantors will remain fully responsible and liable for all of Lessee's obligations under this Lease, and the Transferee will automatically be jointly and severally liable to the extent of the transferred portion of the Premises. Upon an event of default, as hereinafter defined, while a Transfer is in effect, Lessor may collect directly from the Transferee all sums becoming due to Lessee under the Transfer and apply this amount against any sums due Lessor by Lessee, and Lessee authorizes and directs any Transferee to make payments directly to Lessor upon notice from Lessor. No direct collection by Lessor from any Transferee shall constitute a novation or release of Lessee or any Guarantor, a consent to the Transfer or a waiver of the covenant prohibiting Transfers. Lessor, as Lessee's agent, may endorse any check, draft or other instrument payable to Lessee for sums due under a Transfer, and apply the proceeds in accordance with this Lease; this agency is coupled with an interest and is irrevocable.

b. Any request by Lessee for Lessor's consent to an assignment or subletting of this Lease shall include the following:

- i. name of the proposed Transferee;
- ii. a signed financial statement of such Transferee dated not more than 60 days prior to the date of such request;
- iii. at least three business references for such Transferee;
- iv. a statement of the intended use of the Premises by such Transferee, and a signed request for a change in the use if the use of such Transferee is different from that of the Lessee;
- v. a copy of the proposed agreement of assignment or proposed sublease, which shall include an agreement to assume for the direct benefit of Lessor all of Lessee's obligations on this Lease.

c. Notwithstanding anything to the contrary in this 15 within thirty (30) days of such request, Lessor, by notice to Lessee, may terminate this Lease (and, in the case of a sublease of less than all of the Premises, Lessor may terminate this Lease in its entirety or may terminate this Lease as to all or any portion of the Premises proposed to be sublet), as of the proposed effective date of the Transfer as if that were the original Expiration Date. If Lessor so elects to terminate, Lessor shall have the right to relet the Premises (or the portion of the Premises as to which this Lease is terminated pursuant to Lessor's election as a result of a partial sublease) or any portion thereof to anyone (including the proposed Transferee) on any terms, and Lessee shall not be entitled to any portion of any profit Lessor may realize as a result of any such reletting. If this Lease is terminated as to a portion of the Premises as a result of a partial sublease, then Monthly Rent, Lessee's Share of taxes and insurance, and any other provisions hereof based upon the rentable area of the Premises shall be reduced by the amount allocable to such portion of the Premises so sublet. Notwithstanding the foregoing, Lessor shall have no right to terminate this Lease in whole or in part by reason of subletting, unless 80 percent of the Premises is sublet for more than 80% of the remainder of the Term of the Lease.

d. If the consideration Lessee receives for any Transfer exceeds the Rent payable under this Lease for the same period and portion of the Premises, fifty percent (50%) of the Net Profits, as herein defined, shall be due and payable by Lessee to Lessor as additional rent under this Lease. Net profits shall be any amount payable by such subLessee or assignee over the sum of: (i) amounts payable to Lessor hereunder as Rent for the space sublet or assigned, plus (ii) leasing commissions and the amortized cost of approved Lessee improvements installed and paid for by Lessee in connection with such Transfer. The cost of such improvements shall be amortized without interest over the remaining Term of this Lease. Lessee shall pay Lessor the net profits so determined (i) on subletting, either monthly or annually at the option of Lessor, and (ii) on an assignment, as received by Lessee.

e. "Transfer" within the meaning of this Section 15 includes any change in control of Lessee or any Guarantor, or any sale of more than half the assets of Lessee or any Guarantor outside the ordinary course of business. Lessee shall notify Lessor of any such change in control or sale prior to its consummation, and concurrently shall submit current financial statements applicable thereto, all subject to Lessor's reasonable consent and Lessor's other rights under this Article 24 as in the case of any other Transfer. No Transferee shall have the right to exercise any unexercised options to renew or extend or options or rights of first refusal to lease additional or other space in the Building. Lessor shall have the right to charge a fee of \$500 in connection with any request by Lessee for Lessor's approval on a Transfer.

16. EMINENT DOMAIN -- In the event there is a taking of the whole or any portion of the demised premises because of the exercise of the power of eminent domain by any public authority or utility, this Lease shall, at the option of the Lessor, exercised in writing, cease and terminate simultaneously with the divesting of Lessor's title to the property taken, and in such case all compensation to be made because of such taking shall be payable to Lessor and no portion thereof shall be paid to Lessee.

17. ATTORNEY'S FEES -- In the event either party initiates legal proceedings or retains an attorney to enforce any right or obligation under this Lease or to obtain relief for the breach of any covenant hereof, the party ultimately prevailing in such proceedings or the non-defaulting party shall be entitled to recover all costs and reasonable attorneys' fees, and in the event of legal proceedings the same shall be determined by the court and not by a jury and shall be included in any judgment or award obtained. If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the Premises by reason of any act or omission of Tenant, Tenant shall indemnify and hold Landlord harmless from all liability by reason thereof, including Landlord's reasonable costs and attorneys' fees.

18. TIME -- Time is of the essence of each and all of Lessee's obligations hereunder and full and complete performance by Lessee shall be a condition precedent to the right of Lessee to receive possession or remain in possession, as the case may be, of the premises, or to have this Lease continue in effect. herein.

19. IMPLIED COVENANTS -- Lessee expressly waives any covenants implied in law on the part of Lessor and in the event Lessee shall be ousted from the possession of said premises by reason of any defect in or failure of the title of Lessor, Lessee shall not be required to pay any rent under this Lease while so deprived of the possession of the said premises, and said Lessor shall not incur any liability by such ouster beyond the loss of rent while said Lessee is so deprived of the possession of said premises, Lessee hereby waiving all claims for damages because of any failure of title.

20. SUBORDINATION -- This Lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which demised premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any mortgagee. In confirmation of such subordination, Lessee shall execute promptly any certificate that Lessor may request. Lessee hereby constitutes and appoints Lessor the Lessee's attorney-in-fact to execute any such certificate of certificates for and on behalf of Lessee.

Lessor may, however, at its sole option, upon notice to Lessee, elect at any time, to make this Lease superior to any such ground or underlying lease and/or to any such

mortgage or mortgages on the real property. Upon the date fixed in such notice, and from that date forward, this Lease shall be deemed superior.

21. TERMINATION OF LESSOR'S LIABILITY -- The term "Lessor" as used in this Lease so far as covenants or obligations on the part of Lessor are concerned, shall be limited to mean and include only the Lessor named herein, and in the event of any transfer or transfers of Lessor's interest, the Lessor herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer and conveyance of all personal liability as respects the performance of any covenants or obligations on the part of Lessor contained in this Lease hereafter to be performed, provided that, any funds in the hands of Lessor or the then grantor at the time of such transfer, in which Lessee has an interest, shall be turned over to the Lessor's successor or grantee.

22. LESSEE INSURANCE -- Lessee shall at all times during the term hereof, at its own cost and expense, procure and maintain in force and effect a policy or policies issued by an insurance carrier approved by Lessor, insuring Lessor and Lessee against risks and in amounts as follows:

Commercial General Liability, Bodily Injury/Property Damage Insurance, minimum combined single limit \$ ONE MILLION. This policy shall include the following coverages:

- a. Premises/Operations.
- b. Independent Contractors.
- c. Broad Form Contractual in support of the indemnification obligations of Lessee under this Lease.
- d. Glass insurance, insuring against any broken plate glass and/or windows.
- e. Such worker's compensation insurance as is required by law.

Lessee shall furnish certificates of such insurance to Lessor, each providing for thirty (30) day written notice to Lessor in event of termination or cancellation. In the event Lessee fails to procure insurance as aforesaid, and/or keep such insurance in force and effect, Lessor may procure such insurance, in which event all premiums paid therefor by Lessor shall be deemed additional rental and shall be payable by Lessee upon demand.

23. HOLDING OVER --- If Lessee holds over after the expiration of the term, with the consent of Lessor, then Lessee shall be deemed to hold the premises upon a month-to-month tenancy at a monthly rental equal to the highest monthly rental reserved herein, and upon all other covenants, agreements and conditions herein contained except

as to any option to renew or extend this Lease. Lessee shall indemnify Lessor from any loss, liability or damage occasioned by the Lessee's failure to vacate the Premises at the expiration or early termination of this Lease.

24. NOTICES -- Whenever in this Lease it is required or permitted that notice or demand be given or served by either party to or on the other, such notice or demand shall be given in writing and forwarded by certified or registered mail to the party at its address shown hereon. Such addresses may be changed from time to time by either party by serving notice as above provided. Unless specifically provided to the contrary, such notice shall be effective upon mailing.

25. PRIOR POSSESSION -- In the event Lessor delivers possession of the premises to Lessee prior to the commencement of the term, Lessee shall be bound by all of Lessee's agreements contained herein.

26. MECHANIC'S LENS -- Lessee shall not permit or suffer any mechanic's or materialmen's or like liens to be filed or recorded against the premises, or to become a lien thereon; and if such lien or liens are filed or recorded, or become a lien thereon, and are not discharged within five (5) days, Lessor may cancel and terminate this Lease.

27. LESSEE TAXES -- Lessee agrees to pay Lessor, as additional rent, an amount equal to the personal property and/or real estate taxes assessed during the term hereof against said building resulting from the assessment to Lessor, as part of the realty, of any of Lessee's fixtures and equipment or of any alterations, improvements or additions to said building made hereunder by Lessee. Such additional rent shall be paid within ten (10) days after written demand served upon Lessee by Lessor. The determination of the assessing agency that any of Lessee's said fixtures and equipment or any alterations, improvements or additions to said building made by Lessee have been assessed and taxed to Lessor -- as part of the realty, shall, as between Lessor and Lessee and for the purposes of this paragraph only, be deemed conclusive.

28. SUCCESSORS -- Subject to the provisions of Section 15 hereof, this Lease and all the terms hereof shall inure to the benefit of and be binding upon the heirs, executors, administrators, and successors of the parties hereto, and the agreements of Lessee shall be construed to be covenants running with the land. If Lessor be more than one person, then the agreements of Lessee herein contained shall be deemed joint and several.

29. ESTOPPEL CERTIFICATE -- Within ten (10) days after written request from Lessor, Lessee shall execute, acknowledge and deliver to Lessor a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), the dates to which rent and any other charges payable by Lessee hereunder are paid in advance, if any, and the amount of the Security

Deposit, (b) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor hereunder or specifying such defaults if any are claimed, and (c) in case of a transfer of Lessor's interest, attorning to the transferee. Lessee hereby acknowledges that prospective purchasers and encumbrancers of the Premises (or of property of Lessor of which the Premises are a part) may incur obligations or extend credit in reliance upon the representations of Lessee contained in such statement. Lessee's failure to deliver such statement to Lessor within said ten (10) day period shall conclusively evidence Lessee's representation and agreement that this Lease is in full force and effect, without modification, except as Lessor may represent; there are no uncured defaults in Lessor's performance hereunder; and Lessee has not paid more than one month's rent in advance nor made a Security Deposit in excess of one month's rent.

30. SECTION TITLES -- The section titles set forth in this Lease are descriptive only and shall not be deemed any evidence or to have any relevancy or connection with any interpretation of this Lease.

31. REGULATIONS OF BUILDING -- Lessee agrees to abide by all such rules and regulations as Lessor may from time to time promulgate for the safety, care and cleanliness of the building and for the preservation of good order therein.

32. SURRENDER -- Lessee agrees to deliver up the premises upon the termination of this Lease in good repair and condition, reasonable wear and use excepted. If any improvements or alterations or additions to the premises are permitted to be made, as hereinabove provided, they shall be surrendered to Lessor upon termination of this Lease, howsoever the same may be terminated, without any compensation therefore to Lessee.

33. BROKER -- Lessee represents that it has not consulted or employed any broker with reference to procurement of this Lease. Lessee agrees to indemnify and hold Lessor harmless against any claim or demand of any broker employed or consulted by Lessee in procurement of this Lease.

34. APPLICABLE LAW --- This lease shall be governed by and construed in accordance with the laws of the State of California.

35. SAVING CLAUSE -- In the event any covenant or condition contained herein is held to be invalid or void by any Court of competent jurisdiction, the invalidity of any such covenant or condition shall in no way affect any other covenant or condition herein contained.

36. ADDITIONAL TERMS AND CONDITIONS -- This Lease, and any Exhibit or Addendum attached hereto, set forth all the terms, conditions, covenants, provisions, promises, agreements, and undertakings, either oral or written, between the Lessor and Lessee. No subsequent alteration, amendment, change, or addition to this

Lease is binding upon Lessor or Lessee unless reduced to writing and signed by both parties. If a term, condition, covenant, or provision of the Addendum and this Lease are in conflict, the terms, conditions, covenants, and provisions of the Addendum govern. Any additional terms and conditions of this Lease (in the form of addenda) are attached hereto and made a part hereof as follows:

37. ENTIRE UNDERTAKING -- This Lease is the only agreement between the parties hereto and no rights or obligations exist between the parties antedating the execution hereof.

38. WAIVER -- No term, condition, covenant, or provision of this Lease shall be waived except by written waiver of Lessor, and the forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the term, condition, covenant, or provision to be performed by Lessee to which the same shall apply, and until complete performance by Lessee of such term, condition, covenant, or provision, Lessor shall be entitled to invoke any remedy available under this Lease or by law despite such forbearance or indulgence. The waiver by Lessor of any breach or term, condition, covenant, or provision hereof shall apply to and be limited to the specific instance involved and shall not be deemed to apply to any other instance or to any subsequent breach of the same or any other term, condition, covenant, or provision hereof. Acceptance of Rent by Lessor during a period in which Lessee is in default in any respect other than payment of Rent shall not be deemed a waiver of the other default. Any payment made in arrears shall be credited to the oldest amount outstanding and no contrary application will waive this right.

39. JOINT AND SEVERAL -- If Lessee is composed of more than one person or entity, then the obligations of such entities or parties are joint and several.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LESSEE:

LESSOR:

By _____

Address:

Address:

AGREE

AGREEMENT OF PURCHASE AND SALE OF ONGOING BUSINESS

This Agreement is made on _____ by and between _____ doing business as _____ located at 1655 Divisadero Street, San Francisco, California 94115 (hereinafter referred to as "Seller") and U. S. A. Restaurant Investments, LLC and/or its assignees (Hereinafter referred to as "Buyer").

In consideration of the mutual covenants, agreements, representations and warranties contained in this Agreement, the parties agree as follows:

1. All exhibits, schedules and other documents attached hereto are specifically incorporated herein and are made an integral part hereof including but limited to Exhibit A as described hereinafter.
2. Subject to the terms and conditions as set forth in this Agreement, Seller agrees to sell, transfer, convey, assign and deliver to Buyer, and Buyer subject to the terms and conditions as set forth in this Agreement, agrees to purchase from Seller the ongoing business of said _____ including all of its assets, equipment, trade fixtures, and attached hereto and incorporated herein. Time is of the essence of this Agreement.
3. Seller hereby warrants that the equipment, hood, furniture and fixtures that are being sold herein to Buyer are used. All equipment, furniture and fixtures are in reasonable working condition and hereby sold in as-is condition.
4. The purchase price of said ongoing business as described in Paragraph 2 including all of its assets and business names (hereinafter "Subject Property") shall be the sum of _____ Dollars and no/100 (\$ _____,000.00) payable as hereinafter set forth.
5. Buyer shall open an escrow account and pay the sum of Five Thousand Dollars as deposit into the escrow account.
6. The balance of _____ Thousand and no/100 (\$ _____,000.00) will be paid upon taking possession of subject property through an escrow account.
7. Buyer to assume or obtain a new lease from the landlord of 1655 Divisadero Street, San Francisco, CA, within thirty days, to the satisfaction of Buyer.

16. Seller shall indemnify Buyer from all contingent liabilities, claims, lawsuits, labor disputes, insurance claims and adjustments that arise from all activities before the execution of this Agreement.
17. Seller acknowledges that Buyer is obtaining a loan for the purchase of this business.
18. Seller to cooperate and assist Buyer in the transfer of all business licenses.
19. Seller shall be responsible for all outstanding invoices, utility bills, rent payments, sales taxes, accrued wages, income and payroll taxes, etc.
20. Seller shall cooperate in the bulk sale transfer.

21. Any disputes between Seller and Buyer is brought for either the enforcement or defense of this agreement, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, will be submitted to binding arbitration in accordance with the rules of the American Arbitration Association in the jurisdiction in which this agreement is executed. The party that loses the arbitration will pay to the prevailing party any fees and costs incurred by the prevailing party, including, but not limited to, reasonable attorney fees. Notwithstanding the foregoing, before any such arbitration is commenced, the parties agree to first mediate any dispute. The parties shall equally share the costs of any such mediation.

SELLER: _____ DATE: _____

BUYER: _____ DATE: _____

8. Subject to the law and to the requirements of this Agreement, the actual taking possession of said Subject Property shall take on or before _____.
9. After the close of business on _____, both parties shall take inventory, actual cash amounts of the restaurant. Buyer has an option to purchase all inventory from Seller at the Seller's original invoice costs. Said total amount to be paid in full on the date of possession.
10. Buyer hereby acknowledges the requirement and need for various licenses, including the liquor license, and permits from state and other governmental agencies and agrees that he/she will, at his/her own expense, promptly obtain the requisite licenses and all permits upon the acquisition of said business. Possession of subject properties shall occur after the transfer of all liquor and business licenses. Seller shall cooperate in such transfer of licenses and permits.
11. This Agreement shall be binding, and shall inure to the benefit of the parties to it and to their respective heirs, representatives, successors, principles, and assigns.
12. If any legal action or any arbitration or other proceeding is brought for either the enforcement or defense of this Agreement, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and any and all expenses, including all costs and expenses in addition to all court costs incurred in that action or proceeding, in addition to any other relief to which they may be entitled.
13. This Agreement contains all the terms, conditions, representations and warranties, and both Seller and Buyer agree that no other terms, conditions, representations and warranties have been made by either party except as set forth herein.
14. Buyer shall provide a \$5,000.00 refundable deposit within 10 days after the execution of this Agreement. After the removal of all contingencies, in the event Buyer shall fail, refuse, or be unable to complete this purchase, or shall breach this Agreement in any other respect, said deposit of Five Thousand and no/100 (\$5,000.00) Dollars shall be retained by the Seller as liquidated damages. Buyer and Seller agree that Seller's actual damages are difficult to calculate.
15. Seller agrees to cooperate and assist Buyer, either in person or by phone, of any questions related to the operation of the business for a period of _____.

ADDENDUM

ADDENDUM TO AGREEMENT

Date: _____, at San Francisco, California

Option to extend:

Lessee shall have the right to exercise by written notice to Lessor as hereinafter provided, to extend this Lease for five (5) years upon the following terms and conditions:

1. At the time of the exercise of such right, Lessee shall not be in default in the performance of any of the terms, covenants or conditions herein contained.
2. The extension shall be upon all the same terms, covenants or conditions of this Lease, except that the monthly rent shall be the sum of three thousand and two hundred (\$3,200.00) dollars.
3. Lessee shall exercise its right to extend the term of this Lease by notifying Lessor in writing of Lessee's election to exercise such right not earlier than six months prior to the expiration of the initial term, or the term as then extended, nor later than 6 months prior to the last day of the initial term. Such notice must be actually received by Lessor prior to the last day for the exercise of such option to extend, and shall reference this Lease and shall unequivocally exercise this option to extend the Lease. Upon the giving of such notice, this Lease shall be deemed extended for five (5) years without execution of any further instruments. Time is of the essence of this provision and should the notice be given prior to the earliest date for exercise or after the last day for exercise, the notice shall be a nullity. Further, should the notice be subject to any condition or qualification, or should Lessee be in default at the time the notice of exercise is given Lessor may treat the notice as a nullity.

LESSEE:

LESSOR: