

April 20, 2012

VIA OVERNITE EXPRESS

Ms. Megan Lowery
County of Santa Barbara
Planning and Development Dept
123 East Anapamu St.
Santa Barbara, California 93101

RECEIVED

APR 23 2012

S.B. COUNTY
PLANNING & DEVELOPMENT

Re: APN: 011-200-015 and 011-200-016
512 Santa Angela Lane, Montecito, California

Dear Megan,

As you may be aware, our client, GTE Mobilnet of Santa Barbara Limited Partnership, dba Verizon Wireless ("Verizon Wireless"), is in the process of subleasing a portion of the property located at 512 Santa Angela Lane, Montecito, California (the "Property") pursuant to a License Agreement (the "License") between Verizon California, Inc. ("VZCA") and Verizon Wireless.

Verizon Wireless must obtain a permit from the County of Santa Barbara (the "County") to move forward with the construction, operation and maintenance of its facility on the Property. It is our understanding that the County has requested the Property owner's signature to begin the permit approval process. We believe that VZCA's signature on the application should be sufficient to move forward with the approval process.

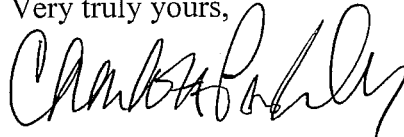
VZCA is the ground lessee of the Property pursuant to that certain Lease dated October 1, 1965 (the "Ground Lease") between VZCA and Lorenzo Ziliotto, et. al. (the "Property Owner"). Pursuant to the Ground Lease, VZCA has broad rights to use the Property in connection with its business and all other purposes commonly maintained in connection with such business. VZCA has been operating on the Property since 1965, owns the building on the Property and has the right to extend the Ground Lease for two (2) additional terms of twenty-five (25) years each.

Furthermore, the Ground Lease provides that VZCA may sublease the Property upon the Property Owner's consent. Pursuant to the enclosed Consent to License dated July 14, 2011 (the "Consent"), the Property Owner has consented to Verizon Wireless's use of the Property, effective upon the County's approval of the same, which also indicates that the Property Owner is aware that Verizon Wireless will be obtaining the appropriate approvals from the County to move forward with the License.

Based on VZCA's long-term interest in the Property and its right to control the same, the County should find VZCA's signature sufficient to move forward with the permit application. VZCA and Verizon Wireless are eager to move forward with the License, so please let us know if there is any else we can do to expedite this process.

Please feel free to contact us with any questions or concerns, or if you need any additional information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Charlotte K. Pashley". The signature is fluid and cursive, with the first name being the most prominent.

Charlotte K. Pashley, Esq.

Enclosures

cc: Lisa Atty, Esq. (w/o enclosures)
Peter Maushardt (via email)
Ed Godfrey (via email)

CONSENT TO LICENSE

This Consent to License ("Consent") is made this 14th day of July 2011 by Lorenzo Ziliotto, Trustee of the Giuseppe Ziliotto Trust and the Angela Ziliotto Trust, and shall become effective on the Effective Date defined herein.

RECITALS

A. Lorenzo Ziliotto, as Trustee of the Giuseppe Ziliotto Trust and the Angela Ziliotto Trust ("Ziliotto" or "Lessor"), is the owner of certain real property located in the County of Santa Barbara, identified in the Assessor's records for the County of Santa Barbara as APN 011-200-015, with a street address at 512 Santa Angela Lane, Montecito, California (the "Property").

B. The Property is subject to a certain lease dated October 1, 1965, as amended, modified and assigned to date (the "Lease"), in which Verizon California Inc. ("Verizon" or "Lessee") has succeeded to the interest of the original lessee, General Telephone Company of California.

C. The Lease, among other things, provides in Section 22 that Lessee shall not assign any interest in the Lease, or any right or privilege appurtenant thereto, without first obtaining the written consent of Lessor, which consent shall not be withheld arbitrarily or unreasonably.

D. In or about September 2002, Ziliotto consented to a license to Pacific Bell Wireless, LLC d/b/a Cingular Wireless Systems, Ltd. ("Cingular") to install and operate certain facilities on the Property. The County of Santa Barbara issued permits requested by Cingular despite the opposition of numerous residents of Santa Angela Lane who, among other things, expressed concern about potential health risks associated with radiation exposure.

E. In or about 2006, in conjunction with termination of the license to Cingular, Verizon requested Ziliotto's consent to license the Cingular facilities on the Property to Santa Barbara Cellular Systems, LTD, and in August 2006 Ziliotto provided his written consent.

F. Verizon now intends to license a portion of the Property to GTE MobInet of Santa Barbara Limited Partnership d/b/a Verizon Wireless ("Licensee") for purposes of installing and operating additional structures and telecommunications equipment in accordance with the terms of a certain License Agreement attached hereto as Exhibit A and the plans prepared by The Consulting Group, Inc. attached hereto as Exhibit B.

G. Since 2002, Ziliotto has been aware of community's concern about the long-term effects of radiation associated with telecommunications equipment on the Property. But for his obligations under the Lease, Ziliotto would not support further expansion of such facilities.

In consideration of these premises, Ziliotto hereby provides his consent to license upon the following terms and conditions:

1. Ziliotto's consent provided hereby shall become effective upon the date when Verizon and/or Licensee have received final approval from the County of Santa

Barbara and all other governmental agencies with jurisdiction as to all required permits and approvals necessary for Licensee to proceed with the installation and operation of the facilities pursuant to the License Agreement and provides proof of same to Ziliotto (the "Effective Date").

2. Ziliotto's consent is given pursuant to the Lease and not on any other basis. Notwithstanding this consent, Ziliotto reserves his right to express his personal viewpoints and opinions concerning the existing and proposed telecommunications installations and operations on the Property and within the community.

3. The consent hereby given expressly does not release Verizon from any obligation or liability under the Lease and does not authorize the transfer to Licensee of any of Lessee's obligations under the Lease. Pursuant to Section 22 of the Lease, Verizon shall remain wholly responsible for Lessee's performance under the Lease, guaranteeing the performance of Licensee and indemnifying Ziliotto against losses arising from actions or inactions of Licensee.

4. For so long as the applicable provisions of the Lease remain in effect, this Consent shall inure to the benefit of Verizon and Licensee and their respective successors and assigns and shall be binding upon the heirs, personal representatives, successors and assigns of Ziliotto.


5. Nothing contained herein shall preclude amendment to or modification of the Lease, or termination of the Lease, by agreement of the parties thereto or by judicial decision.

6. This Consent shall be governed by and construed in accordance with the laws of the state of California.

IN WITNESS WHEREOF, the undersigned has executed this Consent on the date indicated above.

LESSOR

GIUSEPPE ZILLOTTO TRUST


By Lorenzo Ziliotto, Trustee

ANGELA ZILLOTTO TRUST


By Lorenzo Ziliotto, Trustee

LEASE

IT IS agreed, *Oct. 1 1965*, by and between GIUSEPPE ZILICOTTO and ANGELA ZILICOTTO, HUSBAND and WIFE, as joint tenants, hereinafter referred to as LESSOR and GENERAL TELEPHONE COMPANY OF CALIFORNIA, hereinafter referred to as LESSEE, that:

1. LESSOR hereby leases to LESSEE that parcel of real property (hereinafter "leased premises" or "demised premises") described as follows:

Lot 1 and Lot 2, of the Ziliotto Tract as recorded in Book 15, Page 295, County of Santa Barbara, State of California.

2. The leased premises shall be used by LESSEE in connection with its business as a telephone company, and may be used for all other purposes commonly maintained in connection with such telephone business.

3. LESSEE shall have the right, at LESSEE'S sole expense, to construct and operate any and all structures necessary to the operation of a telephone exchange, together with parking facilities associated therewith.

4. TERM OF LEASE

This lease shall commence on October 1, 1965, and it shall continue thereafter for a period of forty-nine (49) years until September 30, 2014. LESSORS covenant and agree that LESSEE shall be placed in possession of the premises on the date of commencement of said lease.

5. OPTION TO RENEW

LESSEE shall have the option of renewing this lease for two (2) successive twenty five (25) year periods commencing with the expiration of the original lease period. Rent is to be paid as described in Section 5.

6. TERMS OF RENTAL

LESSEE will pay to LESSOR as rent the sum of per month during the first five (5) years of the forty-nine (49) year period covered by this lease. Said payments are to be made in advance on the first day of each month. The initial payment will cover the first one (1) month period and the rest of this lease, based on the then current rates as herein below described. It is further agreed that the rent provided for herein shall be adjusted at the beginning of successive five (5) year periods with the then current rates as herein below described. In no event shall the rent be less than the then current rates as herein below described. It is further agreed that the rent provided for herein shall be adjusted at the beginning of successive five (5) year periods with the then current rates as herein below described. In no event shall the rent be less than the then current rates as herein below described.

At the beginning of each such five-year period for rent adjustment, commencing October 1, 1970, the monthly rent to apply for such five-year period shall be increased or decreased, as the case may be, on the basis of the cost of living index published by the U. S. Bureau of Labor Statistics for the Los Angeles Area. The rent charge shall be adjusted by the percentage difference, either upward or downward as the case may be, between the value of the dollar as indicated in the current cost of living index and the value of the dollar at time of adjustment; and this shall continue to occur every five-year period of the lease and any extension thereof. Should this index no longer be published, then another index generally recognized as authoritative shall be substituted by agreement, and if the parties shall not agree, such substituted index shall be selected by the then presiding Judge of the Superior Court of the State of California, County of Santa Barbara, upon the application of

either party.

7. OPTION TO PURCHASE

If during the term of the lease or any extension thereof, LESSOR receives a bona fide offer, in writing, to purchase the leased premises, and should LESSOR desire to accept said offer, or should LESSOR desire to sell said leased premises, LESSOR shall first give notice in writing to LESSEE of his intention to sell. Said notice shall specify the price and the terms upon which the LESSOR intends to make such sale. LESSEE shall have thirty (30) days after the receipt of such notice to determine whether or not to purchase the said premises on such terms and conditions, and if LESSEE determines to so purchase, it shall so notify LESSOR in writing, said written notice to be mailed or delivered to LESSOR on or before the thirtieth (30) day after LESSEE'S receipt of said notice of intention to sell.

Said notice by LESSEE that it intends to purchase shall be deemed to be an acceptance of LESSOR'S offer to sell.

If LESSEE does not submit such written acceptance to LESSOR'S notice, LESSOR may dispose of said premises to any person or persons they may desire, provided, however, that the sale or transfer shall not be made at a lower price or upon terms more favorable than those specified in said notice, and provided further, that said sale or transfer must be completed with six (6) months from the date of expiration of LESSEE'S 30-day notice of LESSOR.

If more than six (6) months shall elapse after said 30-day period or if LESSOR is determined to sell within said period at a lower price or upon more favorable terms, LESSOR must again submit notice of intention to sell to LESSEE, and the LESSEE'S 30-day period for determination of whether or not to purchase, as provided above, shall again be in force.

No sale made by LESSOR of the said leased premises shall be valid or of any force or effect unless made in accordance with the provisions of this paragraph.

8. TAXES

(A) LESSEE covenants and agrees to pay or cause to be paid, all real property taxes, assessments, bonds, utilities, and other governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, including but not limited to assessments for public improvements or benefits, which shall during the term hereby demised be laid, assessed, levied, or imposed upon or become due and payable and a lien upon the leased premises or any part thereof (all of which taxes, assessments, or charges, levies and other governmental charges are hereinafter referred to as "imposition"), provided, however, that if, by laws, any such imposition is payable, or may at the option of the taxpayer be paid, in installments (whether or not interest shall accrue on the unpaid balance of such imposition), the LESSEE may pay or cause to be paid the same together with any accrued interest on the unpaid balance of such imposition in installments as the same respectively become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installments and interest; and provided, further, that any imposition relating to a fiscal period of the taxing authority, a part of which period is included within the term of this lease, and a part of which is included in a period of time after the termination of the term of this lease, shall (whether or not, during the term of this lease, such imposition shall be laid, assessed, levied, or imposed upon or become due and payable and a lien upon the demised premises or any part thereof) be adjusted as between the LESSOR and the

LESSEE as of the termination of such imposition which that part of such fiscal period included in the period of time after the termination of the term of this lease, bears to such fiscal period, and the LESSEE shall pay or cause to be paid the remainder thereof. With respect to any imposition for public improvements or benefits which by law is payable, or at the option of the taxpayer may be paid, in installments, the LESSOR shall pay the installments thereof which become due and payable subsequent to the termination of the term of this lease, and the LESSEE shall pay or cause to be paid those installments which become due and payable during the term of this lease.

(B) If, at any time during the term of this lease, under the laws of the State or any political subdivision thereof in which the demised premises are situated, a tax or excise on rents or any tax, however described, is levied or assessed by said State or political subdivision against the LESSOR or the rent reserved hereunder, as a substitute in whole or in part for taxes assessed or imposed by said State or political subdivision on land and buildings or on land or buildings, the LESSEE covenants to pay and discharge or cause to be paid and discharged such tax or excise on rents or other tax but only to the extent of the amount thereof which is lawfully assessed or imposed upon the LESSOR and which was so assessed or imposed as a direct result of the LESSOR'S ownership of the demised premises, or of this lease or of the rents accruing under this lease, it being the intention of the parties hereto that the rent to be paid hereunder shall be paid to the LESSOR absolutely without deduction of any nature whatsoever except as in this lease otherwise expressly provided. The payment to be made by the LESSEE pursuant to this section shall be made before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof. Such tax or excise on rents or other tax shall be deemed to be an imposition, as defined in Paragraph (A) of this Article. LESSOR agrees to make its books and records concerning the computation of such imposition available to LESSEE and its agents during reasonable business hours so that LESSEE may properly check upon and determine the true amount of any such imposition.

(C) Nothing in this lease contained shall require the LESSEE to pay any franchise, estate, inheritance, succession, capital levy, transfer tax or general income tax of the LESSOR, or any income, excess profits or revenue tax or any other tax, assessment, charge or levy upon the rent payable by the LESSEE under this lease.

(D) The LESSEE covenants to furnish to the LESSOR, within thirty (30) days after the date upon which any such imposition is payable by the LESSEE as in this Article provided, official receipts of the appropriate taxing authority, or other proof satisfactory to the LESSOR, evidencing payment thereof, subject to the provisions of Paragraph (E) hereinafter next contained.

(E) The LESSEE shall have the right to contest the amount or validity of any such imposition by appropriate legal proceedings but this shall not be deemed or construed in any way as relieving, modifying or extending the LESSEE'S covenant to pay any such imposition at the time and in the manner in this Article provided, unless the legal proceedings shall operate to prevent the sale of the leased premises or any part thereof or the placing of any lien thereon to satisfy such imposition prior to final determination of such proceedings, and the LESSEE shall have deposited in a bank to be selected by the LESSEE (or paid the tax under protest) under instructions to pay and deliver the same as herein provided, as security for the payment of such imposition, money or U. S. Government bonds in amount equal to 110% of said imposition, all interest and penalties in connection therewith, and all charges that may or might be assessed against or become a charge on the demised premises in said

legal proceedings. Upon the termination of such legal proceedings, the said moneys or bonds so deposited shall be applied to the payment, removal and discharge of said imposition, if any, then payable and the interest and penalties in connection therewith, and the charges accruing in such legal proceedings, and the balance, if any, shall be paid to the LESSEE provided the LESSEE is not in default under this lease; LESSEE may itself pay said imposition, interest, penalties and charges if they be sustained, in which event such money or bonds as deposited shall be returned to LESSEE. In the event that such moneys and bonds shall be insufficient for this purpose, the LESSEE shall forthwith pay an amount of money sufficient, together with the moneys so deposited pursuant to this Article, to pay the same. The LESSEE shall be entitled to any interest which may be paid on the moneys or bonds deposited pursuant to this Paragraph except in the event of any default by the LESSEE under this lease, in which event said interest shall be applied against any damage to LESSOR thereby accruing. Nothing herein shall be deemed to preclude LESSEE to sue or claim a refund or refunds of an imposition, in its own name or in LESSOR'S name, and LESSEE shall be entitled to receive and keep any such refund or refunds and any interest thereon.

(F) The LESSOR shall not be required to join in any such proceeding unless it shall be necessary for them to do so in order to properly prosecute such proceedings and the LESSOR shall have been fully indemnified to their satisfaction against all costs and expense in connection therewith, nor shall the LESSOR be subjected to any liability for the payment of any costs or expenses in connection with any proceeding brought by the LESSEE, and the LESSEE covenants to indemnify and save harmless the LESSOR from any such costs or expenses.

(G) The certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any such imposition, of the nonpayment of any such imposition, shall be prima facie evidence that such imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill.

(H) LESSEE shall have no obligation under this lease to pay any personal property taxes or any taxes or assessments of any type or nature whatsoever which may be levied upon such personal property of LESSOR or the survivor of them which may be located on the premises being leased herein.

9. UTILITIES

LESSEE agrees to pay all charges for gas, electric lights, water, or other utilities that may be used in or upon or charged against the leased property during the term of this lease or any extension thereof except that LESSEE shall have no duty or obligation to pay any such charges as may result from LESSOR use and occupation of any portion of the premises.

10. INSPECTION

LESSEE covenants and agrees that LESSOR, or LESSOR'S agents, may at all reasonable times and during reasonable hours have free access, providing permission is first obtained from LESSEE, to said leased premises for the purpose of examining or inspecting the condition thereof or of exercising any right or power reserved to LESSORS under the terms and provisions of this lease, or any extension thereof.

11. RULES AND REGULATIONS

LESSEE agrees to comply, at LESSEE'S own cost and expense, with all requirements of the municipal, state and federal authorities pertaining to said premises and the business conducted therein, and not to

engage in, or allow, any business or occupation to be carried on, in or about said premises that is forbidden by law.

12. INSURANCE

(A) Liability

LESSOR shall in no wise be responsible for any loss of property in or on the leased premises, however occurring and in addition LESSEE shall hold LESSOR harmless from any claims or demands for injury to person or property sustained on or in the leased premises. LESSEE agrees further to defend on behalf of and in the name of LESSOR against any claim or demand arising out of LESSEE'S use of the leased premises or arising out of claimed injury to person or property upon or in the leased premises, whether meritorious or otherwise, said obligation to include the retention and payment of legal counsel and investigation costs from the first notice that any claim or demand is to be or may be made.

In order to assure LESSEE'S performance of the aforesaid obligation, LESSEE shall carry liability insurance with adequate coverage concerning its activities in and about the leased premises. LESSEE shall furnish to LESSOR no later than the date upon which it first assumes possession of the premises a certificate respecting its liability policy or endorsement thereof in such form as is satisfactory to LESSOR indicating compliance with this requirement.

(B) Fire

LESSEE further agrees that during the term of this lease, and any removal or renewals thereof, it will, at its own cost and expense, insure and keep insured under a policy or policies of fire and those coverages known as extended coverage insurance in an amount equal to the sound insurable value of the improvements now on said leased premises or any that may be hereafter placed thereon.

LESSEE shall renew all insurance policies hereunder at least thirty (30) days in advance of the expiration date and give LESSOR written notice of such renewal. The insurance to be obtained hereunder shall be placed with reputable insurance companies.

13. DEFAULT (taxes, Insurance, etc.)

The LESSEE covenants and agrees that if it shall at any time fail to pay any imposition pursuant to the provisions of Article 7 hereof, or to take out, or cause to be taken out, pay for, maintain or deliver, or cause to be paid, maintained or delivered, any of the insurance policies provided for in Article 11 hereof, or shall fail to make any other payment or perform any other act on its part to be made or performed as in this lease provided, then the LESSOR may, upon 10 days written notice to LESSEE, but shall not be obligated so to do, and without waiving, or releasing the LESSEE from any obligations of the LESSEE in this lease contained, pay any such imposition, effect any such insurance coverage and pay premiums therefore, and may make any other payment or perform any other act on the part of the LESSEE to be made and performed as in this lease provided, in such manner and to such extent as the LESSOR may deem desirable. All sums so paid by the LESSOR and all necessary and incidental costs and expenses in connection with the performance of any such act by the LESSOR, together with interest thereon at the rate of seven per cent (7%) per annum from the date of the making of such expenditure by the LESSOR, shall be deemed additional rent hereunder and, except as otherwise in this lease expressly provided, shall be payable to the LESSOR on demand or at the option of the LESSOR may be added to any rent then due or thereafter becoming due under this lease, and the LESSEE covenants to pay any such sum or sums with interest as aforesaid and the LESSOR shall have (in addition to any other right or remedy of the LESSOR) the same rights and remedies in the event of the nonpayment thereof by the LESSEE as in the case or

default by the LESSEE in the payment of rent. LESSEE shall have the right, however, to pay any such additional rent prior to demand by LESSORS.

14. DEFAULTS

(A) If during the term of this lease (a) the LESSEE shall make an assignment for the benefit of creditors, or (b) a voluntary or involuntary petition be filed by or against the LESSEE under any law having for its purpose the adjudication of the LESSEE as bankrupt, or the extension of the time of payment, composition, adjustment, modification, settlement or satisfaction of the liabilities of the LESSEE or to which any property of the LESSEE may be subject, and, if the petition be involuntary, it be granted, or (c) a receiver be appointed for the property hereby leased by reason of the insolvency or alleged insolvency of the LESSEE and said receiver is not discharged within 30 days, or upon the hearing of a timely filed petition to dismiss, absolve or otherwise terminate the receivership, whichever shall later occur, or (d) any department of the state or federal government, or any officer thereof duly authorized, shall take possession of the leased premises by reason of the insolvency or alleged insolvency of the LESSEE and such taking of possession shall be followed by a legal adjudication of insolvency, or bankruptcy, or receivership, the occurrence of any such contingency shall be deemed a breach of the lease and this lease shall, ipso facto except as hereinafter provided upon the happening of any of said contingencies be terminated at the option of LESSOR and the same shall expire as fully and completely as if the day of the happening of such contingency were the date herein specifically fixed for the expiration of the term of this lease, and the LESSEE will then quit and surrender the demised premises to the LESSOR, but the LESSEE shall remain liable as hereinafter provided. Provided, however, as hereinafter set forth any mortgagee, trustee, beneficiary under trust deed may take over and assume this lease in event of default under this Paragraph and in such event no termination shall take place.

(B) If during the term of this lease, (a) the LESSEE shall make default in fulfilling any of the covenants of this lease (other than the covenants for the payment of rent or other charges payable by the LESSEE hereunder), or (b) abandon the demised premises for a period of sixty (60) days, or (c) this lease, without the prior written consent of the LESSOR, or except as expressly permitted, shall be assigned, or transferred in any manner, or shall by operation of law pass to or devolve upon any third party (except any personal representatives or distributees of a deceased individual LESSEE or assignee of this lease), or except as provided herein, the LESSORS may give to the LESSEE notice of any default or of the happening of any contingency in this Paragraph referred to, and if at the expiration of ninety (90) days after the service of such notice the default or the contingency upon which said notice was based shall continue to exist, or in the case of a default or contingency which cannot with due diligence be cured within a period of thirty (30) days, if the LESSEE fails to proceed promptly after the service of such notice and with all due diligence to cure the same and thereafter to prosecute the curing of such default with all due diligence (it being intended that in connection with a default not capable of being cured with due diligence within thirty (30) days that the time of the LESSEE within which to cure the same shall be extended for such period as may be necessary to complete the same with all due diligence), the LESSORS, at their option, may terminate this lease and upon such termination the LESSEE will quit and surrender the demised premises to the LESSORS, but the LESSEE shall remain liable as hereinafter provided.

(C) The LESSOR, in addition to the rights hereinbefore given in the case of default, may pursue any other remedy available to them at law or in equity.

(D) Provided, however, that anything in this lease to the contrary notwithstanding, in the event that notice of default is given to LESSEE and, as provided hereinbelow, to mortgagee, trustee or beneficiary, said mortgagee, trustee or beneficiary of the trust deed shall have the right to cure any default of LESSEE during the period within which LESSEE itself could cure said default; and provided further, that anything herein to the contrary notwithstanding, if the said mortgagee, trustee or beneficiary of the trust deed continues to comply with the terms and provisions hereof, this lease shall not terminate as provided in any of the Paragraphs of this Article 13, or otherwise hereunder, and said mortgagee, trustee or beneficiary under said deed of trust shall have the right to take over, continue and have all of the rights, privileges and preferences of the LESSEE hereunder, and it shall be deemed that no default hereunder took place.

15. CONDEMNATION

If any part of the premises shall be taken or condemned for a public or quasi-public use, this lease shall, as to the parts so taken, terminate as of the date title shall vest in the condemnor, and the rent payable hereunder shall be adjusted so that LESSEE shall be required to pay for the remainder of the term only such portion of such rent as the square footage of the land remaining after the condemnation bears to the entire square footage of the land at the date of condemnation; if a part or all of the demised premises be taken or condemned, all compensation awarded for the land taken upon such condemnation or taking shall go to LESSOR and LESSEE shall have no claim thereto, and LESSEE irrevocably assigns and transfers to LESSORS any right to compensation or damages to which LESSEE may become entitled during the term hereof by reason of the condemnation of all, or part of the land value of the demised premises.

Provided, however, that any award or awards shall separately value the respective rights of LESSEE and LESSOR hereunder. LESSEE specifically retains the right to receive any award or awards for the value of any buildings or improvements upon the premises and LESSOR shall have no claim thereto, and LESSOR irrevocably assigns and transfers to LESSEE any right to compensation or damages to which LESSOR may become entitled during said portion of the term hereof by reason of condemnation, or taking or destruction under authority of eminent domain of all, or any part, of the buildings or improvements on the demised premises.

The provisions of this section shall not apply to any condemnation by LESSEE.

16. ATTORNEYS' FEES

In the event that any legal action is instituted by either of the parties hereto to enforce the terms, conditions and covenants of this lease, the party prevailing in any such action shall be entitled to recover all court costs and a reasonable attorney's fee to be set by the court.

17. NOTICES

All notices hereunder shall be in writing and shall be given by sending the same by registered mail to the parties at their addresses as set forth below, or at such other addresses as the parties may from time to time notify each other in writing.

If, to LESSOR, at: 580 Santa Angela Lane
Montecito, California

If, to LESSEE, at: 2020 Santa Monica Boulevard
Santa Monica, California

18. PEACEABLE POSSESSION

LESSOR, hereby covenant, and agree, that the LESSEE upon paying the rental provided herein and in performing the other covenants, terms and conditions of this lease to be kept on its part, may and shall have the right at all times during the term of this lease, to quietly and peacefully hold, possess, use, occupy and enjoy said leased land and premises and all improvements which may from time to time be placed thereon under and by virtue of this lease.

19. MORTGAGE ON LEASEHOLD

It is mutually understood and agreed by and between the parties herein that LESSEE may mortgage (or convey by deed of trust in the nature of a mortgage) its estate or its interest to secure a bona fide loan or loans of money then actually made or then actually about to be made to LESSEE or to extend or renew the same; provided, however, that no mortgage or trust deed, nor anyone who claims by, through or under such mortgage or deed of trust in the nature of a mortgage, shall by virtue of such mortgage or deed of trust acquire any greater or more extended rights than the LESSEE under this lease, except as herein specifically provided.

LESSOR agrees that if the leasehold estate hereby devised shall be conveyed by mortgage or deed of trust by LESSEE as herein provided, and if LESSOR shall be notified in writing of such conveyance and of the name and address of the mortgagee or trustee therein, then notice of default in the performance of the covenants in this lease contained, of the same kind and in the same manner and for the same length of time as are hereby required to be given to LESSEE, shall also be given to such mortgagee or trustee.

In the event that notice of default is given to LESSEE and, as provided hereinabove, to mortgagee or trustee, said mortgagee, trustee or the beneficiary of the trust deed shall have the right to cure any default of LESSEE during the period within which LESSEE itself could cure said default.

The LESSORS, within twenty (20) days after request in writing by the LESSEE, or any leasehold mortgagee or trustee or beneficiary of a deed of trust on the leasehold, will furnish a written statement, duly acknowledged, of the fact that this lease is in full force and effect and that there are no defaults hereunder, by the LESSEE, if such be the fact.

Nothing herein shall be construed to be a consent on the part of LESSORS to a subordination of LESSOR'S fee interest to that of any mortgagee, trustee or beneficiary of a deed of trust.

20. CONDITION OF PREMISES

LESSEE agrees that it will maintain the premises in condition substantially equal to present condition, fair wear and tear excepted, provided, however, that this shall not in any way be construed to prevent LESSEE from placing improvements on the premises by way of buildings or otherwise.

21. TITLE POLICY

This lease is made subject to LESSEE being able to obtain within 60 days at its cost and expense, a standard form title insurance policy insuring LESSEE'S interest, said title policy to be issued by Title Insurance and Trust Company, Santa Barbara, California.

22. ASSIGNMENT

LESSEE shall not assign this lease or any interest therein, or any right or privilege appurtenant thereto, without the written consent of LESSOR first had and obtained. Any such assignment without such consent shall be void, and shall, at the option of the LESSOR, terminate this lease. This lease shall not, nor shall any interest therein, be assignable, as in the interest of LESSEE, by operation of law, without the written consent of LESSOR. LESSOR shall not, as to any proposed assignment, withhold their consent thereto arbitrarily or unreasonably.

LESSEE covenants and agrees, notwithstanding anything to the contrary herein contained, that even though an assignment of this lease is made, unless LESSOR in writing expressly releases LESSEE from further liability, LESSEE shall not be released from any obligation and liability hereunder, and LESSEE shall guarantee the performance by any such assignee of all of the terms, conditions, covenants and obligations of this lease to be performed by the LESSEE hereunder and shall indemnify and hold LESSOR, its successors and assigns, harmless from and against any and all liability, loss, damage or expense which LESSOR may incur or sustain by reasons of the failure of any such assignee fully to perform and comply with the terms, conditions, covenants and obligations of the said lease as an assignee thereunder.

23. SUCCESSORS

LESSOR and LESSEE covenant and agree that each of the expressions, phrases, terms, conditions, provisions, stipulations, admissions, agreements, requirements, and obligations of this lease shall extend to and bind, or inure to the benefit of (as the case may require), not only the parties hereto, but to each and every one of the heirs, executors, administrators, representatives, successors, and assigns of LESSORS and LESSEE; and, further, that whenever in this lease reference to either the LESSOR or LESSEE hereto is made, such reference shall be deemed and construed to include, whenever applicable, also a reference to the heirs, executors, administrators, representatives, successors, and assigns of such party the same as if in every case expressed, and all of the stipulations, admissions, agreements, conditions, and covenants contained in this lease shall be construed as covenants running with the land.

24. RIGHT OF ENTRY

LESSOR hereby reserve the right to enter upon the demised premises to post notices of non-responsibility in connection with any and all construction work performed by LESSEE.

It is hereby specifically recognized that LESSEE owns and has retained ownership of all existing improvements on said property, and has and retains the right to demolish and destroy the same, construct, repair, or reconstruct the same.

25. PURCHASE OF BUILDINGS

LESSEE agrees that, if at any time prior to the removal or demolition of the buildings presently upon the property by LESSEE hereunder the LESSEE is in default hereunder and said default is not cured by

File 1-2
512 Santa Barbara
Alameda
S. B. 11/15/77

ASSIGNMENT

GIUSEPPE ZILLOTTO and ANGELA ZILLOTTO, Husband and Wife, as Joint Tenants, and Lessors under that Lease dated October 1, 1965 with reference to Lots 1 and 2 of the Zillicotto Tract, and in which the GENERAL TELEPHONE COMPANY OF CALIFORNIA is the Lessee, hereby assign, transfer, and set-off to GIUSEPPE ZILLOTTO and ANGELA ZILLOTTO, Husband and Wife, as community property, all their right, title and interest in and to the aforesaid Lease.

Dated: September 13th, 1977 at Santa Barbara, California.

Giuseppe Zillicotto
GIUSEPPE ZILLOTTO

Angela Zillicotto
ANGELA ZILLOTTO