

LEASE AGREEMENT

This Lease is made as of October 1, 2005 by and between Tenth Street West Property LLC, a California Limited Liability Company ("Landlord") and Tarzana Treatment Inc., a California Non-Profit Corporation ("Tenant").

Recitals:

A. Landlord is the owner of certain real property located at 44447 10th St. West, Lancaster, California (the "Property") described as APN: 3122-020-055.

In connection with this Agreement, it is anticipated that Landlord will create a driveway and certain other common areas for use by the owners and/or users of the parcels (the "Common Areas") and, in this regard, may create certain easements, covenants, conditions and restrictions affecting the Parcels and the Common Areas (the "CC & R's").

1. Lease; The Premises.

In consideration of the rent and other payments and covenants of Tenant hereinafter set forth, and upon the following terms and conditions, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain parcel of land (the "Land"), also shown or described in Exhibit "A" hereto (said Land, hereinafter sometimes collectively referred to as the ("Premises")).

2. Condition of Premises.

The Premises will be leased in an "as is" condition.

3. Parking.

Tenant shall have the benefit of all the parking that it chooses on its parcel on a non-exclusive basis which may be depicted on Exhibit "A".

4. Signage.

Tenant will have the benefit of signage to be developed in cooperation with Landlord, subject to the city's sign criteria.

5. Term.

The minimum Term of the Lease shall be for a period of 180 months.

12.2 Waiver of Subrogation. Neither Landlord nor Tenant shall be liable to the other for any loss or damage to the Premises or other property or injury to or death of persons occurring on the Premises or in any other manner growing out of or connected with Landlord's or Tenant's use and occupation of the premises or the condition thereof, whether or not caused by the negligence or other fault of Landlord, Tenant or their respective agents, employees, subtenant, licensees, invitees, or assignees; provided, however, that this release (i) shall apply only to the extent that such loss or damage to the Premises or other property or injury to or death of persons is covered by insurance which protects Landlord or Tenant or both of them as the case may be; (ii) shall not be construed to impose any other or greater liability upon either Landlord or Tenant than would have existed in the absence hereof; and (iii) shall be in effect only so long as the applicable insurance policy contains a clause to the effect that this release shall not affect the right of the insured to recover under such policies, which clauses shall be obtained by the parties hereto whenever available.

12.3 Indemnities. Tenant agrees to protect, defend (with counsel reasonably approved by Landlord), indemnify and save Landlord harmless from and against any and all claims and liabilities (other than claims and liabilities arising from any omission, fault, negligence or other act misconduct of Landlord or its agents or employees) arising from any negligent act on the part of Tenant or any of its agents, employees, subtenants, licensees, invitees or assignees.

Landlord agrees to protect, defend (with counsel reasonably approved by Tenant), indemnify and save Tenant harmless from and against any and all claims and liabilities (other than claims and liabilities arising from any omission, fault, negligence or other act of misconduct of Tenant or its agents or employees) arising from any breach or default on the part of Landlord in the performance of any covenant or agreement on the part of Landlord to be performed pursuant to the terms of this Lease or from any negligent act or omission of the part of Landlord or any of its agents, employees, tenants, licensees, invitees or assignees.

13. Utilities and Services.

Tenant shall pay directly to the public utility company providing the same for all services and utilities provided to the Premises and separately metered or sub-metered, including without limitation, water, electricity, gas, sewer services and telephone service. With respect to any such utilities not so separately metered or sub-metered, Tenant shall pay to Landlord Tenant's fair and equitable portion of the same based upon Tenant's consumption and demand for and use of such utilities.

14. Tenant's Tax Obligation.

Tenant shall pay all real estate taxes and general assessments which may thereafter become due and payable on or with respect to the premises and all improvements located thereon for the balance of the lease term. Tenant shall have no obligation to pay any real estate taxes, assessments or other charges which may be levied, assessed or charged against the Premises which become due and payable prior to October 1, 2005, except that any real estate taxes

6. Option to Extend.

Tenant may, at its option, extend the original term of this lease for two (2) additional periods of five (5) years, subject to all of the provisions of the original lease, at market rent, subject to annual adjustment based on the change in the Consumer Price Index.

7. Use of the Premises.

Tenant may use the Premises to provide recreation, counseling, training, and rehabilitation of individuals, and related services.

8. Rent.

Tenant covenants and agrees to pay Landlord as rent during the Term the sum of Eighteen Thousand Six Hundred Dollars (\$18,600.00) per month, payable monthly in advance on the first day of each month (or appropriate pro rata proportion thereof for any portion of a month at the beginning or end of the Terms). All rental payments shall be made to Landlord at its address herein, or such other address as Landlord may hereafter designate in writing to Tenant.

9. Rent Commencement.

The rent shall commence October 1, 2005.

10. Rental Adjustments.

Beginning in the second year of the Lease, the base rental rate shall be increased annually in accordance with the Consumer Price Index (CPI) for All Urban Consumers for Los Angeles All Items, 1982-84=100, not to exceed a maximum increase of seven percent (7%) per annum.

11. Expenses for Common Area Drive.

In addition to the Minimum Rent provided in Paragraph 8 hereinabove, and commencing at the same time as any rental commences under this Lease, Tenant shall pay to Landlord all charges for the "Common Area" as defined by Exhibit "A".

Tenant shall pay all real estate taxes and insurance premiums relating to the common area drive outlined in the attached Exhibit "A", hereinafter referred to as the "Drive" including land, and improvements thereon. Said real estate taxes shall include all real estate taxes and assessments that are levied upon and assessed against the Drive. Said insurance shall include all insurance premiums for fire, extended coverage, liability. Such taxes and insurance premiums for purposes of this Section shall be reasonably apportioned in accordance with the calculation of "Tenant's Proportionate Share" provision set forth hereinbelow.

Landlord shall submit to Tenant a statement of the anticipated monthly Adjustments for the period between the Lease Term Commencement Date and the following January and Tenant

shall pay these Adjustments on a monthly basis concurrently with the payment of minimum Rent. Tenant shall continue to make said monthly payments until notified by Landlord of a change thereof. By January 1 of each year Landlord shall endeavor to give Tenant a statement showing the total Adjustments for the prior calendar year and Tenant's allocable share thereof, prorated from the Lease Term Commencement Date. In the event the total of the monthly payments which Tenant has made for the prior calendar year is less than Tenant's actual share of such Adjustments then Tenant shall pay the difference in a lump sum within ten (10) days after receipt of such statement from Landlord. Tenant shall concurrently pay the difference in monthly payments made in the then calendar year and the amount of monthly payments which are then calculated as monthly Adjustments based on the prior year's experience. Any over-payment by Tenant shall be credited towards the monthly Adjustments next coming due.

The actual Adjustments for the prior year shall be used for purposes of calculating the anticipated monthly Adjustments for the then current year with actual determination of such Adjustments after each calendar year as above provided; excepting that in any year in which resurfacing is contemplated Landlord shall be permitted to include the anticipated cost of same as part of the estimated monthly Adjustments. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's share of said Adjustments for the year in which this Lease terminates, Tenant shall immediately pay any increase due over the estimated Adjustments previously paid and, conversely, any overpayment made shall be immediately rebated by Landlord to Tenant, provided however in no event shall payments representing reserves be required to be rebated. Failure of Landlord to submit statements as called for herein shall not be deemed to be a waiver of Tenant's requirement to pay sums as herein provided.

12. Insurance; Waiver of Subrogation.

12.1 Insurance. Tenant shall, at its own cost and expense, obtain prior to the commencement of the Term and throughout the Term shall maintain insurance for the benefit as named insured of Landlord and Tenant as their respective interests may appear and for the benefit of any Landlord's mortgagee of whose name and existence Tenant has been given notice, pursuant to a standard mortgagee endorsement, as follows:

12.1.1 Tenant shall maintain so-called "casualty" insurance against loss or damage to the Premises, such as may result from fire and such other casualties as are normally covered by an "extended coverage" endorsement, such casualty insurance to be in an amount equal to the full replacement cost of the Premises (excluding the reasonable value of the Land). The term "replacement cost" shall mean the actual cost of the restoration of the Premises to as nearly as practicable their condition immediately prior to the casualty; and

12.1.2 Tenant shall maintain general liability insurance, with Landlord named as an additional insured against claims for bodily injury, death or property damage occurring to, upon or about the Premises in minimum limits of \$1,000,000 for bodily injury or death and \$500,000 for property damage.

Upon reasonable request, Tenant shall deliver to Landlord certificates issued by the insurers evidencing the insurance required hereby.

becoming due and payable against the Premises during the calendar year in which the Tenant occupies the premises and the last calendar year of this lease shall be prorated between Landlord and Tenant. Tenant shall have the right to contest in good faith the amount or validity of any imposition or real estate tax or assessment which Tenant is obligated to pay by appropriate legal proceedings. Notwithstanding the foregoing, Tenant shall not be responsible to pay any increase or additional real estate tax or assessment, or any part thereof, related in any way to the transfer or conveyance of ownership of the Premises or any part or portion thereof.

15. Representations and Warranties of Landlord.

Landlord represents and warrants to Tenant that: (I) Landlord (a) has power adequate for the execution, delivery and performance of its obligations under this Lease and (b) has taken all necessary action required to make this Lease the valid and enforceable obligation it purports to be; (ii) this Lease has been duly executed and delivered by Landlord.

16. Repairs and Maintenance.

From and after the Commencement Date and during the Term, Tenant shall, at its own cost and expense; (i) make all structural and non-structural repairs, replacements and renewals necessary to keep the Premises in as good condition, order and repair as the same are at Commencement Date or thereafter may be put, reasonable wear and use and damage by fire or other casualty only expected; (ii) remove snow and ice from the driveways, sidewalks and parking area serving the Property; (iii) keep the lawns and landscaped areas of the Premises watered, fertilized and neatly trimmed.

From and after the Commencement Date and during the Term, Tenant shall, at its own cost and expense, make all necessary repairs and maintain the Premises. In the event Tenant shall fail to fulfill its obligations to repair and maintain the Premises at the expense of Landlord, and to bill the Tenant for the cost of same.

17. Alterations by Tenant.

Tenant shall not make, or permit to be made, any major structural alterations, additions, or improvements to the Premises, except with the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned, provided that such structural alterations, additions or improvements do not adversely affect the Premises or the value thereof. Landlord hereby approves the placement of modular office/residential units on the property at the sole expense of Tenant. Tenant shall hold harmless Landlord from any liability with respect to the placement of said modular units.

18. Landlord's Access.

Tenant agrees to permit Landlord or its authorized representatives to enter the Premises at all reasonable times during usual business hours after reasonable proper written notice (except in the case of an emergency) for the purposes of inspecting the same, repair and, within a period commencing twelve (12) months prior to the expiration of the Term if no notice of renewal has been given to Landlord by Tenant, of exhibiting the same to prospective tenants; provided,

however, that in connection with the exercise by Landlord of its right of access hereunder, Landlord shall use all reasonable efforts to minimize any interference with the conduct of business at the Premises by Tenant.

19. Casualty Damage.

Except as otherwise provided below, in the event of partial or total destruction of the Premises by fire or other casualty, Landlord shall, as promptly as practicable, repair, reconstruct or replace the portions of the Premises destroyed to as nearly as possible their condition prior to such destruction. During the period of repair and restoration this Lease shall continue in full force and effect except that there shall be an abatement of rent until such time as the Premises are restored to a condition suitable for use for the permitted uses hereunder and Landlord so notifies Tenant in writing. If twenty five percent (25%) or more of the Premises is so extensively destroyed by fire or other casualty that is not susceptible of repair, reconstruction or replacement within three (3) months from the date of such destruction, or if such destruction occurs during the last year of the Term, Landlord or Tenant may terminate this Lease by giving written notice to the other within fifteen (15) days after the date of such destruction. In the event of termination as aforesaid this Lease shall terminate as of, and rent shall be abated from and after, the date of delivery of the notice of termination. Notwithstanding anything herein to the contrary, in the event that Landlord shall fail, within three (3) months from the date of such destruction, to restore the Premises to a condition suitable for use for the permitted uses hereunder, Tenant may elect to terminate this Lease by written notice to Landlord and this Lease shall terminate as of, and rent shall be abated from and after, the date of delivery of such notice of termination.

20. Condemnation.

If, during the Term, all of any substantial portion of the Premises shall be taken by eminent domain or otherwise appropriated by public authority, which taking or appropriation shall have the effect of interfering with Tenant's business operation, then Tenant may terminate this Lease by giving written notice to Landlord within thirty (30) days after such taking or appropriation. In the event of such a termination, this Lease shall terminate as of the date Tenant must surrender possession of the Premises or, if later, the date Tenant actually surrenders possession, and the rent reserved shall be apportioned and paid to and as of such date. If a part only the Premises is taken or appropriated by public authority as aforesaid and this Lease is not terminated in the manner provided for above, Landlord shall restore the Premises, or what remains thereof, to as nearly as possible their condition prior to such taking, and, in any case, to a condition suitable for use for the permitted uses hereunder. In such event there shall be an abatement of rent until such time as the Premises have been so restored and Landlord so notifies Tenant in writing. Notwithstanding anything herein to the contrary, in the event that Landlord shall fail, within three (3) months from the date of such taking, to restore the Premises, or what remains thereof, to a condition suitable for use of the permitted uses hereunder, Tenant may elect to terminate this Lease by written notice to Landlord and this Lease shall terminate as of, and rent shall be abated from and after, the date of delivery of such notice of termination.

21. Landlord's Covenant of Quiet Enjoyment; Title.

Landlord covenants that it has good and clear record and marketable title to the Premises and that Tenant, upon paying the rent and performing and observing all of the other covenants and provisions hereof, may peaceably and quietly hold and enjoy the Premises and for the Term as aforesaid, subject, however, to all of the terms and provisions of this Lease.

22. Tenant's Obligation to Quit.

Tenant shall, upon termination of this Lease, leave and peaceably and quietly surrender and deliver to Landlord the Premises and all improvements and fixtures thereon or constituting a part thereof and any replacements or renewals thereof in as good condition, order and repair as the same were on the Commencement Date; reasonable wear and use and damage by fire or other casualty only excepted. Notwithstanding the foregoing, Tenant shall have the right at the expiration or earlier termination of the Term to remove from the Premises Tenant's trade fixtures, equipment including modular office/residential units, playground equipment and personal property, provided that Tenant repairs any damage caused by such removal and Tenant returns the Premises to their original condition.

23. Transfer's of Tenant's Interest.

Tenant shall not assign in its interest in this Lease or sublease all or any part of the Premises without the prior consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, Tenant may, without either notice to or the consent of Landlord, assign this Lease in connection with any merger, consolidation, reorganization or other corporate restructuring of Tenant, or any sale of all or substantially all of the stock or assets of Tenant, provided only that the successor corporation or entity acquiring Tenant's stock or assets agrees to be bound by all of the terms and provisions of this Lease for the benefit of Landlord. Tenant is expressly prohibited from leasing or subleasing any area of the premises for purposes of pay telephones as Landlord reserves this right.

24. Transfers of Landlord's Interest.

Landlord may sell, mortgage or further encumber its interest in the Premises provided that any such sale, mortgage or further encumbrance shall be subject to Tenant's interests under and pursuant to this Lease.

25. Bind and Inure.

All of the covenants and agreements set forth herein shall be considered as running with the Land and shall extend to, bind and inure to the benefit of Landlord and Tenant, which terms as used in this Lease shall include their respective successors, and where the context so admits, assigns.

26. Captions.

The captions used herein are provided for reference only and they do not constitute a part of this Lease or any indication of the intentions of the parties hereto.

27. Integration.

The parties acknowledge that all prior written and oral agreements between them and all prior representations made by either party to the other with respect to the subject matter hereof have been incorporated in this instrument or otherwise satisfied prior to the execution hereof.

28. Severability; Choice of Law.

If any provision of this Lease shall be declared to be void or unenforceable either by law or by a court of competent jurisdiction, the validity or enforceability of remaining provisions shall not thereby be affected. This Lease shall be construed in accordance with the domestic substantive laws of California without giving effect to any choice or conflict of laws.

29. Notice of Lease.

The parties hereby agree, at the request of either, to execute, acknowledge, and deliver in recordable form a notice of lease and such other notices as may from time to time be necessary for the protection of any interest of Landlord or Tenant.

30. Brokers.

Each party hereto represents and warrants to the other that it has not dealt with any broker in connection with the Premises of this Lease. Each party hereto indemnifies and holds the other harmless from and against any liability for commissions due any broker or finder with whom such party has dealt in connection with this Lease.

31. Compliance with Laws and Regulations.

Tenant shall, at its own cost and expense, comply with all applicable laws, ordinances, rules and regulations of governmental authorities ("Applicable Law"): (I) regarding the physical condition of the Premises, but only to the extent the Applicable Laws pertain to the particular manner in which Tenant uses the Premises; or (ii) that do not relate to the physical condition of the Premises but relate to the lawful use of the Premises and with which only the occupant can comply, such as laws governing maximum occupancy, workplace smoking and illegal business operations, such as gambling.

Landlord shall, at its sole cost and expense, comply with all Applicable Laws regarding the Premises except to the extent Tenant is expressly obligated pursuant to the immediately preceding paragraph.

Notwithstanding the foregoing, at no time shall Tenant be required to pay any cost or expense in any way related to retrofit of the premises as may be required from time to time to comply with Applicable Laws.

37. Counterparts Execution

This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same instrument.

38. No Joint Venture or Partnership

Landlord and Tenant are not and shall not be considered joint venturers nor partners and neither shall have power to bind or obligate the other except as set forth herein.

39. Headings

The Paragraph headings for this Lease are inserted only as a matter of convenience and for reference, and in no way confine, limit, or describe the scope or intent of any Paragraph of this Lease, nor in any way affect this Lease.

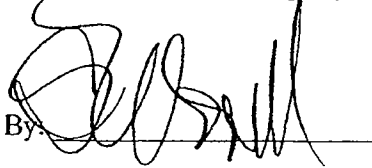
40. Successors and Assigns

The covenants and agreements herein contained shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

41. Option to Extend

On condition that Tenant shall not be in default of any condition of this Lease, Tenant shall have an option to extend the term of this lease upon all of the same terms and conditions herein for a term of 5 years upon Tenant giving Landlord 180 days written notice of Tenant's intention to exercise its Option. Rent during the option period shall be the greater of market rent or the rental amount paid during the final month of the original term of the Lease. The rental amount shall be increased annually by the "CPI" as provided herein.

LANDLORD
"Tenth Street West Property LLC"

By: 

TENANT
"Tarzana Treatment Center"

By: 