

**MEMORANDUM OF AGREEMENT
BETWEEN
THE DEPARTMENT OF VETERAN AFFAIRS
VA GREATER LOS ANGELES HEALTHCARE SYSTEM
LOS ANGELES, CALIFORNIA
AND
NEW DIRECTIONS, Inc
LOS ANGELES, CALIFORNIA
FOR
DUAL DIAGNOSIS RESIDENTIAL TREATMENT SERVICES**

I. PURPOSE:

It is the express purpose of the Memorandum of Agreement to set forth, in general terms, the basic understandings and agreements between the parties in relation to the clinical and administrative processes and procedures to be followed in the care and treatment of Dual Diagnosis patients who will be housed on the 1st floor of Bldg. 257 at The VA West Los Angeles Healthcare Center (WLA Healthcare Center)

II. Background:

This proposal is the result of meetings with clinicians from the mental health and dual diagnosis programs that identified dual diagnosis treatment as a "critical need" among veterans. Recent research points to a great need for the long term treatment and rehabilitation of individuals who have dual diagnosis. As commonly described, those with dual diagnoses are individuals with a substance abuse disorders and a chronic, severe mental illness such as schizophrenia, bipolar disorders, and/or major depression. The existing Dual Diagnosis Treatment Program at the WLA Healthcare Center includes acute inpatient care, a day hospital and an outpatient clinic, but has no provision for residential care. The proposed program is intended for dual diagnosis patients who do well during acute hospitalization but rapidly deteriorate in outpatient care despite intensive case management.

Target Population: Many patients with severe mental disorders such as schizophrenia and bipolar disorder are addicted to drugs and alcohol, creating special problems for the patients and for the clinicians, health care systems, and social service agencies that provide services to this population. Ten years ago, the WLA Healthcare Center developed a comprehensive Dual Diagnosis Treatment Program designed to provide both acute treatment and long-term rehabilitation. The program now includes a 25-bed acute inpatient unit, a day hospital and an outpatient clinic. Interdisciplinary teams treat both substance abuse and severe mental disorders, using intensive case management, pharmacotherapy, behavior therapy, 12-step groups and representative payees. The program has markedly improved outcomes for most dual diagnosis patients (including a marked reduction in hospitalization).

However, some patients continue to do poorly. Among these is a group of patients who would improve in the context of a residential therapeutic community. These patients respond well to acute inpatient care, appear motivated and engaged in treatment, and respond well to close affiliation with other motivated patients. Nevertheless, they disappear from treatment soon after discharge and cannot be located by case managers. These patients eventually return to treatment, but only when their severe mental disorders and substance abuse result in another emergency hospitalization. Many such patients describe deterioration in motivation, increased feelings of hopelessness and the return of drug and alcohol craving soon after leaving the constant supervision of staff and encouragement of other patients. Thus the treatment of these patients now involves repeated cycles of acute hospitalization, outpatient treatment failure and rehospitalization.

III. Program:

The program is for a 45-bed residential treatment program for patients with severe mental illness and substance abuse.

Program components:

Therapeutic Community: New Directions will provide this component. It will be fostered by a patient self-government facilitated by program staff. Patients will be involved in decision-making and in establishing rules and regulations.

Behavioral Skills Training: VA Greater Los Angeles Healthcare System will carry primary responsibility for manualized approaches to the following:

- **Drug Relapse Prevention:** Skills required to maintain abstinence and replace drug use with constructive activities.
- **Symptom Management:** How to reduce relapses of severe mental illness by recognizing early signs of relapse and taking appropriate action. It also teaches patients how to cope with persistent symptoms.
- **Contingency Management:** A method of systematically reinforcing healthy behaviors (e.g. treatment group attendance and participation, drug free urine tests).
- **Psychopharmacology:** Prescription of psychiatric medications based on monitoring of medication benefits and side effects and ongoing diagnostic reevaluation.
- **Urine toxicology:** Supplies critical objective measurement of drug use for contingency management and skills training in substance abuse management.
- **Medication Management:** What to expect from psychiatric medications and how to recognize and report medication side effects.

Both the VA Greater Los Angeles Healthcare System and New Directions, Inc., will be responsible for cooperative provision for the following:

- **Community Re-entry:** Skills needed to transition from residential treatment to independent living in the community.
- **Recreation for Leisure:** How to structure leisure time productively, including how to use community recreational resources.
- **Interpersonal Skills Training:** How to recognize and resolve interpersonal problems and form new relationships with people who do not use drugs.
- **Workplace Fundamentals:** How to interact with coworkers and supervisors and how to accomplish common workplace tasks.
- **Vocational Rehabilitation:** Provides vocational assessment, training, competitive, supported and sheltered employment. It will include work done on-site on contract to commercial enterprises and help obtaining and maintaining competitive employment. It will also link patients to community resources (e.g. adult education classes and community college classes) for further development of job skills.
- **12-Step groups and prevention of return to substance abuse**
- **Money Management:** Whether employed or on disability, these patients often spend all their money on drugs and alcohol. This component provides help with money management ranging from information and advice, to extensive control of patient funds through a representative payee.

Course of Treatment: Patients will be referred from acute inpatient units, and a variety of ambulatory and consultative mental health programs throughout the VA Greater Los Angeles Healthcare System (GLA) (including forensic outreach and other New Directions referrals) and treatment programs in the surrounding community. New Directions will maintain an average length of stay of less than or equal to six months.

IV. SERVICES AND STAFF PROVIDED BY THE VA:

The WLA Healthcare Center will provide all construction necessary for a 45 bed residential unit on the 1st floor of Bldg 257. Both the VA Greater Los Angeles Healthcare System and New Directions, Inc., will be responsible for providing a comprehensive integrated clinical treatment program that addresses both substance abuse and mental illness with coordinated treatment and services.

Personnel Provided by the VA Greater Los Angeles Healthcare System:

- Psychologist: Supervises the VA staff and coordinates efforts with New Directions leadership to ensure that care is provided in accordance with WLA Healthcare Center Policy, Mental Health Service SOPs and Joint Commission standards, demonstrate that patient satisfaction, quality of care and efficiency of care remain high, and represent the program in liaison with the local community.
- Psychiatrist: Provides medication management, ongoing diagnostic assessment and emergency reevaluation.
- Registered Nurse/Case Manager: Dispenses medications to lower functioning patients, teaches medication management skills, and oversees patients on self-medications to ensure they are following prescribed medicines. Assesses minor medical problems and complaints. Teaches symptom management skills.
- Licensed Vocational Nurse: Dispenses medications to lower functioning patients, collects urine specimens, assists RN in oversight of patients on self-medications to ensure they are following prescribed medicines, maintains records for the incentive program.

V. SERVICES PROVIDED BY NEW DIRECTIONS, INC.:

New Directions will provide residential rehabilitation in partnership with the GLA Clinical staff. The partnership will draw upon the considerable experience and expertise of New Directions in developing, managing, and maintaining a sober, positive, therapeutic environment. The GLA Clinical Staff will be responsible for the medical/psychiatric treatment of these patients. New Directions will also provide beds, utilities, equipment, furnishings, food service, remedial education, job training, legal services, case management, outreach, crisis intervention, money management, relapse prevention, socialization, discharge planning and aftercare.

Personnel Provided by New Directions:

- Program Assistant (1 FTEE): Provides support to the Program Leader and program staff; and oversees clinical aspects of the program.
- Case Managers (2 FTEE): Develops individually tailored drug relapse prevention plan with guidance from the program leader, provides individual and group counseling, teaches drug relapse prevention skills, oversees the 12-step component, and provides individual counseling and support.
- Attendants (9 FTEE; 2 weekdays and evenings, 2 on weekend days, 1 on nights): Orients new patients, supervises patients, maintains a safe environment, provides behavioral observation, ensures that patients are following program routine and community rules and regulations, leads group discussions.
- Recreational Specialist (1.0 FTEE): Teaches recreation for leisure group and develops individual activity scheduling with each patient to ensure that leisure time is productively structured.
- Vocational Rehabilitation Specialist/Outreach (1.0 FTEE; 2 @ 50% time): Assesses vocational strengths and weaknesses, secure work contracts, oversee work on those contracts, and teaches the workplace fundamentals group (see above).
- Medical Billing Clerk (1.0 FTEE): Schedules appointments, answers phones, correspondence, photocopying, filing, and securing office supplies.
- Legal Services (0.50 FTEE) Provides legal services and representation, oversees the administration of contracts.
- Food Service (1 FTEE) Provides food service to all patients enrolled in the residential treatment program.

VI. STATEMENT OF NON-EXCLUSIVITY:

The services set forth in this agreement shall be considered non-exclusive in nature as they relate to either party's intent to utilize the other party on a sole-source basis for the requirements stated. Either party is free to assess the patients and facility's individual clinical and/or administrative capabilities and needs and make a determination, based upon best clinical judgment and administrative value, as to the most appropriate source to use in providing care to VA patients. This does not mitigate either party's responsibility to comply with any and all applicable Federal, State, and/or Local law regulating the provision of health care services in California State and/or other applicable accreditation standards.

VII. AUTHORIZATION FOR CARE:

All VA patients treated the residential program must have VA authorization for care. Specific authorization for care will be provided by VA Clinical staff prior to or at the time of the patient entering the program.

VIII. QUALITY IMPROVEMENT AND UTILIZATION MANAGEMENT ISSUES:

- a. The parties to this agreement agree to cooperate with VA Performance Management express and implicit activities. VA shall have access to New Directions records to the fullest extent permitted by state and Federal law, and all pertinent clinical record documentation for VA beneficiaries treated by New Directions will be provided to the VA.
- b. The New Directions program assistant and case managers will be trained in VA confidentiality procedures and will be appointed to the VA staff as without compensation (woc) employees.
- c. The VA Dual Diagnosis Treatment Program Leader shall be the VA's designated representative for the purpose of establishing that New Directions is providing professional care and services to VA patients at levels that meet or exceed professional standards and/or JCAHO criteria current at the time services are rendered.

IX. CONFIDENTIALITY:

- a. GLA will provide Dual Diagnosis treatment care to VA patients with New Directions as authorized within this agreement. Before the VA releases information to New Directions the VA will secure a signed consent form from the patient. New Directions may release such information to a third-party if, and only if, this release is specified in the patient's consent.

X. IDEMNIFICATION AND LIABILITY INSURANCE:

It is expressly agreed and understood that the services rendered by New Directions or its healthcare providers are rendered in its capacity as an independent contractor. The Government may evaluate the quality of professional and administrative services provided but retains no control over the professional aspects of the services rendered, including, by example, its health care providers professional clinical judgment, diagnosis, or specific clinical treatments. New Directions shall maintain or require all health care providers performing under this contract to maintain, during the term of this agreement, professional liability insurance issued by a responsible insurance carrier of not less than \$1,000,000 per occurrence. Prior to commencement of services under this agreement, New Directions shall provide the VA with a Certificate of Insurance or policies evidencing the require coverage and an endorsement stating that any cancellation or materials change adversely affecting the VA's interest shall not be effective until 30 calendar days after the insurer or New Directions gives written notice to the VA.

XI. TORT CLAIMS:

The Federal Tort Claims Act does not cover New Directions and/or the employees. When New Directions or one of its employees have been identified as a provider in a tort claim, New Directions or its employee is responsible for notifying their own legal counsel and/or insurance carrier. Any subsequent settlement or judgment arising from a New Directions or New Directions employee action or non-action under such a claim is the responsibility of New Directions, New Directions employee, and/or insurance carrier.

XII. BILLING AND FEE FOR SERVICES PROVIDED.

GLA is not responsible for any direct cash payment resulting from the services provided by New Directions. The only payment provided is nonmonetary. Specifically the nonmonetary payment includes use of the space provided, construction authorized by the VA as necessary to start the program.

XIII. MODIFICATIONS AND AMENDMENTS:

The parties recognize and agree that this Memorandum of Agreement represents only a general document to outline understanding and procedures of a healthcare process that shall be used in the treatment of VA patients in the Dual Diagnosis Treatment Program. As such, the parties agree to work closely with each other to identify and/or clarify any clinical, administrative or quality issues that may arise and to modify and/or amend this agreement to reflect any and all changes that are mutually agreed to by the parties.

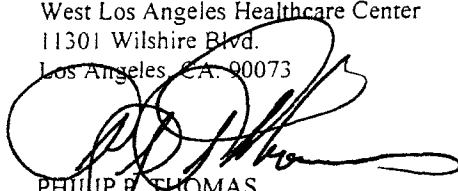
XIV: AGREEMENT TERM:


This agreement shall become effective on the date of notification to New Directions by GLA that the space is ready for occupancy and remain in effect for a period of five (5) years with an option period for (5) years unless or until terminated, in writing, by either party upon thirty days prior written notice.

New Directions, Inc.
11303 Wilshire Blvd. Bldg. 116
Los Angeles, CA. 90073


TONI REINIS
Executive Director

Greater Los Angeles Healthcare System
West Los Angeles Healthcare Center
11301 Wilshire Blvd.
Los Angeles, CA. 90073


PHILIP F. THOMAS
Chief Executive Officer


RALPH D. TILLMAN
GLA Contracting Officer



A Division of VA Design Pacific
Healthcare Network

Self-Certification Review Checklist Enhanced Sharing Contracts

Contract Number V691-95-010LE

Sharing Partner Name New Directions, Inc.

Contract Amount Monthly income based on metered readings for electric, gas & water in Building 116 GLAHS WLA

Contract Type Lease Agreement

Reviewed by: George D. Szwarcman

Signature/Date: Toni Reinis
8/31/95

Item	Yes	No	N/A	Comments
Is a copy of the executed contract available in the contract file?	X			
Does the contract include the following terms:				
• The ability to cancel/amend the contract if the terms result in VA failing to meet requirements of law.	X			
• The time period covered by the contract.	X			
• The liability assumed by VA for failure to perform.	X			
• Other terms such as quantities, deadlines, quality issues, hours of operation, manpower commitments and ability to deliver services as required?	X			
• If the contract is for the use of equipment, does it address the responsibility for equipment maintenance or loss?			X	
Is concept approval from VACO Rapid Response Team documented in the contract file?			X	
Is the contract for the sale of VA inpatient services for non-veterans? If so, was the permission of the Undersecretary for Health and Secretary of VA obtained and documented in the contract file?			X	
Is the basis of pricing included in the contract file?	X			

**Self-Certification Review Checklist
Enhanced Sharing Contracts.**

Item	Yes	No	N/A	Comments
Does documentation exist to support local market rates assessment?	X			
Does the contract recover full cost?	X			
Is the full cost data included in the contract file?	X			
What is the source of cost information used for pricing?				Dept. of Water & Power
If full cost is not recovered, what cost components are excluded from pricing consideration?			X	
What is the justification for not recovering full cost? <ul style="list-style-type: none"> • The services or goods are being sold to maintain essential clinical skills or to continue programs essential to the veteran population. • Prices are set by law or executive order and are not based on full cost or market price. • Other 			X	
Is the market price being charged? If so: <ul style="list-style-type: none"> • Was the justification for using market price fully documented in the contract file? • Does the contract recover at least the local direct costs, i.e. fixed direct variable supply and variable labor costs? 	X			
Is the Regional Counsel's approval documented in the contract? If yes, review the results.		X		
What is the composition of the business team?				
Does the contract file contain a written recommendation from the Business Team to the VISN or Medical Center Director on whether to sell the resources and that the proposal meets the provisions of laws, regulations and policies?		X		
If the contract value is more than \$500,000 was the General Counsel's approval obtained?		X		
Are the services of the veterans in the Compensated Work Therapy (CWT) Program used in performance of this contract? If so, was CWT program reimbursed for the veterans' time?		X		
Does the contract file contain a copy of the Marketing Plan?		X		

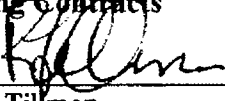
**Self-Certification Review Checklist
Enhanced Sharing Contracts.**

Item	Yes	No	N.A	Comments
Was the contract revenue recorded in the general ledger?	X			
Can revenue be tracked back to the specific products sold?			X	
What billing and collection procedures are used?				Billing through the NBC staff
What systems are used to record accounts receivable?	X			
Are provisions made for uncollectable accounts?	X			
Is the debtor being provided with due process notification?	X			See pg. 9 of Lease

Enhanced Sharing Contracts.

Certification of Compliance with Federal and VA Pricing Guidelines for VHA
Enhanced Health Care Sharing Contracts

Approved/Certified by: _____


Ralph D. Tillman,
Director, Asset Management
Greater Los Angeles Healthcare System

Part I: Certification of Compliance

I, Ann Marie Wilk, Chief Financial Office, certify that the pricing policies for Greater Los Angeles Healthcare System materially X comply/ _____ do not comply with VHA Directive 97-015, Enhanced Health Care Resources Sharing Authority and OMB Circular A-25, User Charges and the Chief Financial Officers Act of 1990 (P.L. 101-576) (CFO Act). I further certify that I have reviewed and understand how these authorities apply to enhanced Health Care Sharing contracts entered into by this facility. Instances where this facility does not comply with Federal and VA pricing policies are disclosed under the certification for compliance with the Statement of Federal Accounting Standards Nos. 4 and 7 (See Bulletin OIGC2.093, Self Certification Compliance with Statement of Accounting Standards Nos. 4 and 7 for VHA Stations).

Name:


Ann Marie Wilk

Title:

Chief Financial Officer

Facility:

Greater Los Angeles Healthcare System

Date:

11/13/02

Telephone Number:

(310) 268-4256

M E M O R A N D U M

October 2, 1995

VIA TELECOPY

TO: Pal B. Maletex

FROM: Deborah S. Guerra

Re: Lease, dated as of August 31, 1995,
by and between The United States of
America and New Directions, Inc.

Pursuant to your request, please find enclosed a fully executed copy of the above-referenced lease, which was signed on behalf of New Directions, Inc. last month and has been in full force and effect since that time.

As I mentioned, we are still working with the Los Angeles County Recorder's Office to record the original lease. We will provide you with a conformed copy once it is recorded.

If you or your counsel have any questions, please do not hesitate to call me at (213) 687-5580.

cc: Ms. Toni Keinis
Jane Converse, Esq.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

New Directions, Inc.
3760 Motor Avenue, #203
Los Angeles, California 90034
Attn: Toni Reinis

(Space Above This Line for Recorder's Use Only)

DEPARTMENT OF VETERANS AFFAIRS
LEASE NO. 691-95-010LE

1. THIS LEASE (this "Lease"), for property located at DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, WEST LOS ANGELES, CA (the "VA Grounds"), is made and entered as of this 29th day of August, 1995 (the "Commencement Date"), by and between the UNITED STATES OF AMERICA represented by the Department of Veterans Affairs, hereinafter referred to as the "Government", acting under the authority of Public Law 102-590, as the same has been amended as of the date hereof, and NEW DIRECTIONS, INC., a California non-profit corporation, whose address is 3760 Motor #203, Los Angeles, California 90034, and its executors, administrators, successors, and/or assigns, hereinafter referred to as "Lessee".

2. WITNESSETH: For the considerations and mutual covenants hereinafter mentioned, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

a. The Government hereby leases to Lessee the following described premises located on the VA Grounds:

Building #116 (the "Building") and the surrounding real property, as shown on the site plan identified as Exhibit "A" attached hereto and made a part hereof, and all appurtenances thereto and improvements thereon, together with a right of access (together with the Building, the "Premises").

b. TO HAVE AND TO HOLD the said premises with its appurtenances for the term of fifty (50) years beginning on the Commencement Date and ending August 31, 2045 (the "Expiration Date").

3. Lessee shall protect, maintain, and restore the Premises in lieu of monetary consideration as provided by Title 38, Section 8122, United States Code, as the same has been amended as of the date hereof.

4. All notices to be given pursuant to this Lease shall be addressed,

if to Lessee to:

New Directions, Inc.
3760 Motor #203
Los Angeles, California 90034
Attn: Ms. Toni Reinis

if to the Government to:

Director (OO)
VA Medical Center
11301 Wilshire Boulevard
West Los Angeles, CA 90073-1002

or as may from time to time be otherwise directed by the parties. Notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope, addressed as aforesaid and deposited, postage prepaid, in a public mail box maintained by the U.S. Postal Service.

5. Lessee shall use the Premises for the purposes of (i) providing transitional and permanent housing and comprehensive support services for homeless veterans with chronic substance abuse (the "Program") generally pursuant to the New Directions, Inc. Mission Statement attached hereto as Exhibit "A", as the same may be amended or restated from time to time (the "Mission Statement"), and (ii) providing administrative and other support for the Program. Lessee covenants and agrees that the persons who reside on the Premises shall be limited to low and moderate income persons for the term of the Lease.

6. Hazardous Materials

a. The term "hazardous materials" as used in this lease shall include all substances and materials considered hazardous pursuant to applicable Federal, State and local environmental requirements promulgated pursuant to applicable Federal and State statutes and regulations.

b. With respect to the Premises, each party shall comply with all applicable Federal, State and local environmental requirements. With respect to those hazardous materials (surface coatings that contain lead, and asbestos-containing building materials) noted in the Smith-Emery GeoServices Report No. B-95-5204, Lessee agrees to take no action on the Premises which releases those hazardous materials into the environment. In the event that there is a release of such materials warranting remediation pursuant to applicable environmental requirements, and the proximate cause of the release was the action or inaction of Lessee, its employees, agents, clientele or visitors, Lessee agrees to be responsible for all costs of such remediation and to

hold harmless the Government from all liabilities resulting from such release.

c. In the event that Lessee is named a Potentially Responsible Party (PRP) pursuant to applicable provisions of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), or comparable State statute, regarding an environmental contamination of the Premises which first occurred prior to the lease inception date, the parties agree to immediately consult regarding this matter and attempt to apportion between themselves any applicable responsibilities and/or liabilities for associated costs pursuant to applicable law.

7. Lessee has inspected and knows the condition of the Premises and it is understood that the same is hereby leased without any representation or warranty by the Government whatsoever with respect to the condition of the Premises or any portion thereof and without obligation on the part of the Government to make any alterations, repairs or additions thereto, except as expressly set forth herein.

8. a. Subject to the provisions of subparagraph b. below and Section 22 hereof, Lessee shall have the right, in its sole and absolute discretion, to make any alterations to, or install any improvements on or in, the Premises, including, without limitation, any alterations, improvements, furniture, fixtures and equipment, additions, replacements and structural repairs (collectively, the "Lessee's Improvements") necessary or desirable for the purposes set forth in Section 5 above. As used herein, "Lessee's Work" shall mean demolition, repair, remodeling, retrofitting and all other work performed by Lessee or on behalf of Lessee in connection with the Lessee's Improvements (including, without limitation, engineering reports and surveys, architectural services and construction services).

b. (1) Prior to commencement of construction of the Lessee's Improvements, Lessee shall submit to the Director of the Department of Veterans Affairs Medical Center, West Los Angeles, CA (the "Medical Center Director"), detailed final plans and specifications (the "Final Plans") of the Lessee's Improvements for the approval of the Medical Center Director, which approval shall be withheld solely if the Medical Center Director reasonably determines that the Lessee's Improvements or the Building as so altered by the Lessee's Improvements will materially interfere with the health or safety of employees, patients and visitors to the VA Grounds, or otherwise interfere in the effective operation of the VA Grounds as a medical facility. The Medical Center Director shall approve or object to the Final Plans within thirty (30) days of the date on which Lessee submits the Final Plans to the Medical Center Director (the "Approval Period").

(ii) If the Medical Center Director shall object to any portion of the Final Plans, the Medical Center Director shall, prior to the expiration of the Approval Period, advise Lessee in writing of the basis for its determination that the Lessee's Improvements or the Building as so altered by the Lessee's Improvement will materially interfere with the health or safety of employees, patients and visitors to the VA Grounds, or otherwise interfere in the effective operation of the VA Grounds as a medical facility and identify with reasonably detailed specificity the objectionable element or elements in the Final Plans. Lessee shall then submit to the Medical Center Director for the Medical Center Director's reasonable approval, a redesign of the Final Plans, responding to the objections of the Medical Center Director. In the event that the Medical Center Director does not approve or object to the Final Plans in accordance with the provisions hereof prior to the expiration of the Approval Period, the Final Plans shall be deemed to be approved; provided, however, that if the Government delivers written notice to Lessee on or before the day that is thirty (30) days from the date on which Lessee submits the Final Plans to the Medical Center Director requesting an extension, the period of time in which the Government may object may be extended for a period not to exceed thirty (30) days.

c. Lessee shall be responsible for obtaining any approvals, permits and certificates required to be obtained in connection with the Lessee's Improvements in order to satisfy applicable codes. The Government shall reasonably cooperate with Lessee in signing, solely in its capacity as the owner of the real property underlying the Premises, applications and forms necessary to obtain such approvals, to the extent that it is within the power and authority of the Government to sign any such application or form. Lessee and the Government acknowledge and agree that the applicable code for the exterior walls of the Building is the 1991 U.B.C.

d. The Government and Lessee acknowledge that (i) Lessee owns all of the Lessee's Improvements, including, without limitation, all furniture, fixtures and equipment, and (ii) the Government owns the underlying real property and that portion of the Building that does not consist of the Lessee's Improvements.

e. In the event that this Lease is terminated or cancelled prior to the Expiration Date for any reason other than a Lessee Event of Default, the Government agrees to reimburse Lessee for the cost of the Lessee's Improvements as follows (such amount to be hereinafter referred to as the "Reimbursement Amount"): (i) if termination occurs before "Substantial Completion" (as hereinafter defined) of the Lessee's Improvements, reimbursement shall be based on the "Termination Value" (as hereinafter defined) of the Lessee's Work; and (ii) if termination occurs following Substantial Completion of the Lessee's Improvements, reimbursement

SENT BY: SKADDEN APPS LA

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shall be based on the "Depreciated Value" (as hereinafter defined) of the Lessee's Improvements. Such reimbursement shall be subject to the availability of funds (as defined below), but, in any event, shall be made not later than six (6) months following termination of the Lease.

f. For purposes of this Lease, the term "Substantial Completion" shall mean that a licensed architect shall have delivered to Lessee a certificate stating that the Lessee's Improvements have been substantially completed in accordance with the Final Plans and that the Premises are ready for occupancy and operation. "Termination Value" shall be determined in accordance with FAR 52.249-2(f) (g) and (h), Alternate I, Termination For Convenience of the Government (Fixed-Price) (Apr 1984) (attached hereto and made a part hereof as Exhibit "C"). As applied with respect to this Lease, the phrase "cost of this work" in section (f) of FAR 52.249-2(f), Alternate I shall include, without limitation, the cost of each of the items identified on Exhibit "D" attached hereto and made a part hereof, to the extent that any such cost is actually incurred or accrues. "Depreciated Value" shall be an amount equal to the Termination Value depreciated pursuant to a straight-line depreciation method amortized over a period of fifty (50) years. As used in this Lease, "availability of funds" means the annual budget of the Department of Veterans Affairs (the "VA Budget") has been approved by the United States Congress and the President of the United States. Nothing herein shall be deemed to require this Lease to be listed as a separate item in the VA Budget in order to satisfy the condition that funds be available for purposes set forth in this Lease.

g. In the event that funds are not available to pay the Reimbursement Amount at the time such obligation accrues, the Government covenants and agrees that it will promptly take such actions and measures as are necessary or appropriate to obtain a supplemental appropriation from the United States Congress in an amount equal to the Reimbursement Amount.

h. Lessee shall maintain, and the Government shall have the right to examine and audit, books, records, documents and other evidence and accounting procedures and practices, regardless of form or type, sufficient to reflect properly all costs claimed to have been incurred by Lessee as a result of the termination of this Lease.

i. Lessee shall comply with all applicable laws, ordinances, codes and regulations wherein the Premises are located, with regard to construction, building occupancy permits, sanitation, licenses or permits to do business, all applicable licenses, permits or accreditation as a treatment facility and/residential facility, whether state or federal.

10. (a) From the Commencement Date through the Expiration Date or earlier termination of this Lease, Lessee covenants and agrees to maintain comprehensive public liability insurance with respect to the Premises in an amount not less than \$1,000,000. From the Commencement Date through the date of Substantial Completion, Lessee shall maintain such insurance on substantially the terms and conditions set forth on Exhibit "E-1" attached hereto and made a part hereof. From and after the date of Substantial Completion through the Expiration Date or earlier termination of this Lease, Lessee shall maintain insurance substantially on the terms and conditions set forth on Exhibit "E-2" attached hereto and made a part hereof, or such other terms and conditions as are customary, to comply with the covenant in this Section 10(a).

(b) The Government recognizes and acknowledges that Lessee's services and the Program make and will continue to make a significant contribution to the general population and United States Veterans. The Government covenants and agrees that, in the event all or any portion of the Premises is damaged or destroyed by fire, flood, earthquake or other casualty, and to the extent that there are not funds available to, or otherwise authorized to be used by, the Government for repair or restoration of the Premises on the date of such damage or destruction, or such funds as are authorized and available are insufficient for such repair or restoration, the Government will promptly take such actions and measures as are necessary or appropriate to obtain an emergency or supplemental appropriation from the United States Congress for the full repair and restoration of the Premises to substantially the same size and configuration as in effect on the date immediately preceding such damage or destruction. The Government covenants and agrees to apply any funds appropriated for such purpose to repair or restore the Building to substantially the same size and configuration as in effect on the date immediately preceding such damage or destruction.

11. The Government and its officers, agents and employees shall have the right to enter the Premises at all reasonable times for the following purposes:

a. upon 24 hours' prior written notice, to determine whether Lessee is complying with its obligations under this Lease;

b. to do any necessary maintenance and to make any restoration to the Premises or the building and other improvements in which the Premises are located that the Government has the right or obligation to perform; and,

c. to shore the foundations, footings, and walls of the building and other improvements that are a part of the Premises and to erect scaffolding and protective barricades around and about the Premises if any excavation or other

construction is undertaken or is about to be undertaken on any adjacent property or nearby street.

The Government shall not be liable in any manner for any inconvenience, disturbance, nuisance, or other damage arising out of the Government's entry on the Premises as provided in this Section 9, except as otherwise provided in the Federal Tort Claims Act (28 U.S.C. Sections 2671-2680) (the "FTCA") as more particularly set forth in Section 22 hereof. The Government shall conduct its activities on the Premises as allowed in this paragraph in a manner that will cause the least possible inconvenience, annoyance or disturbance to Lessee and after consultation with Lessee.

12. a. The Government shall construct and shall be responsible for the maintenance and repair of utility installations, including, without limitation, wiring, plumbing, conduits and mains, connecting the Premises to the Government's utilities on the VA Grounds. The Government shall furnish to the Premises reasonable quantities of gas, water, electricity, heat, sewer service and garbage removal service (hereinafter referred to as "Utilities") as required for Lessee's use. The Utilities shall be furnished to the Premises at all times during the term of this Lease.

b. Lessee will be billed separately for Utilities at the meter except that, with respect to garbage removal service, Lessee shall be separately billed for services actually provided. Any Utilities furnished directly by the Government, rather than a regulated public utility, will be charged at the lower of (i) the rate charged by the Government, or (ii) the prevailing rate for comparable service provided by the regulated public utility providing such service in the local geographic area.

c. The Government shall not be liable for failure to furnish Utilities to the Premises when the failure results from causes beyond the Government's reasonable control, but in case of such a failure the Government will take all reasonable steps to restore the interrupted Utilities in a timely manner. In the event that any failure to furnish Utilities shall continue for a period exceeding thirty (30) consecutive calendar days, regardless of the reason for such failure, then Lessee shall have the right to terminate this Lease.

13. Lessee shall have the right to sublet the Premises or any portion thereof and to grant licenses, privileges and franchises with respect to the use of the Premises or any portion thereof to third parties (i) without the consent of the Government, provided that the use of the Premises by such third parties is limited solely to those activities that are in support of Lessee's mission, as set forth in the Mission Statement, or (ii) in all other cases, only with the prior written consent of the Government, which request for consent Lessee shall direct to the

Medical Center Director; provided, however, that Lessee covenants and agrees that any and all revenue derived from any such agreement with a third party shall be used by Lessee for the health and benefit of the residents of the Program.

14. a. Other than damages arising out of the willful misconduct or negligence of the Government or any of its representatives, which shall be subject to the limitations of the FTCA, or as set forth in Section 6, the Government shall not be responsible for damages to property or injuries to persons that arise from or are incidental to the Lessee's use and occupancy of the Premises, or for damages to the property of Lessee, or for damages to the property or injuries to the person of Lessee's officers, agents, servants, or employees, or others who may be on the Premises at their invitation or the invitation of any one of them, and Lessee shall indemnify and hold the Government harmless from any and all such claims.

b. Other than damages arising through the willful misconduct or negligence of Lessee or its officers, directors, employees or agents, Lessee shall not be liable to the Government for damages to property or injuries to persons that arise from or are incidental to the presence of any representative of the Government on the Premises, or for damages to the property of the Government, or for damages to the property or injuries to the person of the Government's officers, agents, servants, or employees, or others who may be on the Premises at their invitation or the invitation of any one of them, and the Government shall not seek monetary contribution or compensation from Lessee for any or all such claims.

15. Other than actions of Lessee in connection with the Lessee's Improvements, Lessee shall cut no timber, conduct no mining or drilling operations, remove no sand, gravel, or similar substances from the ground and commit no waste of any kind.

16. a. A "Lessee Event of Default" shall occur if Lessee defaults in its obligation to perform any of its covenants under this Lease, and such default shall continue for a period of one hundred twenty (120) days (the "Lessee Cure Period") from the date on which Lessee receives written notice of such default from the Government delivered in accordance with Section 4 hereof; provided, however, if the Lessee Event of Default cannot reasonably be cured within the Lessee Cure Period, then such default shall not be deemed a Lessee Event of Default for so long as Lessee diligently pursues and completes such cure within 120 days of the expiration of the Lessee Cure Period and provided that such default does not materially interfere with the health or safety of employees, patients and visitors to the VA Grounds, or otherwise interfere in the effective operation of the VA Grounds as a medical facility. Notwithstanding the foregoing, in the event that the Lessee is obligated pursuant to the terms of the

Lease to effect any remediation or corrective work with respect to any Hazardous Materials, then the Lessee Cure Period shall be three hundred sixty (360) days, or such longer period as is agreed to by the Government and Lessee.

b. From and after the occurrence of a Lessee Event of Default, but only so long as such Event of Default shall remain uncured, the Government may deliver written notice to Lessee in accordance with Section 4 hereof that the Lease shall terminate on a date that is no earlier than the date that is two hundred forty (240) days after the date such notice is delivered to Lessee.

17. a. A "Government Event of Default" shall occur if the Government shall (i) purport to terminate the Lease for any reason other than the occurrence and continuance of a Lessee Event of Default, or (ii) breach or violate, or default in the performance of, any of the covenants of the Government contained herein; provided, however, that any default under subparagraph (ii) hereof shall not be deemed a Government Event of Default unless such default shall continue uncured for a period of thirty (30) days (the "Government Cure Period") from the date on which the Government receives written notice of such default delivered in accordance with Section 4 hereof; provided, further, however, if the Government Event of Default cannot reasonably be cured within the Government Cure Period, then such default shall not be deemed a Government Event of Default for so long as the Government diligently pursues and completes such cure within fourteen (14) days of the expiration of the Government Cure Period, or within such additional period as is agreed to by the Government and Lessee.

b. Upon the occurrence of a Government Event of Default, in addition to any other rights or remedies hereunder, or any other remedies provided at law or in equity, and subject to the "availability of funds" (as defined in Section 8(f) hereof), the Government shall be obligated to pay to Lessee an amount equal to the Reimbursement Amount.

18. On or before the expiration of the term of this Lease, or its earlier termination in accordance with the terms hereof, Lessee shall cease to operate the Program on the Premises and shall vacate the Premises, remove the personal property of Lessee therefrom and, at the option of the Government, remove the fixtures therefrom, and return the Premises to the Government in broom clean condition. In the event that Lessee should fail to comply with the duties set forth in this Section 18, then Lessee shall pay to the Government on demand any sum which may have to be expended after the expiration or termination of this Lease to restore the Premises to the condition as stated herein. Any monetary compensation shall be made payable to the Treasurer of the United States and forwarded by Lessee directly to the Agent

Cashier, Department of Veterans Affairs Medical Center, West Los Angeles, CA.

19. Lessee and the Government each represent and warrant that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees for bona fide established commercial or selling agencies maintained by Lessee for the purpose of securing business. For breach or violation of this representation and warranty, the defaulting party agrees to pay any and all costs, liabilities or expenses (including, without limitation, attorneys' fees) incurred by the non-defaulting party in connection with or arising from such breach or violation, and, with respect to the obligations of the Government upon the occurrence of such violation, subject to the limitations of the Anti-Deficiency Act, 31 U.S.C. 1341.

20. Lessee shall pay to the proper authority, when and as the same becomes due and payable, all taxes, assessments, and similar charges (collectively, "Taxes"), if any, including any assessments relating to all applicable environmental laws and regulations (including health and safety regulations), which at any time during the term of this Lease may be taxed, assessed or imposed upon the Government or upon Lessee with respect to or upon the Premises. In the event any Taxes are imposed with the consent of the United States Congress upon property owned by the Government and included in this Lease (as opposed to the leasehold interest of Lessee therein), this Lease shall be renegotiated so as to accomplish an equitable reduction in the payment of Taxes provided above, which shall not be greater than the difference between the amount of such Taxes and the amount of any Taxes which were imposed upon Lessee with respect to its leasehold interest in the Premises prior to the granting of such consent by the Congress.

21. This Lease is further subject to the following provisions and conditions:

a. Before admitting any member of the public, other than any officer, director, employee, agent, representative, licensee or invitee of Lessee, into or upon the Premises, Lessee shall provide to the Government, at Lessee's own expense, a written report prepared by a certified architect, engineer, or building inspector, evidencing a thorough inspection of the Premises and describing all defects and hazardous conditions thereby disclosed.

b. Before admitting any member of the public, other than any officer, director, employee, agent, representative, licensee or invitee of Lessee, into or upon the Premises, Lessee shall undertake, at Lessee's own expense, to make all

repairs necessary to correct the defects and hazardous conditions disclosed by inspection of the Premises and shall document their completion to the Government.

c. If Lessee determines that the cost of the repairs or alterations necessary to render the Premises safe for exercise of the purposes of the Lease are disproportionate to Lessee's resources, Lessee may terminate this Lease by delivering written notice thereof to the Government within two (2) years of the date of execution of this Lease.

d. If construction has not commenced on or before the date that is two (2) years from the Commencement Date, then the Government may terminate this Lease upon thirty (30) days' prior written notice to Lessee; provided, however, that such termination shall be void and of no further force of effect if Lessee commences construction within such thirty (30) day period.

22. Provided that there has not been a final determination that the Premises is not subject to the Department of Interior Regulations (36 CFR, Part 67) The Secretary of the Interior's Standards for Rehabilitation (the "Historic Preservation Standards"), Lessee agrees that it shall not commence any construction, restoration or alteration of the exterior of the Building until such time as Lessee, the Government, the California State Historic Preservation Officer and the Advisory Council on Historic Preservation, and any other entities or agencies having jurisdiction with respect to the enforcement of the Historic Preservation Standards and deemed a necessary or desirable party, have entered into a memorandum of agreement regarding compliance with the Historic Preservation Standards during the restoration and rehabilitation of the exterior of the Building.

23. Notwithstanding anything to the contrary herein, (i) the liability of the Government in tort pursuant to any provision herein shall, to the extent applicable, be determined under and to the extent permitted by the provisions of the Federal Tort Claims Act (28 U.S.C. Sections 2671-2680), with respect to any liability for claims, suits, losses, damages or expenses for injuries to any and all persons whomsoever, and any and all property damage, arising out of or in any manner connection with, any activities associated with this Lease, and (ii) the liability of the Government for indemnification of Lessee pursuant to any provision herein shall be subject to "availability of funds" (as defined in Section 3 above) and as required by the provisions of the Anti-Deficiency Act, 31 U.S.C. 1341.

34. The terms and conditions set forth in this Lease (including, without limitation, all terms set forth in the Addendum attached hereto and made a part hereof) may be modified only by written agreement of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

UNITED STATES OF AMERICA

LESSOR

By:


George D. Szwarcman

NEW DIRECTIONS, INC., a California non-profit corporation

By:


Name:


By:


Name:

By:


Name:

I, Roy Delgado, certify that I am the _____ Secretary of the Corporation named as lessee in the attached lease; that said lease was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.


(Signature)

(CORPORATE SEAL)

Secretary
(Title)

STATE OF _____

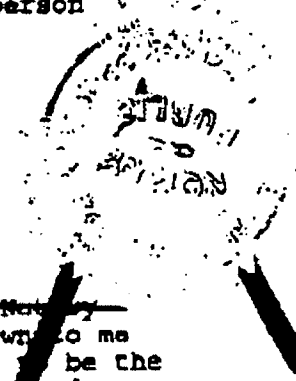
COUNTY OF _____

On August 27, 1995, before me, Denise Bell Notary Public, personally appeared George L. Sawarcman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Denise Bell (Seal)

STATE OF Dist of Columbia
COUNTY OF City of Washington



On August 30, 1995, before me, George M. Doll ~~Notary~~ personally appeared Toni Reins, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand ~~and official seal.~~

Signature [Signature]

STATE OF CALIFORNIA

COUNTY OF Los Angeles

George M. Doll
JUDGE, SUPERIOR COURT (RETIREE)
CERTIFIED BY CSP
(NO SEAL)

On August 30, 1995, before me, George M. Doll ~~Notary~~ Public, personally appeared Margaret Zasa, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand ~~and official seal.~~

Signature [Signature]

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

George M. Doll
JUDGE, SUPERIOR COURT (RETIREE)
CERTIFIED BY CSP (NO SEAL)

002805/16-2182A

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On August 30, 1995, before me, GEORGE M. DELL ~~person~~ personally appeared John Keaveny, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand, ~~and the seal of said~~

Signature [Handwritten Signature]

GEORGE M. DELL
JUDGE, SUPERIOR COURT (RETIRED)
(CERTIFIED BY CJP)
10-2-85 (NO 2672)

0028053.14-2151A

ADDENDUM TO LEASE NO. _____
(NEW DIRECTIONS, INC.)

I. TRAFFIC

Lessee and its agents, employees, licensees and invitees shall have the right to use any and all access roads on, to or insuring to the benefit of the VA Grounds.

II. PARKING

Lessee and its agents, employees, licensees and invitees shall have the right to use the parking lot identified on Exhibit "F" attached hereto and the right to park in any non-exclusive parking areas at the VA Grounds.

III. SECURITY

The Premises shall be included in the regular security patrol provided by the Government for the VA Grounds.

IV. LOCAL LAW ENFORCEMENT

The Los Angeles County Sheriffs Department is the responsible state law enforcement agency for the West Los Angeles VA Medical Center property.

V. PEST CONTROL

The Government is not responsible for pest control of any kind with respect to the Premises. It is Lessee's responsibility to provide pest control regardless of the source and at Lessee's own expense.

VI. FIRE PROTECTION AND RESPONSE

In case of fire, the Los Angeles City Fire Department is the responsible local agency or department.

VII. USE OF MEDICAL CENTER PROPERTY OTHER THAN LEASED PREMISES

Participants in the Program may use the VA Grounds in any manner appropriate for a veteran not in the Program. All activities of Lessee must conform to the requirements of federal law and regulations of the Department of Veterans Affairs.

VIII. DISASTER PLAN

Lessee agrees to develop a disaster plan in conformity with VA Medical Center requirements, a copy of which is attached hereto as Exhibit "G", with approval of the VA Medical Center Disaster Plan Coordinator as required by federal law. Such plan shall be developed within 60 days from the execution of this Lease.

IX. SEPARATE PROGRAM ACTIVITY

Lessee agrees to inform in writing all residents and staff of Lessee, that Lessee is not a Department of Veterans Affairs program or activity.

X. UNAUTHORIZED PHOTOGRAPHY/FILMING

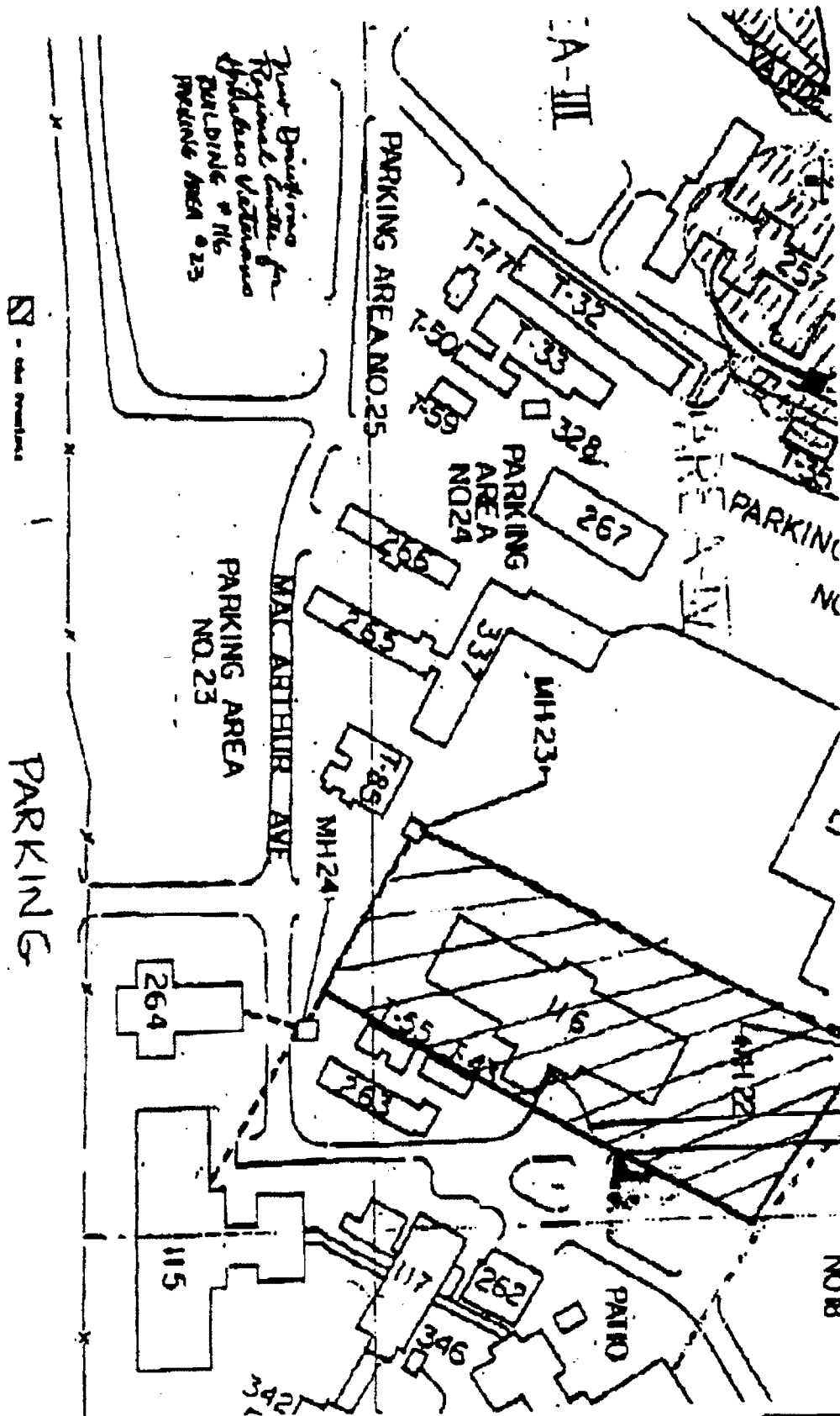
In accordance with the requirements of paragraph 4b of the Manual of the Department of Veterans Affairs, MP-1, Part 1, Chapter 4, no unauthorized photography or filmmaking is allowed. Consent of the Medical Center Director must be obtained. Prior to the taking of any photographs, other than those set forth below, Lessee shall comply with all provisions of said paragraph 4b. The Government hereby acknowledges and agrees that the following photography/filming activities shall be deemed approved and Lessee shall not be obligated to obtain any further consent from the Government for such activities:

1. any and all photographs and/or filming taken inside the Building; and
2. any and all photographs and/or filming of the exterior of the Premises.

0038082.18-3152A

Exhibit "A"
SITE PLAN

0028051.16-2|51a



Your District
 Regional Center for
 Disabled Veterans
 Building # 116
 Parking Area # 23

- see previous

PARKING

Exhibit "B"
MISSION STATEMENT

"NEW DIRECTIONS, INC. is a program designed to rehabilitate homeless veterans who have histories of substance abuse disorders, post-traumatic stress syndrome and/or lack of marketable job skills so that they are able to return to the community as responsible, productive, self-sufficient citizens."

0028061.18-2181a

Exhibit "C"PAR 52.249-2(F), (G) AND (H), ALTERNATE I, TERMINATION
CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (APR 1984)

(R 1-8.701)

(R 7-103.21(b) 1974 OCT)

Alternate I (APR 1984). If the contract is for construction, substitute the following paragraph (f) for paragraph (f) of the basic clause:

(f) If the Contractor and Contracting Officer fail to agree on the whole amount to be paid the Contractor because of the termination of work, the Contracting Officer shall pay the Contractor the amount determined as follows, but without duplication of any amounts agreed upon under paragraph (e) above:

(1) For contract work performed before the effective date of termination, the total (without duplication of any items) of—

(i) The cost of this work;

(ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subdivision (i) above; and

(iii) A sum, as profit on (i) above, determined by the Contracting Officer under 49.202 of the Federal Acquisition Regulation, in effect on the date of this contract, to be fair and reasonable; however, if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, the Contracting Officer shall allow no profit under this subdivision (iii) and shall reduce the settlement to reflect the indicated rate of loss.

(2) The reasonable costs of settlement of the work terminated, including—

(i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) The termination and settlement of subcontracts (excluding the amounts of such settlements); and

(iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

(g) Except for normal spoilage, and except to the extent that the Government expressly assumed the risk of loss, the Contracting Officer shall exclude from the amounts payable to the Contractor under paragraph (f) above, the fair value, as determined by the Contracting Officer, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the Government or to a buyer.

(h) The cost principles and procedures of Part 31 of the Federal Acquisition Regulation, in effect on the date of this contract, shall govern all costs claimed, agreed to, or determined under this clause.

Exhibit "D"
ITEMS INCLUDED IN COST OF WORK

Item #	Description
01130	Temp Telephone
01132	Temp Sanitation
01133	Temp Electrical
01135	Temp Water
01136	Temp Office
01141	Cleanup - Rough
01142	Cleanup - Finish
01170	Project Closeout
01171	Contingencies - Hard
01174	Misc. Labor
01178	Overhead & Profit
01179	Supervision
02284	Demolition
02295	Asbestos/Lead Removal
03331	Concrete Curb/Asphalt
05541	Seismic Upgrade
05551	Ornamental Iron
06611	Sheetmetal
06623	Finish Cptry Pkg
06635	Deckcoating
07721	Insulation & T 24
07741	Roofing
08850	Metal Windows
08870	Finish Hardware
08871	Storage
08897	Storefront Door
09920	Gypsum Drywall
09930	Tile/Terrazo
09931	Exterior Brick Repair
09980	Floor Coverings
09990	Painting, Staining
09995	Kitchen Contractor
09996	Window Coverings
09998	Suspended Ceiling
10080	Security System
10088	Architectural/Engineering
10096	Fire Extinguishers
12230	Cabinet & Fixtures
15520	Plumbing System
15530	Plumbing Fixtures/Trim
15550	Fire EXT SYS/SPRINK
15570	Heat-Air Condition
16610	Electrical
17707	City Fees-Plan CK
17710	BLDG Permit/School Fees
17741	Ins. Liability

Exhibit "E-1"
INSURANCE MAINTAINED FROM COMMENCEMENT DATE
TO DATE OF SUBSTANTIAL COMPLETION

DESIGNATED PREMISES: 11301 Wilshire Boulevard #116, Los Angeles, California

TYPE: Commercial General Liability - Owners, Landlords and Tenants

LIMITS: \$1,000,000 combined single limit aggregate
\$1,000,000 each occurrence

DEDUCTIBLE: \$1,000 BI/PD per claim

EXCLUDES: electromagnetic radiation, punitive, personal/advertising injury, products/completed operations, absolute pollution, asbestos, wrongful employment practices, lead, fire legal, medical payments.

Exhibit "E-2"
INSURANCE EXPECTED TO BE MAINTAINED FORM AND
AFTER THE DATE OF SUBSTANTIAL COMPLETION

DESIGNATED PREMISES: 11301 Wilshire Boulevard #116, Los Angeles, California

TYPE: Commercial Property; Special Form

LIMITS: \$1,000,000 total insured values, 100% co-insurance, actual cash value

DEDUCTIBLE: \$5,000 per occurrence

0028021.16-21614

SENT BY: Xerox Telecopier

10-2-85 : 8:47AM :

2136875

202 565 6083: #26

Exhibit "F"
PARKING LOT

000001.16-2151a

SENT BY: MAGGON ROOM 10 8: 8-14-85 6:30PM : 7818- 282 374 778318 9

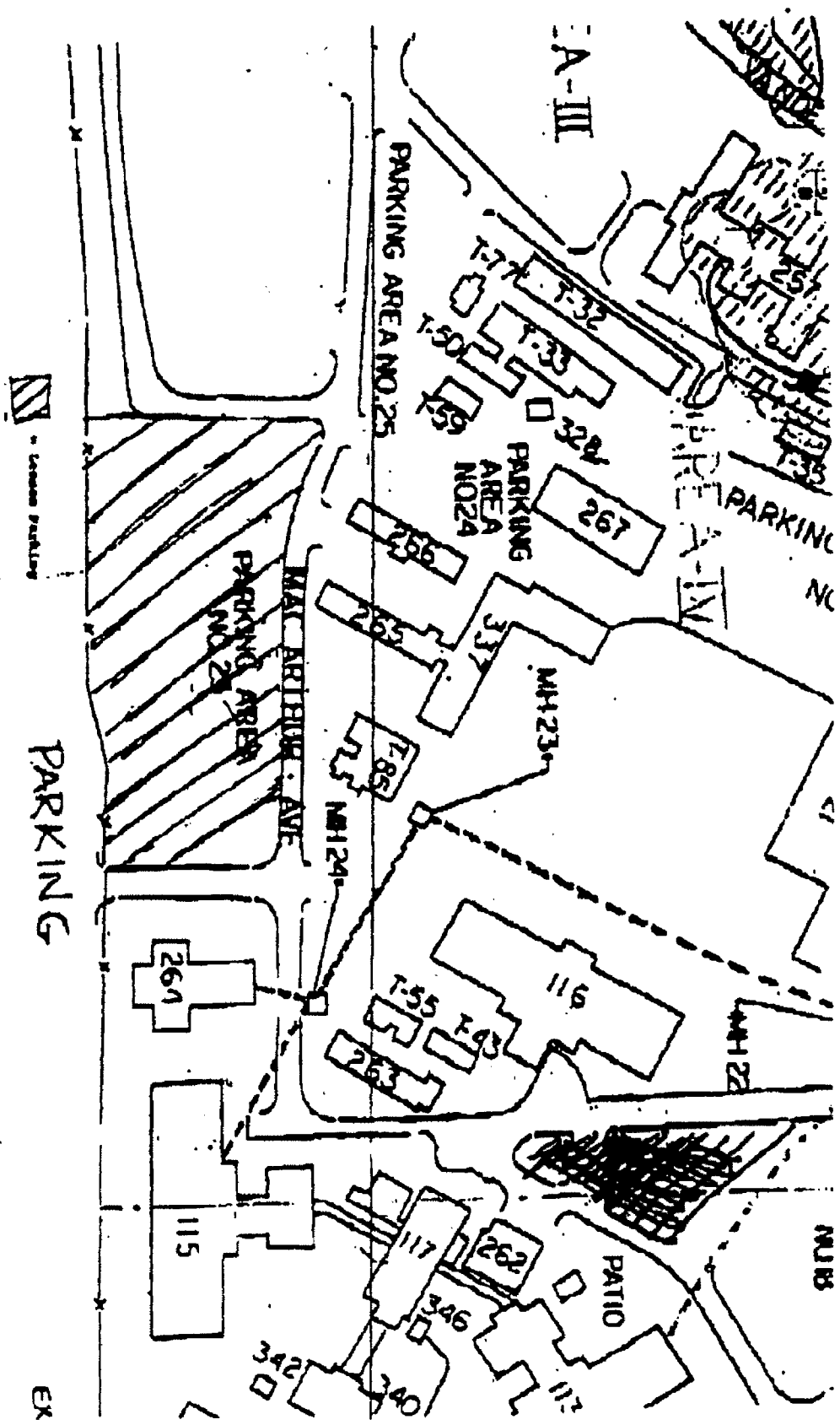


Exhibit "G"
DISASTER PLAN

The disaster plan will be developed within sixty days from the execution of the Lease. Lessee agrees to develop a disaster plan in conformity with the VA Medical Center requirements.