

REVOCABLE LICENSE AGREEMENT FOR USE OF COUNTY FACILITIES

This Revocable License Agreement for Use of County Facilities ("Agreement"), made and entered into on _____, ("Effective Date"), is by and between the **COUNTY OF SONOMA**, a political subdivision of the State of California ("County"), and **WEST COUNTY COMMUNITY SERVICES**, a California corporation ("Licensee"). County and Licensee are sometimes collectively referred to herein as the "parties" and singularly, a "party."

RECITALS

WHEREAS, the County Department of Health Services ("DHS") is a tenant under that certain Lease dated June 13, 2017 ("Lease"), as amended, and by this reference made a part hereof, between SR Office Properties DE, LLC, a Delaware limited liability company, and Redbird SR Office Properties DE, LLC, a Delaware limited liability company ("Landlord") and County, for certain premises located at 2245 Challenger Way in Santa Rosa, California ("Leased Premises"); and

WHEREAS, Licensee has requested use of a portion of the Leased Premises to operate DHS's Peer Wellness Center program; and

WHEREAS, DHS and Licensee shall be entering into that certain Agreement for Services ("Service Agreement"), for Licensee to provide peer-led, recovery-oriented services to adults experiencing behavioral health challenges; said Service Agreement is renewed by DHS, based on applicable procurement requirements; and

WHEREAS, County is willing to allow Licensee to use a portion of the Leased Premises on the terms and conditions hereinafter set forth; and

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed as follows:

AGREEMENT

1. **License.** The County hereby grants Licensee a revocable license, subject to all the terms and conditions of this Agreement, to use that portion of the Leased Premises described in Section 2 below.
2. **Premises.** Licensee is hereby permitted to use a portion of the County Leased Premises as specifically shown or described in Exhibit A, attached hereto and made a part hereof ("Premises"), comprised of Suite 104, containing six thousand six hundred thirty-five (6,635) sq. ft. of office space located within the Leased Premises.

3. Non-exclusive License. The license herein granted is non-exclusive. County continues to maintain and control the Premises including, without limitation, leasing, sub-leasing and granting of additional licenses.
4. Term. This Agreement is contingent on Licensee obtaining and maintaining all applicable permits and approvals from regulatory agencies having jurisdiction (“AHJs”) for its use of the Premises. Licensee acknowledges that the Premises and Licensee’s use thereof may be subject to regulation and approval by said regulatory agencies.

On condition of Licensee having obtained all required permits and applicable approvals from AHJs, Licensee may use the Premises as otherwise set forth herein commencing on July 1, 2026 and expiring on June 30, 2027 (“Initial Term”), unless earlier terminated in accordance with Section 23 below.

4.1 Extension Options. Licensee is given two (2) extension options to extend the Term, on all the provisions contained in this Agreement, including Consideration, each for a period of one (1) year (the “First Extended Term” and the “Second Option Term,” collectively the “Option Terms”), following expiration of the Initial Term or the 1st Extended Term, by giving written notice of exercise of the option (“Option Notice”) to County at least sixty (60) days prior to the expiration of the Initial Term or the 1st Extended Term Option Term.

4.2 Contingency of Service Agreement and License Agreement. The Parties agree that execution of this Agreement is contingent upon execution of the Service Agreement, and it is the intent of the Parties that this Agreement and the Service Agreement be executed simultaneously. In the event the Parties do not execute the Service Agreement, then this Agreement shall be void and unenforceable and the Parties shall be released from any and all liabilities and obligations hereunder.

4.2 Term Co-terminous with Service Agreement. Notwithstanding anything contained in this Agreement to the contrary, in the event the Service Agreement expires or is otherwise terminated, this Agreement shall automatically terminate effective upon the date the Service Agreement expires or terminates.

5. Consideration. Intentionally deleted.
6. Non-Monetary Consideration: In consideration of this Agreement, Licensee shall provide services to DHS clients, as specified in and pursuant to the Service Agreement.
7. Use. Licensee’s use shall be limited to: providing peer wellness and behavioral health services as defined and described in the Service Agreement. No other use is allowed. The rules and regulations attached hereto as **Exhibit B**, as well as such rules and regulations as may be adopted by County and provided to Licensee for the safety, care and cleanliness of the Premises and the building of which they are a part and the preservation of good order thereon are hereby expressly made a part hereof. Licensee hereby agrees to comply with all applicable rules and regulations imposed

by County. Licensee shall be solely responsible for any cost or expense for any and all maintenance and/or repairs required by County or by any AHJ, including without limitation, alterations or repairs necessitated by the Americans with Disabilities Act.

County and Licensee acknowledge that this Agreement is subject to the Lease, attached hereto as **Exhibit E** between County and its Landlord. Licensee agrees that its use shall comply with the terms of the Lease and shall not undertake any activity that could result in the County's default under the Lease. Licensee may only use the Premises for the purposes described in the Service Agreement between County and Licensee.

8. Utilities/Repairs/Maintenance. County shall not charge Licensee for utilities for the Initial Term of this Agreement. Prior to the commencement of the First Extended Term, County shall review actual utility expenses for the Initial Term and determine whether utilities will be payable by Licensee to the County. In such event that utilities are payable by Licensee, upon receipt of County's invoice for Licensee's share of utilities, Licensee shall submit payment to County Department of Health Services at the address set forth in Section 28, within 30 days of the date of such invoice.

Licensee shall reimburse County for the cost of any repair(s) that is/are needed to the Premises, as a result of Licensee's negligence or willful acts. Reimbursements due to County for the cost of any repair that is/are needed as a result of Licensee's negligence or willful acts shall be paid to County within thirty (30) days of receipt of invoice by Licensee for said repairs.

9. Equipment Installation and Operation. Licensee shall install the equipment described in **Exhibit C**, at its sole cost and expense, subject to the prior written approval of County of its location and connection methods. Licensee's equipment shall be installed, operated and maintained in accordance with the highest standards now or hereafter generally employed for similar equipment. Licensee's installation and operation of equipment shall not interfere with the County's existing equipment, or that of the County's other tenants or licensees. In the event the installation, operation or maintenance of said equipment causes any direct or indirect interference with the operation of County's facilities, equipment, or the equipment of County's tenants, or other licensees, Licensee shall immediately correct said interference, at its sole cost and expense, to the satisfaction of County. In the event said interference cannot be corrected, Licensee shall promptly remove said equipment.
10. Taxes. If applicable, Licensee agrees to pay any and all lawful taxes, assessments, or charges which may at any time be levied by any public entity upon any improvements made as a result of this Agreement.
11. Possessory Interest. Licensee expressly recognizes and understands that this Agreement may create a possessory interest subject to property taxation and that Licensee may be subject to the payment of property taxes levied on such interest.

12. Compliance with Laws. Licensee shall observe and comply at all times with all applicable federal, state and local statutes and ordinances, rules, regulations, directives, and orders of governmental agencies now in force or which may hereinafter be in force applicable to activities under this Agreement and/or use of the Premises. Without limiting the generality of the foregoing, Licensee expressly acknowledges and agrees that this Agreement may be subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.

12.1 Annual Inspection by County. Licensee acknowledges that the Premises shall be subject to annual inspection for compliance with all applicable federal, state and local statutes and ordinances, rules, regulations, directors, and orders of governmental agencies, including Permit Sonoma. Licensee shall be solely responsible for the inspection fee for said annual inspection performed by Permit Sonoma. On or before July 1 of each year of this Agreement, Licensee, at Licensee's sole cost and expense, shall provide County with a certificate of compliance issued by County Permit Sonoma, as to the condition of the Premises.
13. Waste; Nuisance. Licensee shall not commit, suffer, or permit the commission by others of: (i) any waste or nuisance on the Premises; (ii) any action or use of the Premises which interferes or conflicts with the use of the Premises by County, its tenants/licensees, or any other authorized person; or (iii) any action on the Premises in violation of any laws or ordinances.
14. Inspection. County shall be permitted to enter and inspect the licensed Premises at any and all times.
15. Extent of Grant of License. This Agreement and the license herein are granted only in County's proprietary capacity as a sublessor of the Leased Premises, and not in County's governmental or regulatory capacity as to the Premises or the activities thereon. Acquisition of any other necessary permits or entitlements for use or activity at the Premises is the responsibility of Licensee. **NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED AS A RELINQUISHMENT OF ANY RIGHTS NOW HELD BY COUNTY.**
16. Deposit Refund. Licensee agrees that the deposit, if any be required, made upon execution by Licensee of this Agreement shall not be refundable for any reason unless County, in its absolute discretion, determines such a refund in whole or in part, to be warranted.
17. Bankruptcy. In the event of bankruptcy of Licensee or writ of attachment of execution against Licensee, this Agreement shall, at the option of the County, immediately terminate.
18. Non-liability of County. In connection with this Agreement, County, its officers, agents, and employees shall not be liable to Licensee, Licensee's property or

equipment, or any of Licensee's agents or invitees from any cause. Licensee expressly waives all claims against County, its officers, agents, and employees, unless to the extent such injury or damage is caused by or due to the gross negligence or willful misconduct of County, or its officers, agents, or employees. Licensee hereby agrees to accept the Premises in its "as-is" physical condition and its "as-is" state of repair.

18.1 Certified Access Specialist Disclosure. Pursuant to California Civil Code Section 1938, the subject property has not been inspected by a "Certified Access Specialist".

The following disclosure is hereby made pursuant to applicable California law, "A Certified Access Specialist (CAsp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CAsp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CAsp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CAsp inspection, the payment of the fee for the CAsp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

19. Indemnification. Licensee agrees to accept all responsibility for loss or damage to any person or entity, including but not limited to County, and to defend, indemnify, hold harmless, reimburse and release County, its officers, agents, and employees, from and against any and all actions, claims, damages, disabilities, liabilities and expenses, including but not limited to attorneys' fees and the cost of litigation incurred in the defense of claims as to which this indemnity applies or incurred in an action by County to enforce the indemnity provisions herein, whether arising from personal injury, property damage or economic loss of any type, that may be asserted by any person or entity, including Licensee, arising out of or in connection with any of the circumstances described in Sections 19.1, 19.2, 19.3 and 19.4, whether or not there is concurrent negligence on the part of County, but, to the extent required by law, excluding liability due to the gross negligence or due to the willful misconduct of County. If there is a possible obligation to indemnify, Licensee's duty to defend exists regardless of whether it is ultimately determined that there is not a duty to indemnify. County shall have the right to select its own legal counsel at the expense of Licensee, subject to Licensee's approval, which approval shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Licensee or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts. This indemnification and obligation to defend the County shall survive the expiration or earlier termination of this Agreement.

19.1 Use of Premises. Use of County Leased Premises in any manner by Licensee, its agents, employees, invitees, subtenants, licensees and contractors, and the

agents, employees, patrons, contractors and invitees of subtenants, including any use of the Premises not allowed under this Agreement.

- 19.2 Breach by Licensee. Any breach by Licensee of the terms, covenants or conditions herein contained.
- 19.3 Approval of Agreement. The approval of this Agreement by County.
- 19.4 Other Activities. Any other activities of Licensee, its agents, employees, invitees, or subtenants.
- 20. Insurance. With respect to the rights granted hereunder, Licensee shall maintain and shall require all of its subcontractors to maintain insurance as described in Exhibit D attached hereto and by this reference made a part hereof.
- 21. Liability for Loss or Damage to Leased Premises. Licensee shall be liable to County for any loss or damage to the Premises and/or Leased Premises arising from or in connection with Licensee's use of or activities on the Leased Premises or that of any of its officers, agents, employees or invitees. Without limiting the foregoing, Licensee shall reimburse County for the cost of repair(s) to the Premises caused by or arising from Licensee's use or activity at the Premises. Reimbursements due to County for the cost of any such repairs shall be paid to County within thirty (30) days of receipt of invoice by Licensee.
- 22. Nondiscrimination. In the performance of this Agreement, Licensee shall comply with all applicable federal, state and local laws, rules and regulations regarding nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability.
- 23. Termination by County. County may terminate this Agreement for any reason whatsoever, including in the event of revocation or lapse of any required permit, upon thirty (30) days prior written notice to Licensee.
- 24. License is Personal. The license herein granted is personal to Licensee and no right hereunder may be assigned, sublet, or otherwise transferred in whole or in part without the prior written consent of County, and any attempt to assign, sublet or transfer shall be of no force or effect whatsoever unless and until County shall have given its written consent thereto. County may withhold its consent for any reason.
- 25. Provisions are Conditions of Use/Occupancy. Each provision of this Agreement shall be deemed a condition of the right of Licensee to use or continue to occupy the Premises. Notwithstanding anything stated to the contrary herein, if Licensee fails to perform any provision of this Agreement at the time and in the manner herein provided, County may at its option immediately terminate this Agreement; this right to terminate shall be cumulative to any other legal right or remedy available to County.

26. Licensee to Act in Independent Capacity. Licensee, its officers, agents, and employees are not officers, agents or employees of the County and shall act in an independent capacity. Further, Licensee, its officers, agents and employees shall not represent themselves to be or be construed to be officers, agents, or employees of County.
27. License Not a Lease. This Agreement does not constitute a lease, but constitutes a revocable license and Licensee is limited to the use of the Premises expressly and specifically described above. If access routes are not specifically described in Section 2 of this Agreement, Licensee shall be entitled to use only the access route(s) designated by the County. Licensee shall have no right or privilege in any respect whatsoever to use any other part of the Leased Premises for any purpose whatsoever. Licensee disclaims any interest that, when coupled with the license herein granted, would render it irrevocable.
28. Notice. Any notice required or permitted to be given under this Agreement shall be in writing. Delivery of such written notice shall be conclusively taken as sufficiently given forty-eight (48) hours after receipt of e-mail delivery and/or after deposit in the United States Mail, via 1st class mail, registered or certified, return receipt requested, with the postage thereon fully prepaid, addressed as follows:

If to COUNTY: COUNTY OF SONOMA
Sonoma County Public Infrastructure
Attn: Real Estate Manager
400 Aviation Boulevard, Suite 100
Santa Rosa, CA 95403
Email: SPI-RealEstate@sonomacounty.gov

With a copy to: COUNTY OF SONOMA
Department of Health Services
Attn: Gretchen Melendy, Facilities Operation Manager
1450 Neotomas Avenue, Suite 130
Santa Rosa, CA 95405
Email: Gretchen.Melendy@sonomacounty.gov

If to LICENSEE: WEST COUNTY COMMUNITY SERVICES
Attn: Christy Davila, Executive Director
P.O. Box 325 / 16390 Main Street
Guerneville, CA 95446
Email: Christy.Davila@westcountyservices.org

Either party may at any time change its address for notices by giving written notice of such change to the other party in the manner provided in this Section 28.

29. No Continuing Waiver. The waiver by County of any breach of any of the provisions of this Agreement shall not constitute a continuing waiver of any subsequent breach of the same, or of any other provision of this Agreement.

30. Surrender. Upon the expiration or sooner termination of this Agreement, Licensee, at its sole cost and expense, shall remove, revise, or relocate such of its improvements and equipment as is/are designated by County, restore the Premises to its original condition, and vacate the Premises. In the event Licensee neglects to restore the Premises to a condition satisfactory to County, County may perform such work or have the work performed, and all direct and indirect costs associated with such work shall be reimbursed by Licensee, immediately, upon receipt of a statement therefor.
31. General Provisions.
- 31.1 Time of Essence. Time is and shall be of the essence of this Agreement and of each and every provision contained in this Agreement.
- 31.2 Incorporation of Prior Agreements; Amendments. This Agreement contains all the agreements of the parties with respect to any matter mentioned herein. No prior agreement, or understanding pertaining to any such matter shall be effective. This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification, and this sentence may not be modified or waived by any oral agreement, whether executed or unexecuted.
- 31.3 Binding Effect; Choice of Law. This Agreement shall be binding upon and inure to the benefit of the parties, their personal representatives, successors, and assigns. This Agreement shall be governed by the laws of the State of California and any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in the County of Sonoma.
- 31.4 Amount Due Payable in U.S. Money. All sums payable under this Agreement must be paid in lawful money of the United States of America.
- 31.5 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.
- 31.6 Construction of Agreement; Severability. To the extent allowed by law, the provisions in this Agreement shall be construed and given effect in a manner that avoids any violation of statute, regulation, or law. County and Licensee agree that in the event any provision in this Agreement is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision in this Agreement. Licensee and County acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Licensee and County further acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

- 31.7 Relationship. The parties intend by this Agreement to establish the relationship of licensor and licensee only, and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that of licensor and licensee.
- 31.8 Captions. The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the provisions hereof and shall have no effect upon the construction or interpretation of any part hereof.

LICENSEE HAS CAREFULLY READ AND CONSIDERED THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT AND HEREBY AGREES TO BE BOUND BY ALL SAID TERMS AND CONDITIONS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

“LICENSEE”: WEST COUNTY COMMUNITY SERVICES, a
California corporation

By: _____
Christy Davila, Executive Director

“COUNTY”: COUNTY OF SONOMA, a political
subdivision of the State of California

By: _____
Johannes J. Hoevertsz, Director
Sonoma County Public Infrastructure

The SPI Director is authorized to execute this Agreement pursuant to the Board of Supervisors Summary Action dated _____, 2026.

APPROVED AS TO FORM FOR COUNTY:

Deputy County Counsel

RECOMMENDED FOR APPROVAL:

Nolan Sullivan, Director
Department of Health Services

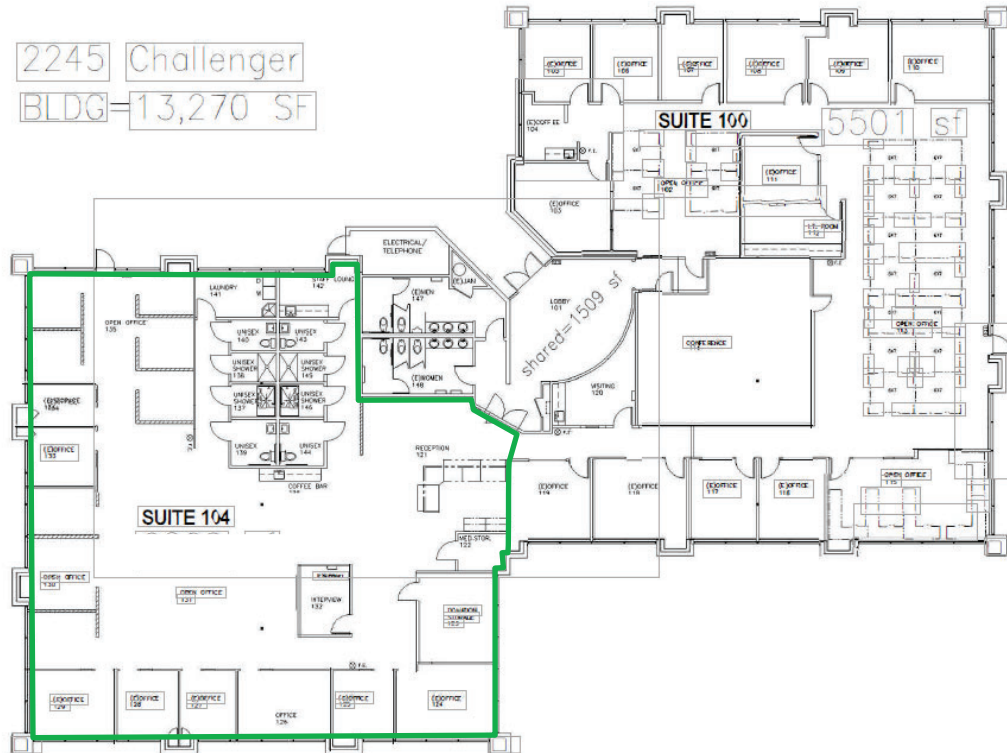
C. Warren Sattler, Real Estate Manager
Sonoma County Public Infrastructure

CERTIFICATE OF INSURANCE
ON FILE WITH DEPARTMENT:

Reviewed by: _____

Exhibit A

[Description/Depiction of the Premises]



2245 Challenger Way, Santa Rosa, CA

Exhibit B

RULES AND REGULATIONS

1. No permanent sign, placard, picture, advertisement, name or notice shall be inscribed, displayed, printed or affixed on or to any part of the Premises without the written consent of County first had and obtained, and County shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Licensee.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Licensee by a person approved of by County.

Licensee shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises. Licensee shall not, without prior written consent of County, sunscreen any window.

2. The driveways, sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by Licensee in such a manner as to violate the Americans with Disabilities Act (A.D.A.), fire code(s) or other laws, or used for any purpose other than for ingress to and egress from the Premises.
3. Licensee shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by Licensee.
5. Licensee shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Premises without the prior notice to County, and all moving of the same into or out of the building of which the Premises are comprised or are a part shall be done at such time and in such manner as County shall designate. County shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Premises and also the times and manner of moving the same in and out of the Premises. Safes or other heavy objects shall, if considered necessary by County, stand on support of such thickness as is necessary to properly distribute the weight. County will not be responsible for loss of or damage to any such safe and property from any cause, and all damage done to the building by moving or

maintaining any such safe or other property shall be repaired at the expense of Licensee.

7. Licensee shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the County or other occupants of the building of which the Premises are comprised or are a part by reason of noise, odors and/or vibrations, or interfere in any way with other occupants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises. Disability assistance animals shall, however, be permitted in the Premises.
8. No cooking shall be done or permitted on the Premises by Licensee nor shall the Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.
9. Licensee shall not use, permit use, or keep on or in the Premises any kerosene, gasoline or inflammable or combustible fluid or other hazardous material, or use any method of heating or air conditioning other than that supplied by County.
10. County will direct electricians as to where and how telephone and telegraph wires, if any, are to be introduced. No boring or cutting for wires will be allowed without the consent of County. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of County.
11. On Saturdays, Sundays and County holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the building of which the Premises are comprised or are a part, or to the halls, corridors, elevators or stairways in the building, or to the Premises, may be refused. County shall in no case be liable for damages for any error with regard to the admission to or exclusion from the building or Premises of any person. In case of invasion, mob, riot, public excitement or other commotion, County reserves the right to prevent access to the Premises during the continuance of the same by closing of the doors or otherwise, for the safety of the occupants and protection of property in the building and the building.
12. County reserves the right to exclude or expel from the Premises any person who, in the judgment of County, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these rules and regulations or the Agreement to which these rules and regulations are made a part.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the County.
14. County shall have the right, exercisable without notice and without liability to Licensee, to change the name and street address of the building of which the Premises are comprised or are a part.

15. Licensee shall not disturb, solicit or canvass any occupant of the building of which the Premises are comprised or are a part and shall cooperate to prevent same.
16. Without the written consent of County, Licensee shall not use the name of the building of which the Premises are comprised or are a part in connection with or in promoting or advertising the business of Licensee except as Licensee's address.
17. County shall have the right to control and operate the public portions of the building of which the Premises are comprised or are a part and the public facilities and heating and air conditioning, as well as facilities furnished for the common use of the occupants, in such manner as it deems best for the benefit of the occupants generally.
18. All entrance doors shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

Exhibit C

[Licensee's Equipment]

Two (2) Refrigerator(s) : Licensee shall be responsible for the installation, and maintenance, repair and replacement of Licensee's refrigerators.

One (1) Washer and one (1) Dryer: Licensee shall be responsible for the installation, maintenance, repair and replacement of Licensee's washer and dryer.

Exhibit D**[Insurance Requirements]**

Licensee shall maintain and require its subcontractors and agents to maintain, during the term of this Agreement or any extensions of the term, insurance as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*.

County reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Licensee from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the term of this Agreement.

1. Workers Compensation and Employers Liability Insurance

- a. Required if Licensee has employees as defined by the Labor Code of the State of California.
- b. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- c. Employers Liability with minimum limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- d. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against County.
- e. Required Evidence of Insurance:
 - i. Subrogation waiver endorsement; and
 - ii. Certificate of Insurance.

If Licensee currently has no employees as defined by the Labor Code of the State of California, Licensee agrees to obtain the above-specified Workers Compensation and Employers Liability insurance should employees be engaged during the term of this Agreement or any extensions of the term.

2. General Liability Insurance

- a. Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- b. Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; the General Aggregate shall apply separately to each location. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance. If Licensee maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Licensee.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be

approved in advance by County. Licensee is responsible for any deductible or self-insured retention and shall fund it upon County's written request, regardless of whether Licensee has a claim against the insurance or is named as a party in any action involving the County.

- d. **County of Sonoma, its Officers, Agents and Employees** shall be additional insureds for liability arising out of the Licensee's operations or premises rented to Licensee (ISO endorsement CG 20 26 or equivalent).
- e. The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- f. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against County.
- g. The policy shall cover inter-insured suits between County and Licensee and include a "separation of insureds" or "severability" clause which treats each insured separately.
- h. Required Evidence of Insurance:
 - i. Copy of the additional insured endorsement or policy language granting additional insured status; and
 - ii. Certificate of Insurance.

3. Property Insurance for Business Personal Property and Tenants Improvements

(Required only during the Post-Construction Period)

- a. Property insurance on a "special form" or "all risks" basis.
- b. Minimum Limit: the full current combined replacement cost of Tenant's Business Personal Property and Licensee's improvements.
- c. The insurance shall apply on a replacement cost basis, without deduction for depreciation.
- d. Licensee shall disclose any deductible or self-insured retention in excess of \$25,000 and such deductible or self-insured retention must be approved in advance by County. Licensee is responsible for any deductible or self-insured retention.
- e. Required Evidence of Insurance: Certificate of Property Insurance or Evidence of Commercial Property Insurance.

4. Automobile Liability Insurance

- a. Minimum Limit: \$1,000,000 combined single limit per accident. The required limit may be provided by a combination of Automobile Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance.
- b. Insurance shall cover all owned autos. If Licensee currently owns no autos, Licensee agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions of the term.
- c. Insurance shall cover hired and non-owned autos.
- d. Required Evidence of Insurance: Certificate of Insurance.

5. Increases in Limits of Insurance

County may periodically require higher policy limits if such increased limits are reasonably available in commercial insurance markets.

6. Standards for Insurance Companies

Insurers, other than the California State Compensation Insurance fund, shall have an A.M. Best's rating of at least A:VII.

7. Documentation

- a. The Certificate of Insurance must include the following reference: **LI-DHS-2026-140, licensed Premises located at: 2245 Challenger Way, Santa Rosa, CA.**
- b. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Licensee agrees to maintain current Evidence of Insurance on file with County for the required period of insurance.
- c. The name and address for Additional Insured endorsements and Certificates of Insurance is: **County of Sonoma, its Officers, Agents and Employees, c/o Sonoma County Public Infrastructure, Attn: Real Estate, 400 Aviation Boulevard, #100, Santa Rosa, CA 95403, SPI-RealEstate@sonomacounty.gov.**
- d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- e. Licensee shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

8. Policy Obligations

Licensee's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

9. Material Breach

If Licensee fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. County, at its sole option, may terminate this Agreement and obtain damages from Licensee resulting from said breach. Alternatively, County may purchase such required insurance and Licensee shall immediately reimburse County for any premium costs advanced by County for such insurance. These remedies shall be in addition to any other remedies available to County.

Exhibit E

[Master Lease]

LEASE

BETWEEN

**SR OFFICE PROPERTIES DE, LLC and
REDBIRD SR OFFICE PROPERTIES DE, LLC**

AND

COUNTY OF SONOMA



FOR

**2245 Challenger Way
Santa Rosa, California**

DATED

May 11, 2017

**THE LAKES
MODIFIED FULL SERVICE LEASE
BASIC LEASE INFORMATION**

In the event of any conflict between this Basic Lease Information and the Lease, the Lease shall prevail.

DATE: May 11, 2017.

LANDLORD: **SR OFFICE PROPERTIES DE, LLC**,
a Delaware limited liability company,

and

REDBIRD SR OFFICE PROPERTIES DE, LLC,
a Delaware limited liability company

LANDLORD'S ADDRESS:

c/o **BASIN STREET PROPERTIES**

~~300 E. Second Street, Suite 1300~~ *50 W Liberty #250*

Reno, NV 89501

Attn: Scott Stranzl, Vice President, Leasing

Fax: (775) 954-2917

With a copy to:

BASIN STREET PROPERTIES

~~119 C Street~~

~~Petaluma, CA 94952~~

1383 N McDowell Blvd #15
Petaluma, CA 94954
Attn: Stephanie Burlingame, Vice President,

Operations and Property Management

TENANT:

COUNTY OF SONOMA, a political subdivision of the
State of California

TENANT'S ADDRESS:

COUNTY OF SONOMA

General Services Department

2300 County Center Drive, Suite A220

Santa Rosa, California 95403

Attn: Marc McDonald, Real Estate Manager

Fax: (707) 565-3476

With a copy to:

COUNTY OF SONOMA

Department of Health Services

3313 Chanate Road

Santa Rosa, CA 95403

Attn: Administration

Fax: (707) 565-7849

PREMISES:

13,270 square feet of Rentable Area located at 2245
Challenger Way, as more particularly shown on Exhibit
A attached hereto.

PROJECT: That certain office Project located in the City of Santa Rosa, the County of Sonoma, California, commonly referred to as "The Lakes", consisting of 136,565 sq. ft. of Rentable Area.

TERM: Fifteen (15) years, with two, 5-year options to extend the term of the Lease.

Commencement Date See Section 2.2.

RENT:

a. Base Rent \$15,127.80 per month for Year 1 of the Lease (\$1.14 psf)

b. Additional Rent (Operating Expenses and Taxes) \$5,971.50 per month for the initial Term. Tenant shall also pay increases in Operating Expenses and Taxes over the Base Year as set forth in Sections 4.5.1 and 4.5.2.

TOTAL MONTHLY RENT **\$21,099.30 per month for Year 1**

c. Rent abatement Rent and Additional Rent for Months 1-3 of the Lease shall be abated by Landlord, for a total of **\$63,297.90** (\$21,099.30 per month x 3 months).

d. Adjustment Date of Monthly Base Rent, Initial Term At the beginning of the 13th month and every 12 months thereafter of the Initial Term.

e. Rent adjustment, Base Rent, Initial Term and Option terms Eight cents (\$.08) over the Base Rent amount psf for the previous year until the 63rd month of the initial term. Five cents (\$.05) over the Base Rent amount psf for the previous year during the 64th month through the end of the initial term and Option terms.

BASE YEAR: 2017

SECURITY DEPOSIT: \$0.00

PERMITTED USE: Psychiatric care facility and ancillary medical uses in support of the psychiatric care facility (in all cases limited to outpatient services only), and general office and governmental office purposes, including, without limitation, use by the Department of Health Services.

PROGRAM OR AGENCY FOR WHICH THE PREMISES IS LEASED: Behavioral Health Alcohol and Other Drug Treatment Center, administration and related programs, provided through the County Department of Health Services ("DHS")

PARKING SPACES: See Article 8.



REAL ESTATE BROKERS:

None.

EXHIBITS AND ADDENDUM:

Exhibit A	Diagram of Premises
Exhibit B	Site Plan
Exhibit C	Rules and Regulations
Exhibit D	Leasehold Improvement Agreement
Exhibit E	Acknowledgement of Commencement Date
Exhibit F	Insurance
Exhibit G	Subordination, Nondisturbance and Attornment Agreement; Estoppel Agreement
Exhibit H	Phase I Environmental Site Assessment
Exhibit I	Memorandum of Lease form



LEASE

This Lease ("Lease") is made this 11th day of May, 2017 ("Effective Date"), by and between **SR OFFICE PROPERTIES DE, LLC**, a Delaware limited liability company, and **REDBIRD SR OFFICE PROPERTIES DE, LLC**, a Delaware limited liability company (hereinafter called "Landlord"), and the **COUNTY OF SONOMA**, a political subdivision of the State of California (hereinafter called "Tenant"). Landlord and Tenant are sometimes collectively referred to herein as the "parties" and singularly, as "party."

ARTICLE 1

REAL PROPERTY, BUILDING, AND PREMISES

1.1 Lease of Premises. Landlord leases to Tenant and Tenant leases from Landlord those certain premises outlined in red on Exhibit A attached hereto ("**Premises**"), which are located in the building commonly known as **2245 Challenger Way**, ("Building"), situated in that certain building campus commonly known as The Lakes ("Project") located in the city of Santa Rosa, County of Sonoma. Subject to verification as provided in Subsection 1.3.2, the Rentable Area (as defined in Section 1.3.1) and Usable Area (as defined in Section 1.3.1) of the Premises are thirteen thousand two hundred seventy (13,270) square feet, and _____ () square feet, respectively, while the Rentable Area of the Project is one hundred thirty-six thousand five hundred sixty-five (136,565) square feet. The Project, the Building, the areas servicing the Building (including any adjacent parking structures and parking areas), and the land on which the Building and those areas are located (as shown on the site plan attached to this Lease as Exhibit B) are sometimes collectively referred to as the "**Real Property**".

1.2 Appurtenant Rights. Tenant shall have the right to the non-exclusive use, in common with others, throughout the term of this Lease, of all common stairways, elevators, sidewalks, plazas and walkways, easements and service alleys located in the Project, delivery and loading areas and facilities of the Building elevator lobbies, telephone equipment rooms and all other common facilities in or about the Building, and the appurtenances thereto, as the same may exist from time to time ("Common Areas"). Such use shall be for Tenant and its customers, agents, employees, assignees, subtenants, licensees and invitees and shall be in common with the use of same by Landlord, its tenants, customers, agents, employees, licensees and invitees. All Common Areas shall be subject to the exclusive control and management of Landlord and Landlord shall have the right to establish, modify, amend and enforce reasonable rules and regulations with respect to the Common Areas. Tenant acknowledges receipt of a copy of the current rules and regulations (the "Rules") attached hereto as Exhibit C, and agrees that they may, from time to time, be modified or amended by Landlord upon prior written notice to Tenant. Tenant agrees to abide by and conform to the Rules; to cause its concessionaires and its and their employees and agents to abide by the Rules; and to use reasonable efforts to cause its customers, invitees and licensees to abide by the Rules. Landlord covenants that all light and air now enjoyed by the Premises shall not be interrupted or disturbed by any act of Landlord during the term of this Lease.

1.3 Preparation of Premises; Acceptance. The rights and obligations of the parties regarding the construction and renovation of the Premises before the commencement of the Lease Term are stated in the Leasehold Improvement Agreement ("LIA") attached to this Lease as Exhibit D. If this Lease conflicts with the LIA, the LIA shall prevail. Landlord hereby represents and warrants to Tenant that Landlord shall complete the Premises in accordance with the terms and conditions of the LIA. The General Contractor (as defined in the LIA) shall comply with the applicable provisions of California Labor Code Sections 1720.2 and 1770 et seq., regarding prevailing wages. Landlord shall cause all work under the LIA to be performed in accordance with Tenant's sustainability practices, including any third-party rating system concerning the environmental compliance of the Building or the Premises, as the same may change from time to time. Landlord further agrees to engage a qualified third-party CalGreen or similarly qualified professional during the design phase through implementation of all work set forth in the LIA to review all plans, material

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procurement, demolition, construction and waste management procedures to ensure the leasehold improvement project is in full conformance with Tenant's sustainability practices, and to obtain and maintain compliance with CalGreen on or promptly after the date of Substantial Completion (as defined below). All such costs shall constitute "construction costs" as defined in Section 1.1 of the LIA, and shall be reimbursed by Tenant pursuant to Section 6.1 of the LIA.

1.3.1 Standard of Calculation. For purposes of this Lease, "Rentable Area," "Rentable Square Feet," "Rentable Square Footage," "Usable Area," "Usable Square Feet," and "Usable Square Footage" shall be calculated under the American National Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-2010 or successor standard(s) ("Standard"), adopted by the Building Owners and Managers Association International ("BOMA").

1.3.2 Verification of Rentable Area and Usable Area. Within thirty (30) days after execution of this Lease, Landlord's architect shall calculate and certify in writing to Landlord and Tenant the Rentable Area and Usable Area of the Premises and the Rentable Area of the Building. If Tenant disagrees with the determination of the Rentable Area or Usable Area of the Premises or the Rentable Area of the Building as calculated by Landlord's architect, Tenant shall provide Landlord with written notice of Tenant's disagreement ("Tenant's Notice of Disapproval") within thirty (30) days after the date on which Tenant receives the calculation by Landlord's architect. The parties shall diligently attempt in good faith to resolve the disagreement over the Rentable Area or Usable Area of the Premises or the Rentable Area of the Building within thirty (30) days after the date on which Landlord receives Tenant's Notice of Disapproval. If the parties are unable to resolve the disagreement within that period of time, the dispute shall be resolved by arbitration under Article 23, except that the arbitrator must be a licensed architect with a minimum of five (5) years' experience in designing buildings similar to the Building, and the arbitrator must render a final decision within forty-five (45) days after the date on which the arbitrator is selected. Landlord shall provide written certification of the Rentable and Usable Area of the Premises and the Rentable Area of the Building at Landlord's sole cost and expense.

1.3.3 Adjustment of Rent. On the final determination of the Rentable Area of the Premises and the Building, if the Rentable Area of either is different from that stated in Section 1.1, Rent that is based on the Rentable Area shall be recalculated in accordance with that final determination. On the recalculation of Rent as provided in this Subsection 1.3.3, the parties shall confirm in writing and/or execute an amendment to this Lease, stating the recalculated Rentable Area and the recalculated Rent. Execution of an amendment shall not be a condition precedent to the effectiveness of the recalculated Rent. If there is a dispute over the Rentable Area of the Premises or the Building that has not been settled as provided in Subsection 1.3.2 by the date on which Tenant is required to begin paying Rent under this Lease, Tenant shall pay to Landlord the Rent stated in Section 4.1 until final determination of the Rentable Area of the Premises. If the Rent after final determination of the Rentable Area of the Premises is more than the Rent specified in Section 4.1, the deficiency must be paid by Tenant to Landlord, without interest, within forty-five (45) days after that final determination. If the Rent after final determination of the Rentable Area of the Premises is less than the Rent in Section 4.1, Landlord shall credit the overpayment made by Tenant to the next Rent due, without interest.

1.3.4 Reserved Rights. Landlord reserves the right to do the following from time to time:

(a) Changes. To install, use, maintain, repair, replace and relocate pipes, ducts, shafts, conduits, wires, appurtenant meters and mechanical, electrical and plumbing equipment and appurtenant facilities for service to other parts of the Building or Project above the ceiling surfaces, below the floor surfaces and within the walls of the Premises and in the central core areas of the Building and in the Building Common Areas, and to install, use, maintain, repair, replace and relocate any pipes, ducts, shafts, conduits, wires, appurtenant meters and mechanical, electrical and plumbing equipment and appurtenant facilities servicing the Premises, which are located either in the Premises or elsewhere outside of the Premises, provided, however, that all such changes shall not materially and adversely affect Tenant in any way. Landlord shall provide Tenant with ten (10) calendar days' written notice in advance of making

any such changes, except in the case of emergency work performed to avoid imminent harm to persons or property;

(b) Boundary Changes. To change the boundary lines of the Project, provided, however, that such change not materially and adversely affect Tenant's use of the Premises;

(c) Facility Changes. To alter or relocate the Common Areas or any facility within the Project, provided, however, that such change shall not materially and adversely affect Tenant in any way;

(d) Parking. To designate and/or redesignate specific parking spaces in the Project for the exclusive or non-exclusive use of specific tenants in the Project, provided, however, that, such change shall not materially and adversely affect Tenant in any way;

(e) Services. To install, use, maintain, repair, replace, restore or relocate public or private facilities for communications and utilities on or under the Building and/or Project, provided, however, that such public and private facilities and utilities shall not materially and adversely affect Tenant in any way; and

(f) Other. To perform such other acts and make such other changes in, to or with respect to the Common Areas, Building and/or Project as Landlord may reasonably deem appropriate provided, however, that such other acts and changes shall not materially and adversely affect Tenant in any way.

ARTICLE 2

TERM

2.1 Term. The term of this Lease ("Lease Term") shall commence on the Commencement Date provided for in Section 2.2 below") and shall end upon the expiration of fifteen (15) years following said Commencement Date plus the number of days between the Commencement Date and the first day of the next successive calendar month if the Commencement Date occurs on a day other than the first day of a calendar month ("Lease Expiration Date"), subject to any option, renewal or extension rights of Tenant as provided for in this Lease. For purposes of this Lease, the first "Lease Year" shall mean the period commencing on the Commencement Date and ending twelve (12) months thereafter. Thereafter, the term "Lease Year" shall mean a period equal to twelve (12) full calendar months. On Year 7 and on Year 14 of the initial Lease Term (but in the case of Year 14, only in the event that Tenant has properly exercised its first Extension Option pursuant to Section 2.5), Landlord shall provide Tenant with an allowance of six dollars (\$6.00) per rentable square foot of the Premises to be used solely for the purpose of repainting the Premises and installing new carpeting throughout the Premises (including lifting and moving of Tenant's furniture and equipment and relocation).

2.2 Commencement Date. The Lease Term shall commence on the later of the following dates (the "Commencement Date"): (a) July 1, 2017, or (b) the day that is the first Monday following the elapse of thirty (30) days from actual receipt by Tenant of written notice from Landlord that the work to be done in the Premises by Landlord pursuant to the provisions of Exhibit D is substantially completed. Notwithstanding the foregoing, if Tenant receives actual written notice from Landlord more than thirty (30) days prior to the date stated in subclause (a) of the preceding sentence that the work to be done in the Premises by Landlord is substantially completed and if Tenant commences operation of its business in the Premises prior to the date stated in said subclause (a), then this Lease shall commence on the date that Tenant commences operation of its business in the Premises. Upon the determination of the Commencement Date, Landlord and Tenant shall execute a written acknowledgment of the Commencement Date and shall attach it to this Lease as Exhibit E.

2.3 Substantial Completion of Landlord's Work. The work to be done in the Premises by Landlord pursuant to the provisions of Exhibit D shall be "substantially completed" when Landlord has delivered to Tenant a temporary or final certificate of occupancy or equivalent for the Premises and Landlord's work has been substantially performed, although minor details or adjustments that do not interfere with Tenant's use of such space may have not been completed. Landlord shall diligently pursue completion of any minor details or adjustments that have not been performed at the time Landlord gives the aforesaid notice of substantial completion to Tenant. Evidence of when the Landlord's work has been substantially performed shall be a certificate to that effect signed by Landlord's architect. Substantial (Completion of Landlord's Work or "substantially completed" is defined in Section 5.1 of Exhibit D.) Landlord agrees to use its best efforts to provide Tenant with at least thirty (30) days' advance notice of the date on which the Premises are expected to be substantially completed. Tenant shall have the right of early access to the Premises for a fixturing period of fifteen (15) business days prior to the Commencement Date for installation of Tenant's furniture, fixtures and equipment.

2.4 Delay in Commencement. If Landlord, for any reason whatsoever, fails to give Tenant notice by July 1, 2017, subject to extension one (1) day for each day after April 15, 2017 until Tenant submits this Lease to Landlord fully executed by Tenant, that the Landlord's work in the Premises is substantially completed, as provided for above, then the Tenant may extend Landlord's time for completion thereof and delivery of possession to Tenant, and withhold from the first rental payment and subsequent rental payments as may be necessary, as liquidated damages, an amount equal to the Rent otherwise due for each day after said date during which Landlord has failed to give Tenant such notice of substantial completion. Notwithstanding the foregoing, if Landlord, for any reason whatsoever, fails to give Tenant notice that the Landlord's work in the Premises is substantially completed by December 1, 2017, Tenant at its option shall have the right, by giving Landlord five business (5) days' prior written notice of its intention to do so, to immediately cancel this Lease. Such notice shall be given prior the date that Landlord delivers the Premises to Tenant substantially completed, and any notice given after such deliver shall be void and of no force or effect. This agreement for liquidated damages is entered into because the amount is manifestly reasonable under the circumstances at the time of this Lease, and it would be extremely difficult or impossible to determine, with any degree of accuracy, the actual damages caused by such delay. Landlord's obligation to complete the Premises within the time specified in this Section 2.4 shall be extended for delays caused by Tenant, Tenant's contractors, consultants, architects, strikes, lockouts, fires, floods, war, civil disorder or government regulations. The failure of the Final Plans to be approved by Landlord and Tenant by the date set forth in the Design Schedule shall be grounds for extension of the dates set forth in this Section 2.4 except to the extent such failure is caused by Landlord unreasonably delaying, conditioning or withholding its consent to the Final Plans.

2.5 Options to Extend Term. Landlord grants to Tenant two (2) options to extend the Lease Term ("Extension Option") for a period of five (5) years each ("Option Term"), subject to the conditions described in this Section 2.5.

2.5.1 Conditions of Option. An Extension Option may be exercised only by written notice delivered by Tenant to Landlord as provided in Subsection 2.5.3 and only if, as of the date of delivery of the notice, Tenant is not in material default under this Lease after the expiration of any applicable cure periods. If Tenant properly exercises an Extension Option, the Lease Term, as it applies to the entire Premises then leased by Tenant, shall be extended for the Extended Term.

If Tenant properly exercises its second Extension Option, Landlord shall, prior to the commencement of the second Option Term, provide Tenant with an allowance of six dollars (\$6.00) per rentable square foot of the Premises to be used solely for the purpose of repainting the Premises and installing new carpeting throughout the Premises (including lifting and moving of Tenant's furniture and equipment and relocation) during non-business hours in a manner acceptable to Tenant at Landlord's sole cost and expense.

2.5.2 Option Rent.

2.5.2.1 First Option Term. Upon exercise of the first Extension Option, the Rent payable by Tenant for the first Option Term shall be equal to the Rent per square foot of Rentable Area in effect as of the commencement of the first Option Term, increased by Five Cents (\$.05) per square foot. Rent shall be increased by Five Cents (\$.05) per square foot annually thereafter during each Option Term.

2.5.3 Exercise of Option. If Tenant wishes to exercise an Extension Option, Tenant shall deliver written notice to Landlord ("Tenant's Extension Notice") no less than one hundred (180) days before the expiration of the Initial Term or the preceding Option Term, as the case may be.

2.5.4 Amendment to Lease. If Tenant timely exercises an Extension Option(s), Landlord and Tenant shall execute an amendment to this Lease, extending the Lease Term for the respective Option Term on the terms and conditions set forth in this Section 2.5. Execution of that amendment shall not be a condition precedent to the effectiveness of the respective Option Term. Landlord and Tenant hereby acknowledge that the Director of General Services has been delegated authority to execute such an amendment, as required pursuant to this Section 2.5.4.

2.6 Holding Over. Any holding over by Tenant shall not be nor be construed to be a renewal of the term of this Lease but shall constitute a month-to-month tenancy which may be terminated by either party upon ninety (90) days' prior written notice to the other party, and shall otherwise be on the same terms and conditions herein set forth and at the same rental herein set forth, subject to increase pursuant to Section 4.3 below.

2.7 Termination by Tenant.

2.7.1 Non-appropriation of Funds. Tenant may terminate this Lease, in accordance with Section 2.7.3 below, with respect to all or part of the Premises upon one hundred eighty (180) days' prior written notice to Landlord ("Termination Notice") on the happening of any one or more of the following events: (a) the County Board of Supervisors fails to appropriate sufficient funds for the rental of the property covered by this Lease; (b) the County Board of Supervisors discontinues, in whole or in part, the program or agency for which the Premises were leased; or (c) the funding, whether County, State or Federal, for the program or agency for which the Premises were leased is reduced or withdrawn.

2.7.2 Discretionary Termination. At any time after the date which is fifteen (15) years from the Commencement Date, Tenant shall have the option, by providing Landlord with a Termination Notice, to terminate this Lease with respect to all or part of the Premises, in accordance with Section 2.7.3 below.

2.7.3 Termination Provisions.

2.7.3.1 Exercise of Termination Right. The Premises subject to any Termination Notice shall be referred to as the "Canceled Premises." The termination shall be effective as of one hundred eighty (180) days after Tenant delivers the Termination Notice to Landlord ("Lease Termination Date"). If Tenant terminates the Lease pursuant to this Section 2.7, Tenant's delivery of the Termination Notice to Landlord shall be accompanied by an amount equal to the Lease Termination Fee, as defined in this Subsection 2.6.2.

2.7.3.2 Lease Termination Fee. Before giving the Termination Notice, Tenant shall give Landlord a preliminary notice stating Tenant's intention to exercise the right to terminate and the proposed Lease Termination Date. Within thirty (30) days after receiving the preliminary notice from Tenant, Landlord shall notify Tenant of the amount of the Lease Termination Fee based on the appropriate Lease Termination Date set forth in Tenant's notice. The Lease Termination Fee shall be equal to the "Unamortized Value as of the Lease Termination Date" of the "Lease Concessions and Costs," as defined

in this Subsection 2.7.3.2.

2.7.3.2.1 Lease Concessions & Costs. For purposes of this Subsection 2.7.2.2, "Lease Concessions and Costs" shall be equal to the sum of (a) the amount of the tenant improvement allowance and any other improvement allowance granted by Landlord in connection with Landlord's delivery of the Canceled Premises to Tenant; (b) the amount of lease concessions and/or free rent or rent abatement granted to Tenant with respect to such cancelled portion of the Premises, and (c) the unamortized portion of any leasing commissions paid by Landlord with respect to the Canceled Premises.

2.7.3.2.2 Unamortized Value as of Lease Termination Date. The "Unamortized Value as of the Lease Termination Date" of the Lease Concessions and Costs shall be equal to the product of:

(a) The number of months of the Lease Term remaining after the Lease Termination Date until the Lease Expiration Date;

(b) The Monthly Amortization Amount, as determined in Subsection 2.7.3.2.3(c).

2.7.3.2.3 Monthly Amortization Amount. The "Monthly Amortization Amount" shall be determined as if it were a component of an annuity, using:

(a) The amount of the Lease Concessions and Costs, not including any concessions for Tenant's expansion options, as the present value of the annuity;

(b) Seven percent (7%) per annum as the future value interest factor;

(c) One hundred eighty (180) as the number of monthly payments of the annuity, commencing on the Lease Commencement Date and ending on the Lease Expiration Date; and

(d) The Monthly Amortization Amount (the missing component) as the monthly payment amount under the annuity.

ARTICLE 3

USE OF PREMISES

3.1 Tenant's Use. The Premises may be used for the "Permitted Use" as set forth in the Basic Lease Information and for no other use or purpose. Tenant shall, at Tenant's expense, comply promptly with all applicable federal, state and local laws, regulations, ordinances, rules, orders and requirements in effect during the Lease Term relating to Tenant's business, provided, however, that in no event shall this sentence be construed to require Tenant to make any improvements to the Premises, the Building, the Project or the Real Property. Tenant shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance, or that unreasonably disturbs other tenants of the Building or Project, nor shall Tenant place or maintain any signs, antennas, awnings, lighting or plumbing fixtures, loudspeakers, exterior decoration or similar devices on the Building or the Project or visible from the exterior of the Premises without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Tenant shall not use any corridors, sidewalks, stairs, elevators or other areas outside of the Premises for storage or any purpose other than access to the Premises. Tenant shall not use, keep or permit to be used or kept on the Premises any foul or noxious gas or substance, nor shall Tenant do or permit to be done anything in and about the Premises, either in connection with activities hereunder expressly permitted or otherwise, which would cause an increase in premiums for or a cancellation of any

policy of insurance (including fire insurance) maintained by Landlord in connection with the Premises, Building or Project or which would violate the terms of any covenants, conditions or restrictions, the design guidelines, the sign guidelines affecting the Building or the Real Property, or the Rules (as the term is defined under Section 1.2 above).

3.2 Landlord's Obligations. Landlord shall lease space in the Project only for purposes consistent with the maintenance of a first class office/commercial Project of the kind and character of the Project as of the date hereof.

3.3 Signage. Landlord shall provide signage as provided in Article 22.

ARTICLE 4

RENT

4.1 Definition of "Rent". Tenant shall pay to Landlord, without setoff or deduction except as specifically allowed hereunder, rent ("Rent") in equal monthly installments of Fifteen Thousand One Hundred Twenty-Seven and 80/100 Dollars (\$15,127.80) (such amount being equal to One and 14/100 Dollars (\$1.14) per square foot of Rentable Area per month) in advance on or before the first day of every calendar month during the Lease Term. Payment shall be made at the address set forth in Section 19.3 or at any other place that Landlord may from time to time designate in writing.

4.2 Initial Payment; Proration. The Rent for any partial calendar month at the beginning of the Lease Term and the first full calendar month of the Lease Term shall be paid within ten (10) business days of the Commencement Date. If any payment date (including the Lease Commencement Date) for Rent, falls on a day other than the first day of that calendar month, or if any Rent payment is for a period shorter than one calendar month, the Rent for that fractional calendar month shall accrue on a daily basis for each day of that fractional month at a daily rate equal to 1/365 of the total annual Rent. All other payments or adjustments that are required to be made under the terms of this Lease and that require proration on a time basis shall be prorated on the same basis.

4.3 Rental Adjustments. Rent shall be adjusted as follows: At the beginning of the 13th month and every twelve (12) months thereafter during the Initial Term, the base rental rate shall be increased by Eight Cents (\$.08) over the previous period's rent rate for the first Sixty-Three (63) months and Five Cents (\$.05) over the previous period's rental rate from month Sixty-Four (64) through the remainder of the Initial Term..

4.4 Free Rent/Rent Abatement. Landlord shall provide Tenant with three (3) months' free rent as follows: Beginning on the Commencement Date of the Lease, Rent and Additional Rent as defined in Section 4.5 below for the first three (3) full months of the Lease shall be abated, said abatement equal to Rent in the amount of Nineteen Thousand Six Hundred Thirty-Nine and 60/100 Dollars (\$19,639.60) per month times three (3) months, plus Additional Rent in the amount of Five Thousand Nine Hundred Seventy-One and 50/100 Dollars (\$5,971.50) times three (3) months, for a total rent abatement of Sixty-Two Thousand One Hundred Three and 60 /100 Dollars (\$62,103.60).

4.5 Additional Rent. In addition to Rent pursuant to Section 4.1 of this Lease, Tenant shall pay to Landlord in equal monthly installments Five Thousand Nine Hundred Seventy-One and 50/100 Dollars (\$5,971.50), which covers Tenant's Building Percentage Share of Operating Expenses and Taxes for the Base Year, as defined hereafter in Sections 4.5.1 and 4.5.2 of this Lease.

4.5.1 Taxes. Taxes at the level incurred for the calendar base year 2017 (the "Base Year") are covered by the Additional Rent. Tenant shall pay to Landlord, as additional rent, Tenant's "Building Percentage Share" of any increase in Taxes attributable to the Building over the Base Taxes

during each year of the Term (prorated for any partial calendar year during the Term). The term "Base Taxes" shall mean those taxes incurred by Landlord during the calendar year specified as the Base Year in the Basic Lease Information. Tenant's Building Percentage Share is equal to the fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which is the Rentable Area of the Building, expressed as a percentage, and is currently 100% (13,270 rentable square feet (r.s.f.)/13,270 r.s.f.).

(a) Definition of Taxes. The term "Taxes" shall include all transit charges, housing fund assessments, real estate taxes and all other taxes relating to the Premises, Building, Real Property and Project of every kind and nature whatsoever, including any supplemental real estate taxes attributable to any period during the Term; all taxes which may be levied in lieu of real estate taxes; and all assessments, assessment bonds, levies, fees, penalties (if a result of Tenant's delinquency) and other governmental charges (including, but not limited to, charges for parking, traffic and any storm drainage/flood control facilities, studies and improvements, water and sewer service studies and improvements, and fire services studies and improvements); and all amounts necessary to be expended because of governmental orders, whether general or special, ordinary or extraordinary, unforeseen as well as foreseen, of any kind and nature for public improvements, services, benefits or any other purpose, which are assessed, based upon the use or occupancy of the Premises, Building, Real Property and/or Project, or levied, confirmed, imposed or become a lien upon the Premises, Building, Real Property and/or Project, or become payable during the Term, and which are attributable to any period within the Term.

(b) Limitation. Nothing contained in this Lease shall require Tenant to pay any franchise, estate, inheritance, succession or transfer tax of Landlord, or any income, profits or revenue tax or charge upon the net income of Landlord from all sources; provided, however, that if at any time during the Term under the laws of the United States Government or the State of California, or any political subdivision thereof, a tax or excise on rent, or any other tax however described, is levied or assessed by any such political body against Landlord on account of Rent, or any portion thereof, one hundred percent (100%) of any said tax or excise shall be included in the definition of Taxes and Tenant shall pay its proportionate share as additional rent.

(c) Installment Election. In the case of any Taxes which may be evidenced by improvement or other bonds or which may be paid in annual or other periodic installments, Landlord shall elect to cause such bonds to be issued or such assessment to be paid in installments over the maximum period permitted by law.

(d) Estimate of Tenant's Share of Taxes. Prior to the commencement of each calendar year during the Term, or as soon thereafter as reasonably practicable, Landlord shall notify Tenant in writing of Landlord's estimate of Tenant Building Percentage Share of the increase in Taxes which will be payable by Tenant for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Tenant shall pay to Landlord in advance, together with monthly base rent, one-twelfth (1/12th) of the estimated amount; provided, however, if Landlord fails to notify Tenant of the estimated amount of Tenant's share of Taxes for the ensuing calendar year prior to the end of the current calendar year, Tenant shall be required to continue to pay to Landlord each month in advance Tenant's estimated share of Taxes on the basis of the amount due for the immediately prior month until ten (10) days after Landlord notifies Tenant of the estimated amount of Tenant's share of Taxes for the ensuing calendar year. If at any time it appears to Landlord that Tenant's share of Taxes payable for the current calendar year will vary from Landlord's estimate, Landlord may give notice to Tenant of Landlord's revised estimate for the year, and subsequent payments by Tenant for the year shall be based on the revised estimate.

(e) Annual Adjustment. Within one hundred twenty (120) days after the close of each calendar year during the Term, or as soon after the one hundred twenty (120) day period as reasonably practicable, Landlord shall deliver to Tenant a statement of the adjustment to the Taxes for the prior calendar year. If, on the basis of the statement, Tenant owes an amount that is less than the estimated payments for the prior calendar year previously made by Tenant, Landlord shall apply the excess to the

next payment of Taxes due. If, on the basis of the statement, Tenant owes an amount that is more than the amount of the estimated payments made by Tenant for the prior calendar year, Tenant shall pay the deficiency to Landlord within forty-five (45) days after delivery of the statement. The year-end statement shall be binding upon Tenant unless Tenant notifies Landlord in writing of any objection thereto within thirty (30) days after Tenant's receipt of the year end statement. In addition, if, after the end of any calendar year or any annual adjustment of Taxes for a calendar year, any Taxes are assessed or levied against the Premises, Building, Real Property or Project that are attributable to any period within the Term (e.g., supplemental taxes or escaped taxes), Landlord shall notify Tenant of its share of such additional Taxes and Tenant shall pay such amount to Landlord within forty-five (45) after Landlord's written request therefor.

(f) Personal Property Taxes. Tenant shall pay or cause to be paid, not less than ten (10) days prior to delinquency, any and all taxes and assessments levied upon all of Tenant's trade fixtures, inventories and other personal property in, on or about the Premises. When possible, Tenant shall cause Tenant's personal property to be assessed and billed separately from the real or personal property of Landlord. On request by Landlord, Tenant shall furnish Landlord with satisfactory evidence of payment of Tenant's business personal property taxes and deliver copies of such business personal property tax bills to Landlord.

(g) Taxes on Tenant Improvements. Notwithstanding any other provision hereof, Tenant shall pay to Landlord the full amount of any increase in Taxes during the Term resulting from any and all alterations and tenant improvements of any kind whatsoever placed in, on or about or made to the Premises, Building or Project for the benefit of, at the request of, or by Tenant.

4.5.2 Operating Expenses.

(a) Obligation to Pay Operating Expenses. Operating Expenses at the level incurred for the Base Year are covered by the Additional Rent. Commencing with the thirteenth (13th) month of the Term, Tenant shall pay to Landlord as additional rent during the Term, Tenant's Building Percentage Share of any increase in Operating Expenses allocated to the ownership, operation, repair and/or maintenance of the Building over the Base Operating Expenses allocated to the Building; provided that Landlord has the right to allocate any Operating Expenses incurred in connection with the ownership, operation, repair and/or maintenance of the Project to one or more particular buildings within the Project and at such ratios as Landlord reasonably determines based upon the nature of the Operating Expense. The term "Base Operating Expenses" shall mean those Operating Expenses incurred by Landlord during the calendar year specified as the Base Year in the Basic Lease Information.

(b) Definition of Operating Expenses. The term "Operating Expenses" shall include all expenses and costs of every kind and nature which Landlord shall pay or become obligated to pay because of or in connection with the ownership, operation, repair and/or maintenance of the Building, Common Areas and/or Project, the surrounding property, and the supporting facilities, including, without limitation: (A) all maintenance, janitorial and security costs, (B) costs for all materials, supplies and equipment; (C) all costs of water, heat, gas power, electricity, refuse collection, parking lot sweeping, landscaping, and other utilities and services provided or allocated to the Building and the Common Areas; (D) all property management expenses, including, without limitation, all property management fees and all expense and cost reimbursements, (E) all costs of alterations or improvements to the Building or Common Areas made to achieve compliance with federal, state and local law including, without limitation, the Americans with Disabilities Act (42 U.S.C. Section 12101 et seq.), or to reduce Operating Expenses or improve the operating efficiency of the Building or the Project, all of which costs will be amortized over the useful life of such alteration or improvement as reasonably determined by Landlord, together with interest upon the unamortized balance at the Interest Rate or such other higher rate as may have been paid by Landlord on funds borrowed for the purpose of making the alterations or improvements; (F) premiums for insurance maintained by Landlord pursuant to this Lease or with respect to the Building and the Project; (G) costs for repairs, replacements, uninsured damage or insurance deductibles and general maintenance of the Building, Common Areas and Project, but excluding any repairs or replacements paid for out of

insurance proceeds or by other parties; (H) all costs incurred by Landlord for making any capital improvements or structural repairs to the Building or the Common Areas, which costs will be amortized over the useful life of such improvement, repair or modification, as reasonably determined by Landlord, together with interest upon the unamortized balance at the Interest Rate or such other higher rate as may have been paid by Landlord on funds borrowed for the purpose of constructing the improvements or making the improvements or repairs; (I) all costs of maintaining machinery, equipment and directional signage or other markers; and (J) the share allocable to the Building of dues and assessments payable under any reciprocal easement or common area maintenance agreements or declarations or by any owners associations affecting the Building or the Project.

(c) Less Than Full Occupancy. If the Building or the Project are less than ninety-five percent (95%) occupied during any year of the Term, Operating Expenses for each such calendar year shall be adjusted to equal Landlord's reasonable estimate of Operating Expenses as though ninety-five percent (95%) of the total rentable area of the Building and/or the Project as applicable had been occupied.

(d) Estimates of Operating Expenses. Tenant shall pay to Landlord each month at the same time and in the same manner as monthly Base Rent one-twelfth (1/12th) of Landlord's estimate of the amount of Operating Expenses payable by Tenant for the then-current calendar year. If at any time it appears to Landlord that Tenant's share of Operating Expenses payable for the current calendar year will vary from Landlord's estimate, Landlord may give notice to Tenant of Landlord's revised estimate for the calendar year, and subsequent payments by Tenant for the calendar year shall be based on the revised estimate. Within one hundred twenty (120) days after the close of each calendar year, or as soon after such 120-day period as practicable, Landlord shall deliver to Tenant a statement in reasonable detail of the actual amount of Operating Expenses payable by Tenant for such calendar year. Landlord's failure to provide such statement to Tenant within the 120-day period shall not act as a waiver and shall not excuse Tenant or Landlord from making the adjustments to reflect actual costs as provided herein. If on the basis of such statement Tenant owes an amount that is less than the estimated payments for such calendar year previously made by Tenant, Landlord shall credit such excess against the next payment of Operating Expenses due. If on the basis of such statement Tenant owes an amount that is more than the estimated payments for such calendar year previously made by Tenant, Tenant shall pay the deficiency to Landlord within forty-five (45) days after delivery of the statement. In addition, if, after the end of any calendar year or any annual adjustment of Operating Expenses for a calendar year, Operating Expenses are incurred or billed to Landlord that are attributable to any period within the Term (e.g., sewer district flow fees), Landlord shall notify Tenant of its share of such additional Operating Expenses and Tenant shall pay such amount to Landlord within forty-five (45) days after Landlord's written request therefor. The obligations of Landlord and Tenant under this Section 4.6(d) with respect to the reconciliation between the estimated and actual amounts of Operating Expenses payable by Tenant for the last year of the Term shall survive the termination of this Lease. Operating Expenses in the aggregate shall not increase more than four percent (4%) annually on a cumulative basis, excluding Taxes, insurance and utilities, which shall not be subject to a cap."

(e) Payment at End of Term. Any amount payable by Tenant which would not otherwise be due until after the termination of this Lease, shall, if the exact amount is uncertain at the time that this Lease terminates, be paid by Tenant to Landlord upon such termination in an amount to be estimated by Landlord with an adjustment to be made once the exact amount is known.

(f) Audit Rights. Tenant shall have the right, after no less than thirty (30) days prior written notice, at Tenant's sole cost and expense, and not more than once during any calendar year, to have Landlord's books and records relating to such Operating Expenses inspected by an accounting firm designated by Tenant and reasonably acceptable to Landlord, for the prior calendar year at reasonable business hours at Landlord's principal place of business. Any such accounting firm designated by Tenant shall not be compensated on a contingency fee basis. The results of any such audit (and any negotiations between the parties related thereto) shall be maintained strictly confidential by Tenant and its accounting

firm and shall not be disclosed, published or otherwise disseminated to any other party other than to Tenant's attorneys, to Landlord and its authorized agents or to such other persons as either party may otherwise be legally compelled by valid court order, subpoena or other legal process. Any overbilling discovered in the course of such audit shall be refunded to Tenant within thirty (30) days of Landlord's receipt of a copy of the audit. In the event the overstatement of charges exceeds ten percent (10%) of the sum previously billed to Tenant by Landlord, Landlord shall reimburse Tenant for the reasonable costs incurred by Tenant for such audit.

ARTICLE 5

MAINTENANCE

5.1 Maintenance of Building and Premises. Except as otherwise provided in this Lease, Landlord, at its expense, agrees to maintain the Building (including the parking lots, hardscape and landscape) and the Premises, in first class condition appropriate for a building of this type and in this location. This obligation shall include, but not by way of limitation, the maintenance and repair of any air conditioning, heating, ventilating, elevator, sprinkler, sewage, electrical, gas, life safety, water supply or steam system, foundation, superstructure, structural roof, roofing membrane, exterior walls, and other structural members and parts of the Building, all typical maintenance of the interior and exterior of the Building such as painting and/or washing the interior and exterior windows, maintaining the interior and exterior portions of the Building, cleaning and maintaining sidewalks adjacent to the Building, repair and maintenance, including without limitation, the replacement of fluorescent and other lighting (e.g., light bulbs, ballasts); provided, however, that Tenant shall be responsible for all maintenance, repair and replacement required as a direct result of the abuse or negligence of Tenant, or its customers, agents, employees, assignees, subtenants, licensees or invitees. Notwithstanding the foregoing, Landlord shall not be required to polish or wax any interior or exterior components, to provide trash removal from the Premises, or to provide restroom repair, maintenance or replacement or furnish any restroom supplies. Landlord shall have thirty (30) days after notice from Tenant to perform its obligations under this Section 5.1, except that Landlord shall perform its obligations immediately if the nature of the problem presents a hazard or emergency or substantially interferes with Tenant's use of the Premises. Tenant expressly waives the benefits of any statute, including Civil Code Sections 1941 and 1942, which would afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease due to Landlord's failure to keep the Building in good order, condition and repair; provided that if Landlord fails to commence any maintenance or repair (and thereafter diligently prosecute to completion) within the Premises that is required under this Lease for ten (10) business days after the second written request from Tenant, then Tenant may perform such maintenance or repair work. In such event, Tenant shall receive a credit toward the monthly base rent under this Lease for the actual and reasonable costs of such maintenance and repair work.

5.2 Maintenance by Tenant. Tenant shall be responsible for (a) that certain maintenance in the Premises for which Landlord is not responsible as set forth in Section 5.1 above, and (b) the maintenance, including repair and/or replacement desired by Tenant, of its interior signs, furnishings and other personal property used in connection with the Premises. In addition, Tenant shall be responsible for all maintenance, repair and replacement required within the Premises, Building or Project as a direct result of the abuse or negligence of Tenant, or its customers, agents, employees, assignees, subtenants, licensees or invitees. Tenant shall not be responsible for any of the items which are Landlord's responsibilities under this Lease.

ARTICLE 6

UTILITIES AND SERVICES

6.1 Provision of and Payment for Utilities. Landlord shall provide electricity, gas, water, sewer, refuse collection, and heating and air conditioning for Tenant's use during Tenant's hours of operation (i.e., twenty-four (24) hours per day, seven days per week), and all such utilities shall be used by Tenant at Tenant's sole cost and expense. All utilities shall be separately metered (the cost of providing separate meters at Landlord's cost and expense), and shall be used by Tenant in reasonable amounts not to exceed the capacities of the utility systems serving the Premises making delivery to Tenant; provided that Tenant shall contract directly with all utility providers if possible. Tenant shall reimburse Landlord for the cost of any such utilities provided by Landlord.

6.2 Failure to Furnish Utilities. Except as hereinafter provided, Landlord shall not be liable for any failure to furnish any of such services or utilities when such failure is caused by strikes, lockouts, other labor troubles or other conditions beyond Landlord's reasonable control (financial inability excepted), and Tenant shall not be entitled to any damages nor shall any such failure relieve Tenant of the obligation to pay Rent, or constitute or be construed as a constructive or other eviction of Tenant. Notwithstanding the foregoing, Rent of any kind provided in this Lease shall be equitably abated in the event Landlord, for whatever reason, is unable to supply any of the Building's sanitary, electrical, heating, air conditioning, water or other systems serving the Premises for a period of twenty-four (24) hours or more, unless the failure to furnish any of such services or utilities is caused by: (a) Tenant, its employees, licensees or invitees; or (b) strike, lockout or other labor troubles; or (c) other conditions beyond Landlord's reasonable control (financial inability excepted). If the failure to furnish any of such services or utilities is caused by one of the above three listed reasons, then there shall be no abatement of Rent for the first thirty (30) days following such failure to furnish and the amount of any abatement thereafter shall be agreed upon by Landlord and Tenant or, in the event Landlord and Tenant are unable to agree on such abatement, the amount shall be determined in an arbitration proceeding (pursuant to the terms of Article 24) according to the extent to which such unavailability interferes with Tenant's normal business operations on the Premises. If Landlord's failure to furnish any such services or utilities to the Premises or to supply any of the Building's sanitary, electrical, heating, air conditioning, water or other systems serving the Premises for any period of time is caused by the negligence or willful act of Landlord, or Landlord's agents or contractors, there shall be an immediate abatement of Rent for the period of such failure or lack of supply, but only to the extent Tenant actually ceases operations in the Premises. In the event of any stoppage or interruption of services, Landlord shall use commercially reasonable efforts to restore said services as soon as possible.

6.3 Security Services and System. Subject to the terms and conditions of the Leasehold Improvement Agreement, Tenant shall have the right to install or have installed in the Premises, a card key access system or other security system. Tenant shall repair any damage caused to the Premises or the Building due to the installation and removal of any such security system. In addition, Tenant shall provide security services for the Premises at its sole cost and expense, twenty-four (24) hours per day, seven (7) days per week.

6.4 Janitorial and Waste Removal Services. Tenant, at its sole cost and expense, shall provide for waste removal and bonded cleaning/janitorial service consistent with first class buildings for the Premises and for all of the public and common areas within the Premises and the Building and appurtenances thereto, including the elevators and stairways.

ARTICLE 7

ALTERATIONS AND IMPROVEMENTS

7.1 Consent Required. Tenant shall not make any alterations, improvements or additions (each, an "Alteration") in, on or about the Premises without Landlord's prior written consent, except that Tenant may make Alterations without Landlord's prior written consent where (i) the reasonably estimated cost of the Alteration and together with the cost of any other Alteration made during the immediately preceding twelve (12) months does not exceed Fifty Thousand Dollars (\$50,000), and (ii) such Alterations

do not affect or involve the structural integrity, roof membrane, exterior areas, Building systems or water-tight nature of the Premises, Building or Project. In requesting Landlord's consent, Tenant shall, at Tenant's sole cost, submit to Landlord complete drawings and specifications describing the Alteration and the identity of the proposed contractor. Landlord, without any cost to itself, shall cooperate with Tenant in securing building and other permits and authority necessary from time to time for any work permitted under this Lease. Tenant may at any time remove any equipment and trade fixtures installed by or on behalf of Tenant in the Premises. Improvements made by Tenant at any time to the Premises during the term of this Lease shall be and remain the property of Tenant.

7.2 Conditions

(a) Notice. Before commencing any work relating to Alterations, Tenant shall notify Landlord of the expected date of commencement thereof and of the anticipated cost thereof, and shall provide Landlord with a copy of the approved plans and specifications. Landlord shall then have the right at any time and from time to time to post and maintain on the Premises such notices as Landlord reasonably deems necessary to protect the Premises and Landlord from mechanics' liens or any other liens.

(b) Liens. For any Alterations after those to be constructed by Landlord pursuant to the Leasehold Improvement Agreement, Tenant shall pay when due all claims for labor or materials actually furnished for use in the Premises. Tenant shall not permit any mechanics' liens or any other liens to be levied against the Premises for any labor or materials furnished to Tenant in connection with work performed on the Premises by or at the direction of Tenant.

(c) Compliance with Laws. All Alterations in or about the Premises performed by or on behalf of Tenant shall be done in a first-class, workmanlike manner, shall not unreasonably lessen the value of leasehold improvements in the Premises, and shall be completed in compliance with all applicable laws, ordinances, regulations and orders of any governmental authority having jurisdiction thereover, as well as the reasonable requirements of insurers of the Premises and the Building.

(d) Labor Disputes. Upon Landlord's request, Tenant shall remove any contractor, subcontractor or material supplier from the Premises and the Building if the work or presence of such person or entity results in labor disputes in or about the Building or Project or damage to the Premises, Building or Project.

(e) Americans with Disabilities Act. Landlord, at Landlord's sole discretion, may refuse to grant Tenant permission for Alterations which require, because of application of Americans with Disabilities Act or other laws, substantial improvements or alterations to be made to the Common Areas for which Tenant is not willing to pay.

(f) End of Term. Alterations made to the Premises shall become the property of Landlord and remain upon and be surrendered with the Premises upon the expiration of this Lease; provided, however, that Tenant's machinery, equipment, and trade fixtures, other than any which may be affixed to the Premises so that they cannot be removed without material damage to the Premises, shall remain the property of Tenant and may be removed by Tenant subject to the provisions of Article 13 below.

ARTICLE 8

PARKING

Included in Tenant's rental herein is the right of Tenant's customers and invitees to have the non-exclusive right to use free of charge 3.2 parking spaces for each 1,000 square feet of Rentable Area in the parking area associated with the Building in those spaces as designated on Exhibit B. Landlord acknowledges that Tenant's parking needs may fluctuate, on a daily basis throughout a 24-hour period. In the event Landlord

installs a system of charging for parking in the parking area, Landlord shall establish and make available to Tenant no-charge validations issued to Tenant's customers and invitees for the use of such parking to the extent of said parking spaces in the parking area. Landlord reserves the right to grant similar nonexclusive rights to other tenant; to promulgate reasonable rules and regulations relating to the use of the parking area; and to make changes in the parking layout from time to time, provided such changes comply with Laws and Orders and do not adversely affect Tenant's ability to utilize the parking rights set forth in this Article 8. In order to help manage Tenant's parking demand, Landlord may in its sole discretion designate parking areas for the employees, clients and/or customers of Tenant and the other tenants and occupants of the Building and/or project. If Landlord determines that Tenant is using more parking spaces than set forth above in this Article 8, and such excess use results in insufficient parking being available for the other tenants and occupants of the Building or project, Tenant shall adjust its parking usage to comply with the parking allocation set forth in this Article 8.

Landlord shall provide at least one (1) bicycle rack or bicycle storage box to accommodate at least eight (8) bicycles, in close proximity to the Building and Premises, and at such location as approved by Landlord and Tenant. Tenant shall use its best efforts to cause its employees, clients and customers to park their bicycles in the designated bicycle parking areas.

ARTICLE 9

INSURANCE AND INDEMNITY

9.1 Insurance. Landlord and Tenant shall maintain insurance as described in Exhibit F, which is attached hereto and incorporated herein by this reference.

9.2 Indemnity.

9.2.1 Indemnification of Landlord. Tenant agrees to indemnify Landlord against and save Landlord harmless from any and all loss, cost, liability, damage and expense, including, without limitation, reasonable attorneys' fees and costs that may be asserted by any party and incurred in connection with or arising from: (a) any default by Tenant in the observance or performance of any of the terms, covenants or conditions of this Lease on Tenant's part to be observed or performed; (b) the use or occupancy or manner of use or occupancy of Tenant; (c) the condition of the Premises related to Tenant's duties under this Lease, or any occurrence on the Premises from any cause whatsoever, except to the extent caused by the negligence or willful misconduct of Landlord or related to the duties of Landlord under this Lease; or (d) any acts, omissions or negligence of Tenant or of the contractors, agents, employees, visitors or licensees of Tenant in, on or about the Premises or the Building. Tenant's obligations under this Section 9.2.1 shall survive the termination of the Lease.

9.2.2 Indemnification of Tenant. Landlord agrees to indemnify Tenant against and save Tenant harmless from any and all loss, cost, liability, damage and expense, including, without limitation, reasonable attorneys' fees and costs that may be asserted by any party and incurred in connection with or arising from: (a) any default by Landlord in the observance or performance of any of the terms, covenants or conditions of this Lease on Landlord's part to be observed or performed; (b) the negligence or willful misconduct of Landlord or its agents, contractors or employees in, on or about the Building. Landlord's obligations under this Section 9.2.2 shall survive the termination of the Lease.

ARTICLE 10

DESTRUCTION AND UNTENANTABILITY OF PREMISES

10

10.1 Loss -- Insured or Uninsured. Subject to the options to terminate hereinafter provided in this Article 10, if during the Lease Term, the Building or any portion thereof is damaged by fire, earthquake or other casualty or peril, Landlord shall with all due diligence (upon receipt of sufficient insurance proceeds) repair or rebuild the Building and the Premises to the condition at least equal to that existing immediately prior to said damage. In connection therewith, Landlord shall use any such insurance proceeds for such purpose, together with any insurance proceeds received by Tenant by reason of insurance on improvements made by it in excess of the actual amount needed to replace or restore Tenant's improvements, fixtures and equipment, provided that any such proceeds received by Tenant shall only be used for the replacement or restoration of Tenant's improvements, fixtures and equipment. If, by reason of the provisions of any mortgage or deed of trust executed by Landlord encumbering the Building, insurance proceeds are required to be made payable to the lienholder and/or the policies of insurance placed in its custody, Tenant hereby consents thereto, provided that the lienholder in question shall first agree in writing with Landlord to make the proceeds of said insurance available for the repair and restoration of the Building.

10.2 Major Damage. For purposes of this Article 10, "major damage" to the Building resulting from fire, earthquake or any other casualty or peril is defined as damage to such extent that either (a) the estimated cost of full repair of such damage is greater than fifty percent (50%) of the then full replacement value of the Building as required for purposes of the then existing insurance policies provided for in Article 10, or (b) the repair or restoration of such damage that cannot be completed within one hundred eighty (180) days after the date of casualty. Any other damage to the Building from any such casualty or risks shall be deemed to be "non-major."

10.3 Tenant's Option to Terminate in Certain Events. If during the Lease Term the Building or any portion thereof receives damage to such an extent that the cost to repair the damage exceeds twenty percent (20%) of the then full replacement value of the Building and the effect of which is to render the Premises untenable, in Tenant's opinion, for continued occupancy for a period of two hundred forty (240) days or more, then Tenant shall have the option to terminate this Lease upon thirty (30) days' notice to Landlord.

10.4 Landlord's Option to Terminate in Event of Major Damage to Building. If during the Lease Term the Building or any portion thereof receives major damage, Landlord shall have the option to terminate this Lease on sixty (60) days' written notice to Tenant, in which event proration of Rent shall be made to be effective upon the date of such damage, and Landlord shall have no further obligations to Tenant. Notwithstanding the foregoing, Landlord shall have the absolute obligation to rebuild the Building after major damage in the manner set forth in Section 10.1 if the insurance proceeds are sufficient to pay for such rebuilding and Tenant does not elect to terminate this Lease pursuant to Section 10.3 above.

10.5 Proration. In the event of termination pursuant to the provisions of this Article 10, Tenant shall surrender to Landlord possession of the Premises and shall pay to Landlord any Rent hereunder accruing to the date of such damage.

10.6 Abatement of Rent. In the event that after any damage or destruction this Lease is not terminated in accordance with its provisions, Rent shall be equitably prorated and abated during the period commencing with the date of the casualty and continuing until such repairs are completed in the proportion that the Rent of the part usable by Tenant for the normal operation of Tenant's business on the Premises bears to the rental of the total space then leased by Tenant, taking into consideration the rental rate per square foot for the space for which the proration is made and any adverse effects and disruptions to Tenant's business caused during the period of such repairs.

10.7 Waiver. The provisions of California Civil Code Sections 1932(2) and 1933(4), and any successor statutes, are inapplicable with respect to any destruction of the Premises, such sections providing that a lease terminates upon the destruction of the Premises unless otherwise agreed between the parties to the contrary.

ARTICLE 11
EMINENT DOMAIN

11.1 Appropriation. In the event of any taking of or damage to all or any part of the Building or Premises, including any interest therein or appurtenant thereto, by reason of any exercise of the power of eminent domain, whether by a condemnation proceeding, inverse condemnation or otherwise, or in the event of any transfer, conveyance, or sale of all or any part of the Building or Premises, including any interest therein, or appurtenant thereto made in lieu of an exercise of the power of eminent domain (all of the foregoing being hereinafter referred to as "appropriation") prior to or during the Lease Term, the rights and obligations of Landlord and Tenant with respect to such appropriation, each time there is an instance of such appropriation, shall be governed by the provisions of this Article 11.

11.2 Date of Appropriation. For the purposes of this Article 11, the date of appropriation shall be the date upon which the condemning authority takes possession of all or any part of the Building or any interest therein or appurtenant thereto, or the date upon which Tenant is required by the condemning authority to commence vacating the Premises or any portion thereof, or any interest therein or appurtenant thereto, as a result of such appropriation, whichever date shall first occur.

11.3 Appropriation of All of the Building. In the event of appropriation of all of the Building, this Lease, subject to all provisions of this Article 11 pertaining to payments to be made shall terminate as of the date of such appropriation.

11.4 Appropriation of Less Than All of the Building or Premises.

11.4.1 General Provisions. Except as provided below in this Section 11.4, in the event of appropriation of less than all of the Building or of the Premises, this Lease shall continue in full force and effect, except that, as to the portion of the Premises so appropriated, this Lease shall terminate as of the date of appropriation.

11.4.2 Right to Terminate.

(i) If the appropriation shall render the Premises unavailable or unsuitable, in Tenant's sole opinion, to continue Tenant's normal use of the Premises, Tenant shall have the right to terminate this Lease. Exercise of such right by Tenant shall be made by written notice to Landlord on or before thirty (30) days after the date of Tenant's receipt of written notice of appropriation. Any such termination shall be effective as of the date of the appropriation.

(ii) In the event that fifty percent (50%) or more of the rentable area of the Building (as it existed on the date of the appropriation) should become untenanted or unoccupied because the appropriation renders such space unavailable or untenable, Landlord shall have the right to terminate this Lease, provided that Landlord also terminates the leases of all other tenants of the Building. Exercise of such right shall be made by notice to Tenant on or before thirty (30) days after the date of receipt of notice of appropriation.

11.4.3 Abatement of Rent. The Rent for the remainder of the Lease Term shall be prorated in the same proportion that part of the Premises usable by Tenant for the normal operation of its business bears to the total Premises immediately prior to the appropriation, taking into consideration the Lease rental rate per Rentable Square Foot for the space for which the proration is made. Rent shall also be abated for any portion of the Premises that is not appropriated but is rendered temporarily unusable by virtue of repairs or restoration necessitated by the appropriation of other space.

11.4.4 Restoration of Premises by Landlord. If this Lease is not terminated pursuant to Section 11.4.2 and subject to Section 11.4.5, Landlord will make any restoration of the remainder of the Building and the Premises necessitated by reason of the appropriation of less than all of the Building as promptly as reasonably practicable to as close to the same condition (as circumstances permit) as existed immediately prior to such appropriation.

11.4.5 Restoration of Premises with Tenant Funds. If Landlord would otherwise have the right to terminate this Lease pursuant to Section 11.4.2(ii), Landlord shall not have the right to terminate this Lease if Tenant, within thirty (30) days after receipt of notice from Landlord that Landlord has elected to terminate this Lease pursuant to Section 11.4.2(ii), notifies Landlord that Tenant desires to have the Building, or so much thereof as may be necessary to constitute a complete architectural unit, restored to a condition which will provide Tenant with suitable facilities in Tenant's sole opinion for its continued use of the Premises and that Tenant will supply any additional funds, if any, that may be necessary, in addition to the net amount of the award paid to Landlord under the provisions of Section 11.6, including severance damages (without offset for special benefits) after first deducting any and all amounts which constitute Tenant's share of the award pursuant to Section 11.6. In such event, Tenant and Landlord shall each agree upon the plans and specifications for such rebuilding, the cost thereof, and the method by which Tenant shall supply to Landlord the additional funds necessary for such rebuilding. Tenant shall not be entitled to any ownership of the Building or Project as a result of providing such additional funds, and nor shall Tenant be entitled to any offset, credit, refund or payment as a result of providing such additional funds, the restoration of the Building being the sole consideration Tenant shall receive for providing such additional funds. If Landlord and Tenant are unable to agree on any aspect of such rebuilding, the matter shall be submitted to arbitration in accordance with the provisions of Article 23.

11.5 Amounts Payable by Reason of Termination. If this Lease is terminated pursuant to Section 11.4.2, the entire award (less any amounts separately awarded to Tenant under subsections (1) through (6) below, and less the reasonable expenses of Landlord and Tenant incurred in such appropriation proceedings which shall be paid to Landlord or Tenant, as applicable) made with respect to the appropriation shall be paid to Landlord; provided, however, Tenant and its representative shall have the right to participate in any negotiations with respect to the amount or allocation of such award. Payment from the award shall be made first to the senior mortgage holder on the Building in an amount necessary to repay its security interest and then Tenant shall have the right to make a separate claim in the condemnation proceedings and to share in the aggregate award which is paid by the condemnor or awarded by the court specifically for: (1) the fair market value of the unexpired portion of the Lease Term (including the option to extend the Lease Term pursuant to Section 2.5, as if all such options were fully exercised by Tenant and including Tenant's right to terminate as set forth in Section 2.6) in excess of the Rent provided for herein, exclusive of any immovable trade fixtures or improvements; plus (2) any severance damages attributable to the unexpired Lease Term plus (3) the taking of the unamortized or undepreciated value of any leasehold improvements owned by Tenant that Tenant has the right to remove at the end of the Lease Term and that Tenant elects not to remove; plus (4) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if condemnor approves the removal); plus (5) relocation costs under Government Code section 7262, the claim for which Tenant may pursue by separate action independent of this Lease; plus (6) any other amount in addition to the foregoing that does not reduce the amount of the award payable to the Landlord.

11.6 Damages if Lease Not Terminated. In the event of any appropriation of less than all of the Building or the Premises, if this Lease is not terminated pursuant to provisions of Section 11.4.2, the entire award made with respect to the appropriation shall be paid to Landlord; provided, however, Tenant and its representatives shall have the right to participate in any negotiations with respect to the amount or allocation of such award. All of such award shall be used as follows: 1) to reimburse Landlord and Tenant for costs incurred in such appropriation proceedings, 2) to repair or restore the Building as provided in this Article 11, and 3) any remaining balance shall be allocated between Landlord and Tenant pro rata in accordance with Section 11.5.

11.7 Interest. Tenant shall be entitled to the share of any interest paid on any award to the extent the same is allocable to the amounts to which Tenant is entitled.

11.8 Abatement of Monetary Obligations of Tenant. In addition to any other abatement provided for in this Lease, all monetary obligations of Tenant hereunder shall be abated in an equitable amount based upon the interference with Tenant's normal business operations at the Premises commencing with the date of the appropriation and continuing during the period of any restoration and, in addition, for the remainder of the Lease Term to the extent that the Premises are not fully restored.

11.9 Proration and Refund of Payments. If this Lease is terminated pursuant to this Article 11, the Rent shall be prorated to the date of termination. Landlord shall repay to Tenant any Rent paid by Tenant for any period beyond the date of termination to the extent same is in excess of amounts then owed by Tenant to Landlord.

11.10 Date of Payments. All payments due Tenant from Landlord by reason of an appropriation shall be paid to Tenant without prior notice or demand and on or before the expiration of a period of ten (10) days from the date on which the amount of the award is finally determined and Landlord obtains, or has the right to obtain, whichever shall first occur, such award. If Landlord shall fail to make any such payments to Tenant on or before the expiration of such ten (10) day period, in addition to any and all other remedies available to Tenant under this Lease or otherwise, Landlord shall be obligated to pay interest to Tenant on the unpaid amount of such payments at the maximum rate permitted by law.

ARTICLE 12

COMPLIANCE WITH LAWS

12.1 Definition of "Laws and Orders." For purposes of this Article 12, the term "Laws and Orders" includes all federal, state, county, city, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated, or issued. The term also includes government measures regulating or enforcing public access or occupational or health or safety standards for employers, employees, landlords, or tenants (including, without limitation, tenants that are public entities).

12.2 Compliance with Laws and Orders.

(a) Tenant. Tenant shall, at Tenant's expense, comply promptly with all applicable Laws and Orders in effect during the Term. If, in order to comply with any such Laws and Orders, Tenant must obtain or deliver any permit, certificate or other document evidencing such compliance, Tenant shall provide a copy of such document to Landlord promptly after obtaining or delivering it. If a change to any common area, the building structure, or any building system becomes required under Laws and Orders (or any such requirement is enforced) as a result of (a) Tenant's application for any permit or governmental approval, (b) Tenant's construction or installation of any leasehold improvements or trade fixtures, or (c) any special use of the Premises or any part thereof by Tenant or any subtenant or assignee of Tenant, then Tenant, upon demand, shall, at Landlord's option, either make such change at Tenant's cost or pay Landlord the cost of making such change.

(b) Landlord. Landlord, at its expense (subject to Section 4.5.2 of the Lease), shall cause the structural portions of the building, the building systems and the common areas of the Premises to comply with all Laws and Orders (including the Americans with Disabilities Act ("ADA")) to the extent that (a) such compliance is necessary for Tenant to use the Premises for general office purposes in a normal and customary manner and for Tenant's employees and visitors to have access to and from the Premises, or (b) Landlord's failure to cause such compliance would impose liability upon Tenant under Laws and Orders; provided, however, that Landlord shall not be required to cause or pay for such compliance to the extent that (x) Tenant is required to cause or pay for such compliance under Section 12.2(a) or any other

provision hereof, or (y) non-compliance arises under any provision of the ADA other than Title III thereof. Notwithstanding the foregoing, Landlord may contest any alleged violation in good faith, including by applying for and obtaining a waiver or deferment of compliance, asserting any defense allowed by Law, and appealing any order or judgment to the extent permitted by Law; provided, however, that after exhausting any rights to contest or appeal, Landlord shall perform any work necessary to comply with any final order or judgment.

12.3 Rent Abatement. Subject to Subsection 20.2, Tenant's Rent shall be abated to the extent that Tenant's use and enjoyment of the Premises is disrupted by any work required by Landlord pursuant to Section 12.2.

12.4 Certified Access Specialist Disclosures. Pursuant to California Civil Code Section 1938, the subject property has not been inspected by a Certified Access Specialist ("CASp"). A CASp can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

ARTICLE 13

SURRENDER

Subject to the other provisions of this Lease, Tenant covenants that on the last day of the term or on the last day of a renewal or extension of this Lease, it will peaceably and quietly leave and surrender the Premises in as good condition as they now are, ordinary wear and tear, repairs and replacements required to be made by Landlord, loss by fire, casualty and causes beyond Tenant's control, and alterations, additions and improvements herein permitted, excepted.

ARTICLE 14

SUBORDINATION

This Lease may, at the option of Landlord, be made subordinate to any first mortgage or first deed of trust now or hereafter placed upon or affecting the real property of which the Premises form a part, and to all renewals, modifications, replacements and extensions thereof; provided that as a condition of such subordination, and only if: (a) such mortgage or deed of trust shall contain a covenant which shall permit the proceeds of all insurance policies covering the Building, improvements, equipment and/or appurtenances thereto, whether such proceeds are to be held by Landlord or the first mortgagee or beneficiary, to be paid and/or made available for repair, replacement and rebuilding as provided in this Lease; and (b) a separate written agreement is entered into by the mortgagee named in any such mortgage, or by the trustee and the beneficiary named in any such deed of trust, and is recorded simultaneously with said mortgage or deed of trust, providing that notwithstanding any default in the mortgage or deed of trust and any foreclosure thereof, or the enforcement by the holder thereof of any rights or remedies, including sale thereunder, or otherwise, this Lease shall be recognized, remain in full force and effect, and the Tenant shall be permitted to remain in quiet and peaceful possession of the Premises throughout the term thereof, and any extension or renewal thereof. Such agreements shall be materially in the forms of Exhibit G attached hereto. If Tenant has received the nondisturbance agreement and estoppel certificate in the form(s) attached hereto as Exhibit G, Tenant shall, within thirty (30) days after Landlord's request, execute

any further instruments or assurances in recordable form that Landlord reasonably considers necessary to evidence or confirm the subordination or superiority of this Lease to any such encumbrances or underlying leases. Such subordination instrument(s) shall be strictly limited to matters contained in the nondisturbance agreement and estoppel certificate, and no such instruments may increase any of Tenant's obligations or decrease any of Tenant's rights under this Lease. Tenant's failure to execute and deliver such instrument(s) shall constitute a default under this Lease only if Landlord has first delivered the nondisturbance agreement and estoppel certificate required hereunder to Tenant.

ARTICLE 15

TRANSFER OF TENANT'S INTEREST

15.1 Assignment and Subletting; Prohibition. Tenant shall not assign, mortgage, pledge or otherwise transfer this Lease, in whole or in part (each hereinafter referred to as an "assignment"), nor sublet or permit occupancy by any party other than Tenant of all or any part of the Premises (each hereinafter referred to as a "sublet" or "subletting"), without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. No assignment or subletting by Tenant shall relieve Tenant of any obligation under this Lease, including Tenant's obligation to pay Rent hereunder. Any purported assignment or subletting contrary to the provisions of this Lease without Landlord's prior written consent shall be void. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for obtaining Landlord's consent to any subsequent assignment or subletting. Landlord may consent to any subsequent assignment or subletting, or any amendment to or modification of this Lease with the assignees of Tenant, without notifying Tenant or any successor of Tenant, and without obtaining its or their consent thereto, and such action shall not relieve Tenant or any successor of Tenant of any liability under this Lease. As additional rent hereunder, Tenant shall reimburse Landlord for all reasonable legal fees and other expenses incurred by Landlord in connection with any request by Tenant for consent to an assignment or subletting. Notwithstanding anything stated to the contrary in this Lease, Tenant shall have the right at any time and from time to time with ten business (10) days' notice to Landlord to assign or otherwise transfer all or any part of Tenant's interest in this Lease, or to sublet the Premises, or any part thereof, to any entity that is controlling, controlled by or under common control with Tenant, including but not limited to public entities in which a majority of Directors consists of members of the Sonoma County Board of Supervisors, without complying with any other provision of this Lease.

15.2 Information to be Furnished. If Tenant desires at any time to assign its interest in this Lease or sublet the Premises to an entity that is not affiliated with Tenant, Tenant shall first notify Landlord of its desire to do so and shall submit in writing to Landlord: (i) the name of the proposed assignee or subtenant; (ii) the nature of the proposed assignee's or subtenant's business to be conducted in the Premises; (iii) the terms and provisions of the proposed assignment or sublease, including the date upon which the assignment shall be effective or the commencement date of the sublease (hereinafter referred to as the "Transfer Effective Date") and a copy of the proposed form of assignment or sublease; and (iv) such financial information, including financial statements, and other information as Landlord may reasonably request concerning the proposed assignee or subtenant.

15.3 Landlord's Election. At any time within thirty (30) days after Landlord's receipt of the information specified in Section 15.2, Landlord may, by written notice to Tenant, elect to (i) terminate this Lease as to the space in the Premises that Tenant proposes to sublet; (ii) terminate this Lease as to the entire Premises (available only if Tenant proposes to assign all of its interest in this Lease or the total amount of rentable square feet of space that Tenant proposes to sublease, together with the aggregate amount of rentable square feet of space in the Premises previously subleased by Tenant or recaptured by Landlord pursuant to this Section, exceeds fifty percent (50%) or more of the original Premises), (iii) consent to the proposed assignment or subletting by Tenant; or (iv) withhold its consent to the proposed assignment or subletting by Tenant. In the event Landlord terminates this lease pursuant to this Section 15.3, Tenant

shall have the right to withdraw its request to assign this Lease or sublet the Premises and reinstate this Lease upon written notice to Landlord.

15.4 Termination. If Landlord elects to terminate this Lease with respect to all or a portion of the Premises pursuant to Section 15.3 (i) or (ii) above, this Lease shall terminate effective as of the later of (a) the two hundred seventieth (270th) day after Landlord notifies Tenant in writing of its election to terminate this Lease or (b) the Transfer Effective Date. If Landlord terminates this Lease with respect to less than all of the Premises, Landlord shall, at Landlord's sole cost and expense partition the Premises to provide the occupants of each premises commercially reasonable and secured access to their respective premises, legal fire exits, access to bathrooms and utility rooms and loading facilities, including all design, permitting and construction costs.

15.5 Withholding Consent. Without limiting other situations in which it may be reasonable for Landlord to withhold its consent to any proposed assignment or sublease, Landlord and Tenant agree that it shall be reasonable for Landlord to withhold its consent in any one (1) or more of the following situations: (1) in Landlord's reasonable judgment, the proposed subtenant or assignee or the proposed use of the Premises would materially detract from the status of the Building as a first-class office building, generate vehicle or foot traffic, parking or occupancy density materially in excess of the amount customary for the Building or the Project or result in a materially greater use of the elevator, janitorial, security or other Building services (e.g., HVAC, trash disposal and sanitary sewer flows) than is customary for the Project; (2) in Landlord's reasonable judgment, the creditworthiness of the proposed subtenant or assignee does not meet the credit standards applied by Landlord in considering other tenants for the lease of space in the Project on comparable terms, or Tenant has failed to provide Landlord with reasonable proof of the creditworthiness of the proposed subtenant or assignee; (3) in Landlord's reasonable judgment, the business history, experience or reputation in the community of the proposed subtenant or assignee does not meet the standards applied by Landlord in considering other tenants for occupancy in the Project; (4) the proposed assignee or subtenant is the United States Post Office; or (5) the proposed subtenant or assignee is a then existing or prospective tenant of the Project. If Landlord fails to elect either of the alternatives within the thirty (30) day period referenced in Section 15.3, it shall be deemed that Landlord has refused its consent to the proposed assignment or sublease.

15.6 Bonus Rental. If, in connection with any assignment or sublease, Tenant receives rent or other consideration, either initially or over the term of the assignment or sublease, in excess of the Rent called for hereunder, or in case of the sublease of a portion of the Premises, in excess of such Rent fairly allocable to such portion, Tenant shall pay to Landlord, as additional rent hereunder, fifty percent (50%) of the excess of each such payment of Rent or other consideration received by Tenant promptly after Tenant's receipt of such Rent or other consideration.

15.7 Scope. The prohibition against assigning or subletting contained in this Article 15 shall be construed to include a prohibition against any assignment or subletting by operation of law. If this Lease is assigned, or if the underlying beneficial interest of Tenant is transferred, or if the Premises or any part thereof is sublet or occupied by anybody other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent due herein and apportion any excess rent so collected in accordance with the terms of Section 15.6, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of the provisions regarding assignment and subletting, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained.

15.8 Executed Counterparts. No sublease or assignment shall be valid, nor shall any subtenant or assignee take possession of the Premises, until a fully executed counterpart of the sublease or assignment has been delivered to Landlord and Landlord, Tenant and the applicable assignee or subtenant have entered into a consent to assignment or sublease in a form acceptable to Landlord.

ARTICLE 16

QUIET ENJOYMENT AND TITLE

Landlord covenants and represents that it has full right and power to execute and perform this Lease and to grant the estate demised herein, and covenants that Tenant on paying the Rent herein reserved and performing the covenants hereof shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full term of this Lease or any extension or renewal thereof, and further covenants and represents that Landlord has a fee simple interest in the Premises. Landlord further covenants and represents that it will stand so seized on the first day of the Lease Term and will then place Tenant in actual possession of the Premises with the improvements thereon and the appurtenances thereto all in conformity with law and in a safe, clean and tenantable condition and in good order and repair.

ARTICLE 17

ENVIRONMENTAL REPRESENTATIONS

17.1 Definition of "Hazardous Material." As used in this Article 17, the term "Hazardous Material" shall mean any hazardous or toxic substance, material, or waste that is or becomes regulated by the United States, the State of California, or any local government authority having jurisdiction over the Building. Hazardous Material includes:

(a) Any "hazardous substance," as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States Code sections 9601-9675);

(b) "Hazardous waste," as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code sections 6901-6992k);

(c) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing liability or standards of conduct concerning any hazardous, dangerous, or toxic waste, substance, or material, now or hereafter in effect);

(d) Petroleum products;

(e) Radioactive material, including any source, special nuclear, or byproduct material as defined in 42 United States Code sections 2011-2297g-4;

(f) Asbestos in any form or condition;

(g) Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs; and

(h) Volatile organic compounds (VOCs).

Notwithstanding the foregoing, Hazardous Materials shall not include limited quantities of standard office, building and janitorial supplies reasonably necessary in connection with Tenant's use and operation of the Premises, provided that such materials are used, stored or disposed of in accordance with applicable Hazardous Substance Laws.

17.2 Landlord's Representations and Warranties. Except as disclosed in that certain Phase I Environmental Site Assessment prepared for The Lakes by Kleinfelder, Inc., dated August 13, 2012, a copy of which is attached hereto as Exhibit H, Landlord represents and warrants to Tenant that, to the Landlord's actual knowledge (without duty of inquiry), neither Landlord, nor Landlord's actual knowledge (without duty of inquiry) any third party, has used, manufactured, generated, treated, stored, disposed of, or released any Hazardous Material on, under or about the Real Property or real estate currently owned or controlled by Landlord which is adjacent to the Real Property or transported any Hazardous Material over the Real Property, nor has Landlord or to the Landlord's knowledge (as defined below) any third party installed, used or removed any storage tank on, from or in connection with the Real Property, nor to the Landlord's knowledge (as defined below) are there any storage tanks or wells (whether existing or abandoned) located on, under or about the Real Property. As used in this Lease, the phrases, "the Landlord's knowledge," "Landlord's actual knowledge," and similar phrases mean the actual knowledge of Landlord, without any duty to conduct or undertake any further invasive physical investigation of the Property, but including, without limitation, information gathered as a result of a diligent and thorough search by Landlord of its records and interviews with all relevant current personnel, including, without limitation, property management personnel, and any partners with or shareholders of Landlord. Notwithstanding anything stated to the contrary herein, Landlord hereby acknowledges and understands that Tenant is relying on Landlord's representations and warranties made herein.

17.3 Compliance with Laws. With respect to Landlord's use of the Premises, the Building and the Real Property prior to this Lease, Landlord represents and warrants to Tenant that to Landlord's actual knowledge, at the commencement of the Lease, the Premises, the Building and the Real Property are in compliance with all federal, state and local laws, regulations and standards relating to the use, occupancy, production, storage, sale, disposal, or transportation of any Hazardous Materials ("Hazardous Substance Laws").

17.4 Right of Offset. With respect to Tenant's obligations to pay Rent under the Lease, Tenant may, upon fifteen (15) days' written notice to Landlord, offset payment of Rent to Landlord for costs and expenses incurred by Tenant for any breach of Landlord's representations and warranties set forth in this Article 17.

17.5 Termination of Lease. In the event that Hazardous Materials are found to be present on the Premises, the Building or the Real Property through no fault of Tenant and such that the Premises, the Building and/or the Real Property (a) are not in compliance with Hazardous Substance Laws, and (b) such non-compliance poses a material threat to the health or safety of Tenant's employees, guests or invitees in or about the Premises, as reasonably determined by the Sonoma County Risk Manager, then Tenant may, upon thirty (30) days' written notice to Landlord, terminate this Lease.

17.6 Indemnification. Landlord shall indemnify, defend with counsel reasonable and acceptable to Tenant, and hold Tenant fully harmless from any and all liabilities, damages, claims, penalties, fines, settlements, causes of action, cost or expense, including reasonable attorneys' fees, environmental consultant fees and laboratory fees and costs and expenses of investigating and defending any claims or proceedings resulting from or attributable to any of the following to the extent caused by Landlord or its agents, contractors or employees: (a) the presence, disposal, release or threatened release of any Hazardous Materials that are on, from or affecting the Premises, the Building or the Real Property, including, without limitation, the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (b) any personal injury (including wrongful death), or property damage (real or personal) arising out of or relating to any Hazardous Materials on, from or affecting the Premises, the Building or the Real Property; (c) any lawsuits or administrative action brought or threatened, settlement reached or governmental order relating to any Hazardous Materials on, from or affecting the Premises, the Building or the Real Property; or (d) any violation of any laws applicable to any Hazardous Materials on, from or affecting the Premises, the Building or the Real Property.

17.7 Survival. Landlord's indemnification obligations under Section 17.6 above shall survive the

expiration or sooner termination of this Lease.

17.8 Notices. The parties shall give each other written notice within three (3) calendar days after the date on which either party learns or first has reason to believe that: (a) there has or will come to be located on or about the Premises, the Building or the Real Property any Hazardous Materials; (b) any release, discharge or emission of any Hazardous Materials that has occurred on or about the Premises, the Building or the Real Property; (c) any (i) enforcement, cleanup, removal or other governmental or regulatory action has been threatened or commenced against Landlord or with respect to the Premises, the Building or the Real Property pursuant to any Hazardous Substances Laws; or (ii) any claim has been made or threatened by any person or entity against Landlord, Tenant, or the Premises, the Building or the Real Property on account of any alleged loss or injury claimed to result from the alleged presence or release on the Premises, the Building or the Real Property of any Hazardous Materials; or (iii) any report, notice, or complaint has been made to or filed with any governmental agency concerning the presence, use or disposal of any Hazardous Materials on the Premises, the Building or Real Property. Any such notice shall be accompanied by copies of any such claim, report, complaint, notice, warning or other communications that is in the possession of or is reasonably available to such party.

17.9 Audits. Landlord shall, upon completion of any environmental sampling and testing of the Premises, the Building or the Real Property, the surrounding soil in any adjacent areas, any groundwater located under or adjacent to the Premises, the Building or the Real Property, and/or adjoining property, provide Tenant with copies of all reports of the results of such environmental audit.

17.10 Clean-Up. If Landlord is responsible for the clean-up of any contamination of the Premises, the Building or the Real Property, Landlord shall, at its sole cost and expense, carry out and complete any repair, closure, detoxification, decontamination, or other cleanup of the Premises, the Building or the Real Property required by Hazardous Substance Laws. Should Landlord fail to implement and diligently pursue any such clean-up promptly upon receipt of notice thereof, then Tenant shall have the right, but not the obligation, to carry out such clean-up, and to recover all of the costs and expenses thereof from Landlord as a set-off against rental payments under the Lease if Tenant elects to cure.

17.11 Tenant's Covenants. Except for ordinary office supplies and janitorial cleaning materials which in common business practice are customarily and lawfully used, stored and disposed of in small quantities, Tenant shall not use, manufacture, store, release, dispose or transport any Hazardous Materials in, on, under or about the Premises, the Building or the Project without giving prior written notice to Landlord and obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. Tenant shall at its own expense procure, maintain in effect, and comply with all conditions of any and all permits, licenses, and other governmental and regulatory approvals required in connection with Tenant's generation, use, storage, disposal and transportation of Hazardous Materials. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Tenant shall cause any and all Hazardous Materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant shall not maintain or install in, on, under or about the Premises, the Building or the Project any above or below ground storage tanks, clarifiers or sumps, nor any wells for the monitoring of ground water, soils or subsoils.

17.12 Landlord's Rights. Landlord shall have the right to enter the Premises at all times upon reasonable prior notice for the purposes of ascertaining compliance by Tenant with all applicable Hazardous Materials Laws; provided, however, that in the instance of a true emergency (involving an immediate threat to life and/or property) no notice shall be required. Landlord shall have the option to declare a default of this Lease for the release or discharge of Hazardous Materials by Tenant or Tenant's employees, agents, contractors, or invitees on the Premises, Building or Project in violation of law or in deviation from prescribed procedures in Tenant's use or storage of Hazardous Materials.

ARTICLE 18

INSPECTION AND ENTRY BY OWNER

Landlord and its agents shall have the right at any reasonable time and upon at least twenty-four (24) hours' notice to Tenant, to enter upon the Premises so long as it does not interfere with the business activities of Tenant on the Premises, for the purpose of inspection, serving or posting notices, maintaining the Premises, making any necessary repairs, alterations or additions to any portion of the Premises to the extent required or permitted to Landlord under this Lease.

ARTICLE 19

NOTICE

19.1 Notices. All notices (including requests, demands, approvals, or other communications) unless otherwise set forth in this Lease, under this Lease shall be in writing.

19.1.1 Method of Delivery. Notice shall be sufficiently given for all purposes as follows:

- (a) When personally delivered to the recipient, notice is effective on delivery.
- (b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.
- (c) When mailed by certified mail with return receipt requested, notice is effective two (2) days following mailing.
- (d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery.
- (e) When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice, notice is effective on transmission as long as (1) a duplicate copy of the notice is promptly given by certified mail, return receipt requested, or by overnight delivery or (2) the receiving party delivers a written confirmation of receipt. Subject to the foregoing requirements, any notice given by telex or fax shall be considered to have been received on the next business day if it is transmitted after 5 p.m. (recipient's time) or on a non-business day.

19.2 Refused, Unclaimed, or Undeliverable Notices. Any correctly addressed notice that is delivered pursuant to Section 19.1.1(b) or (d) is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities, messenger, or overnight delivery service.

19.3 Addresses. Addresses for purposes of giving notice are set forth below:

"Tenant": **COUNTY OF SONOMA**
General Services Department
Facilities Development & Management
Attn: Real Estate Manager
2300 County Center Drive, Suite A220
Santa Rosa, California 95403
Fax No. 707-565-3476

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With a copy to: **COUNTY OF SONOMA**
Department of Health Services
Attn: Barbie Robinson, ~~Interim~~ Director
3313 Chanate Road
Santa Rosa, CA 95404
Fax No. (707) 565-7849

"Landlord": **SR OFFICE PROPERTIES DE, LLC, and REDBIRD SR OFFICE PROPERTIES DE, LLC**
c/o **BASIN STREET PROPERTIES**
Attn: Scott Stranzl, Vice President, Leasing
300 E. ~~Second Street~~, Suite 1300 *50 W Liberty #250*
Reno, NV 89501
Fax No. (775) 954-2917

With a copy to: c/o **BASIN STREET PROPERTIES**
Attn: Stephanie Burlingame, Vice President, Operations
and Property Management
~~119 C Street~~ *1383 N McDowell Blvd #150*
Petaluma, California 94952 *94954*
Fax No. (707) 795-6283.

ARTICLE 20

DEFAULTS; REMEDIES

20.1 Landlord's Default. Landlord shall be in default of this Lease if Landlord fails or refuses to perform any provisions of this Lease that Landlord is obligated to perform if the failure to perform is not cured within thirty (30) days after notice of default has been given by Tenant to Landlord and to the holder of any first mortgage, deed of trust or ground lease covering the Premises whose name and address shall have been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligations, or such shorter period if specified in this Lease. If the default cannot reasonably be cured within thirty (30) days, Landlord shall not be in default of this Lease if Landlord or the holder of any such mortgage, deed of trust or ground lease commences to cure the default within the thirty (30) day period and diligently and in good faith prosecutes such cure to completion.

20.2 Tenant's Remedies on Landlord's Default. In the event either party disputes that Landlord is in default, either party shall have the right to initiate an arbitration proceeding in accordance with Article 24 except that the arbitrator shall be appointed by the presiding judge of the Sonoma County Superior Court and once appointed each side shall have five (5) business days to submit written statements and supporting documents to the arbitrator. Should the arbitrator find Landlord in default and if Landlord fails to cure the default and compensate Tenant, as determined by the arbitrator, within thirty (30) days of the arbitrator's decision, Tenant shall have the right, if the arbitrator determines Landlord has defaulted on its maintenance obligations under Section 5.1, to perform the specific maintenance obligations identified by the arbitrator on Landlord's behalf and to thereafter deduct the reasonable cost therefor from Rent as it becomes due. Except as provided in the foregoing sentence: (i) Tenant shall not have the right to make any repairs, replacements or modifications to the Premises or the Building at Landlord's expense; and (ii) Tenant expressly waives the benefits of any statute, including Civil Code Sections 1941 and 1942, which would afford Tenant the right to make repairs or perform any maintenance at Landlord's expense.

20.3 Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

(a) A failure by Tenant to pay Rent within fifteen (15) days after written notice that such payment is due.

(b) The vacating or abandonment of the Premises by Tenant for sixty (60) consecutive days.

(c) Tenant's failure to comply with the provisions contained in Section 14 (Subordination) and Section 21 (Estoppel Certificates/Financial Statements) within the time periods prescribed by such Sections, if such failure continues for forty-five (45) days after written notice to Tenant by Landlord that Tenant is not in compliance with such Sections 14 and 21 hereof.

(d) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease to be observed or performed by Tenant, excluding the matters described in (a), (b) and (c) above, where such failure shall continue for a period of thirty (30) days after written notice is given by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. Any notice required to be given by Landlord under this Lease shall be in lieu of, and not in addition to, any notice required under Section 1161 of the California Civil Code of Procedure.

20.4 Landlord's Remedies on Tenant's Default. In the event of any default or breach by Tenant, Landlord may at any time thereafter:

(a) Continue Lease. Pursue the remedy described in California Civil Code Section 1951.4 whereby Landlord may continue this Lease in full force and effect after Tenant's breach and recover the Rent and any other monetary charges as they become due, without terminating Tenant's right to sublet or assign this Lease, subject only to reasonable limitations as herein provided. During the period Tenant is in default, Landlord shall have the right to do all acts necessary to preserve and maintain the Premises as Landlord deems reasonable and necessary, and Landlord can enter the Premises.

(b) Perform. Pay or perform such obligation due (but shall not be obligated to do so), if Tenant fails to pay or perform any obligations when due under this Lease; within the time permitted for their payment or performance. In such case, the costs incurred by Landlord in connection with the performance of any such obligation will be additional rent due under this Lease and will become due and payable on demand by Landlord.

(c) Terminate. Landlord may terminate the tenancy. Landlord may Terminate Tenant's rights to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including, without limitation, the following: (A) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (B) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that is proved could have been reasonably avoided; plus (C) the worth, at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that is proved could be reasonably avoided; plus (D) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease; plus (E) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State law. In addition, Landlord shall be entitled to recover from Tenant the unamortized portion of any tenant improvement allowance, free rent

or other allowance provided by Landlord to Tenant and any brokerage commission or finder's fee paid or incurred by Landlord in connection with this Lease (amortized with interest at the Interest Rate on a straight line-basis over the original term of this Lease). Upon any such termination of Tenant's possessory interest in and to the Premises, Tenant (and at Landlord's sole election, Tenant's sublessees) shall no longer have any interest in the Premises, and Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises which Landlord in its sole discretion deems reasonable and necessary. The worth, at the time of the award of the amounts referred to in subparagraphs (A) and (B) above is computed by allowing interest at the maximum rate an individual is permitted by law to charge. The worth at the time of award of the amount referred to in subparagraph (C) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(d) With respect to a default under the matters described in (a), (b) and (c) above, Landlord shall not have the right to exercise the remedy available under Civil Code Section 1951.4.

(e) Additional Remedies. Pursue any other legal or equitable remedy available to Landlord. Unpaid installments of Rent and other unpaid monetary obligations of Tenant under the terms of this Lease shall bear interest from the date due at the rate of ten percent (10%) per annum.

ARTICLE 21

ESTOPPEL CERTIFICATES/FINANCIAL STATEMENTS

21.1 Obligation to Execute Estoppel Certificates. Tenant shall within thirty (30) days after notice from Landlord, execute, acknowledge and deliver to Landlord a statement certifying: (i) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), (ii) the amount of the Rent and the security deposit, (iii) the date to which the Rent has been paid, (iv) acknowledging that there are not, to the best of Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults, if any are claimed, and (v) such other matters as may reasonably be requested by Landlord. Any such statement may be conclusively relied upon by Landlord and any prospective purchaser or encumbrancer of the Building.

21.2 Failure to Deliver. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant that: (i) this Lease is in full force and effect, without modification, (ii) there are no uncured defaults in Landlord's performance, and (iii) not more than one (1) month's Rent has been paid in advance.

21.3 Financial Statements. If Landlord desires to sell all or any portion of its interest in the Building or the Project or to finance or refinance the Building or the Project, Tenant agrees to deliver to Landlord and any lender or prospective purchaser designated by Landlord such financial statements of Tenant as may be reasonably required by Landlord or such lender or prospective purchaser. All such financial statements shall be received by Landlord in confidence and shall be used for the purposes herein set forth. In addition, within thirty (30) days after Landlord's written request, Tenant shall deliver to Landlord Tenant's most current annual financial statements audited by Tenant's certified public accountant. If audited financial statements are not available, Tenant shall deliver to Landlord Tenant's financial statements certified to be true and correct by Tenant's chief financial officer. Tenant's annual financial statements shall not be dated more than eighteen (18) months prior to the date of Landlord's request.

ARTICLE 22

SIGNAGE

Upon the commencement of the Lease, Landlord shall provide: (a) Building standard lobby directory signage reasonably acceptable to Tenant (in conformance with all Laws and Orders (as defined in Article 12)) identifying the Department of Health Services as the principal occupant of the Premises; and (b) Building standard Premises main entry door signage. The cost of the signage described above shall be Landlord's responsibility.

ARTICLE 23

BROKERAGE

Neither party has had any contact or dealings regarding the Premises or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the Lease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contract, dealing or communication, the party through whom the broker or finder makes his or her claim shall be responsible for said commission or fee and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against the same.

ARTICLE 24

DISPUTE RESOLUTION

24.1 Arbitration of Disputes. Any dispute that is required by the express terms of this Lease to be resolved by arbitration shall be resolved by neutral binding arbitration before a panel of three (3) arbitrators unless otherwise agreed, to be held in accordance with the commercial/real estate arbitration rules of the American Arbitration Association. Judgment on the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction over the dispute.

24.1.1 Qualifications of Arbitrators. The arbitrators shall be retired trial court judges that are familiar with handling commercial lease matters and selected in accordance with the American Arbitration Association rules.

24.1.2 Venue. Hearings shall be held in Santa Rosa, California, or another venue determined by mutual agreement of the parties.

24.1.3 Demand and Limitation on Claims. Any demand for arbitration must be made in writing to the other party and to the American Arbitration Association. No demand for arbitration may be made after the date on which the institution of legal proceedings based on the claim, dispute, or other matter is barred by the applicable statute of limitations.

24.1.4 Provisional Remedies. The parties shall each have the right to file with a court of competent jurisdiction an application for temporary or preliminary injunctive relief, writ of attachment, writ of possession, temporary protective order, or appointment of a receiver if the arbitration award to which the applicant may be entitled may be rendered ineffectual in the absence of such relief or if there is no other adequate remedy. This application shall not waive a party's arbitration rights under this Lease.

24.1.5 Powers and Duties of Arbitrators. The arbitrators shall have the power to grant legal and equitable remedies, and award damages, that may be granted or awarded by a judge of the Superior Court of the State of California. The arbitrators shall prepare and provide to the parties a written decision on all matters subject to the arbitration, including factual findings and the reasons that form the basis of the arbitrators' decision. The award of the arbitrators shall be mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration proceedings shall be reported by a certified shorthand court reporter. Written transcripts of the proceedings shall be prepared and made available to the parties.

24.1.6 Discovery. The parties shall have the right to discovery in accordance with Code of Civil Procedure Sections 1283.05 and 1283.1 as long as the arbitrators' permission shall not be required to take a discovery deposition and neither party may take more than three depositions nor more than one set of interrogatories or requests for admissions without the approval of the other party or the arbitrators. All discovery disputes shall be resolved by the arbitrators.

24.1.7 Application of California Evidence Code. The provisions of the California Evidence Code shall apply to the arbitration hearing.

24.1.8 Costs and Fees of Arbitrators. Costs and fees of the arbitrators shall be borne by the non-prevailing party unless the arbitrators for good cause determine otherwise.

24.1.9 Attorney Fees. The prevailing party shall be awarded reasonable attorney fees, expert and non-expert witness expenses, and other costs and expenses incurred in connection with the arbitration, in accordance with Article 24.

ARTICLE 25

ATTORNEY FEES AND COSTS

If either party undertakes litigation or arbitration against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorney fees, arbitration costs, and court costs incurred. The prevailing party shall be determined under Civil Code Section 1717(b)(1) or any successor statute.

ARTICLE 26

MISCELLANEOUS

26.1 Word Usage. Unless the context clearly requires otherwise: (a) the plural and singular numbers shall each be considered to include the other; (b) the masculine, feminine, and neuter genders shall each be considered to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.

26.2 Counting Days. Days shall be counted by excluding the first day and including the last day. If the last day is a Saturday, Sunday, or a legal holiday as described in Government Code Sections 6700-6701, it shall be excluded. Any act required by this Lease to be performed by a certain day shall be timely performed if completed before 5 p.m. local time on that date. If the day for performance of any obligation under this Lease is a Saturday, Sunday, or a legal holiday, the time for performance of that obligation shall be extended to 5 p.m. local time on the first following date that is not a Saturday, Sunday, or a legal holiday.

26.3 Waiver. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

26.4 Force Majeure-Specific Exceptions. Unless otherwise specified, the time for performance of an obligation other than the payment of money under this Lease shall be extended for the period during which a party is prevented from performing by acts of God, government, or other force or event beyond the reasonable control of that party.

26.5 Binding on Successors. This Lease and all of the covenants, agreements, conditions and undertakings contained herein, shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

26.6 Headings. The headings of the Articles and Sections hereof are for convenience only and shall not affect or be deemed to affect the meaning of any provisions hereof.

26.7 Entire Agreement. This Lease, including all exhibits, contains all of the terms, covenants, conditions and agreements between Landlord and Tenant relating in any manner to the rental, use and occupancy of the Premises. No prior agreement or understanding pertaining to the same shall be valid or of any force or effect, and the terms, covenants, conditions and provisions of this Lease cannot be altered, changed, modified or added to, except in writing and signed by Landlord and Tenant. All references herein, directly or indirectly, to the term of this Lease shall also be deemed to include any extensions or renewals thereof provided Tenant herein, unless expressly provided to the contrary.

26.8 Governing Law. This Lease shall be governed exclusively by its express provisions and by the laws of the State of California, and any action to enforce the terms of the Lease or breach thereof shall be brought in Santa Rosa, California.

26.9 No Joint Venture. Nothing herein contained shall be deemed in any way or have any purpose whatsoever to constitute Landlord or Tenant a partner of the other in its business or otherwise, or a joint venturer or a member of a joint enterprise with the other.

26.10 Invalidity. If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the fullest extent permitted by law.

26.11 Construction of Lease. This Lease shall be strictly construed neither against Landlord nor Tenant, but shall be construed according to the fair meaning of its terms. No remedy or election given by any provision in this Lease shall be deemed exclusive unless so indicated, but each shall, wherever possible, be cumulative with all other remedies in law or equity as otherwise specifically provided. Whenever the context of any provision shall require it, the singular number shall be held to include the plural number, and vice versa, and the words "he", "his" or "him" if used with reference to Landlord shall be deemed to include the neuter or feminine gender of such pronoun. "Landlord" whenever used includes all grantors of the term, who shall be held bound jointly and severally hereby.

26.12 Signatures. This Lease may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby agree and acknowledge and agree that facsimile signatures or signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have the same full force and effect as if an original of this Lease had been delivered.

[SIGNATURE PAGE FOLLOWS]

#



IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

"LANDLORD": **SR OFFICE PROPERTIES DE, LLC**, a Delaware limited liability company

By: G&W Ventures, LLC, a California limited liability company, its Managing

By: Matthew T. White
Matthew T. White, Manager, w3 SA

REDBIRD SR OFFICE PROPERTIES DE, LLC, a Delaware limited liability company

By: Redbird Investment Group, LLC: Santa Rosa Office Series, a Delaware Series limited liability company, its Sole Member

By: Redbird Investment Group, LLC, a Delaware series limited liability company, its Sole Member

By: Bruce J. Cardinal, as attorney-in-fact
for: Bruce J. Cardinal, Trustee of The Bruce J. Cardinal Living Trust Agreement dated December 15, 1997, its Managing Member

"TENANT": **COUNTY OF SONOMA**, a political subdivision of the State of California

By: Caroline Judy
Caroline Judy, Director
General Services Department

The General Services Director is authorized to sign this Lease pursuant to Board of Supervisors' Summary Action dated May 9, 2017.

APPROVED AS TO FORM FOR TENANT:

Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

Barbie Robinson
Barbie Robinson, Interim Director
Department of Health Services

Marc McDonald
Marc McDonald, Real Estate Manager
General Services Department

Certificate of Insurance on file with Department:

Reviewed by: [Signature] Date: May 10, 2017.

Exhibit A

[Premises]

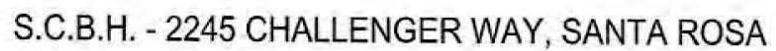


Exhibit B

[Site Plan]

SITE PLAN

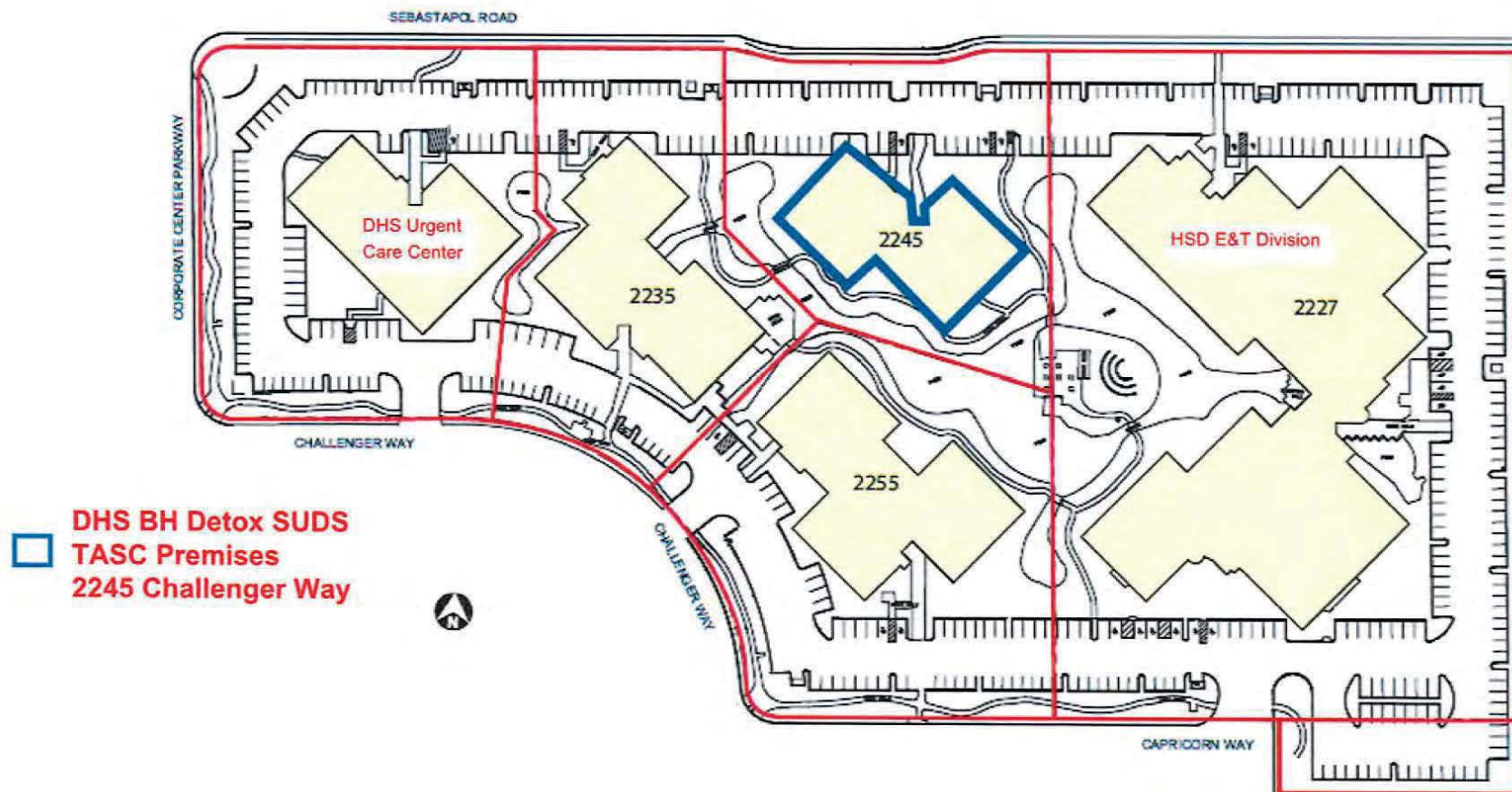


Exhibit C

Rules and Regulations

It is agreed that the following rules and regulations (these "Rules and Regulations") shall be and are hereby made a part of this Lease, and Tenant agrees that Tenant's employees and agents, or any others permitted by Tenant to occupy or enter the Premises, will at all times abide by these Rules and Regulations, unless otherwise specified or provided for in the Lease, to wit:

1. The driveways, entrances and exits to the Project, sidewalks, passages, building entries, lobbies, corridors, stairways, and elevators of the Building shall not be obstructed by Tenant, or Tenant's agents or employees, or used for any purpose other than ingress and egress to and from the Premises. Tenant or Tenant's agents or employees shall not loiter on the lawn areas or other common areas of the Project.

(a) Furniture, freight equipment and supplies will be moved in or out of the Building only through the rear service entrances or other entrances designated by Landlord and then only during such hours and in such manner as may be reasonably prescribed by Landlord. Tenant shall cause its movers to use only the loading facilities and entrances designated by Landlord. In the event Tenant's movers damage any part of the Building or Project, Tenant shall pay to Landlord the amount required to repair said damage upon Landlord's written request.

(b) No safe or article, the weight of which may in the opinion of Landlord constitute a hazard to or damage to the Building or the Building's equipment, shall be moved into the Premises without Landlord's prior written approval, but such consent or approval shall not be unreasonably withheld, conditioned or delayed. Landlord and Tenant shall mutually agree to the location of such articles in the Premises. All damage done to the Project, Building or Premises by putting in, taking out or maintaining extra heavy equipment shall be repaired at the expense of Tenant.

(c) Landlord reserves the right to close and keep locked any and all entrances and exits of the Building and Project and gates or doors closing the parking areas thereof during such hours as Landlord may deem advisable for the adequate protection of the Project and all tenants therein; provided, however, that Landlord shall first provide Tenant with keys to any such locked entrances, exits gates or doors.

2. Except as otherwise provided for in the Lease, no sign, advertisement or notice shall be inscribed, painted or affixed on any part of the inside or outside of the Building unless of such color, size and style and in such place upon or in the Building as shall be first approved in writing by Landlord. No furniture or other materials shall be placed in front of the Building or in any lobby or corridor without the prior written consent of Landlord. Landlord shall have the right to remove all non-permitted signs and furniture without notice to Tenant.

3. Tenant shall not employ any person or persons other than the janitor or cleaning contractor of Landlord for the purpose of cleaning or taking care of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord and Tenant hereby acknowledge that Tenant shall provide for waste removal and bonded cleaning/janitorial service for the Premises pursuant to Section 6.4 of the Lease. Notwithstanding the foregoing, Landlord's janitor of the Building of which the Premises are a part, may at all times keep a pass key, and other agents of Landlord may be allowed admittance to the Premises in accordance with the provisions set forth in the Lease.

4. Water closets and other water fixtures shall not be used for any purpose other than that for which the same are intended, and any damage resulting to the same from misuse on the part of Tenant or Tenant's agents or employees, shall be paid for by Tenant. No person shall waste water by tying back or wedging the faucets or in any other manner.

5. No animals except disability assistance animals necessary to the functioning of persons with disabilities shall be allowed on the lawns or sidewalks or in the offices, halls, and corridors of the Building.

6. No persons shall disturb the occupants of this or adjoining buildings or premises by the use of any radio, sound equipment or musical instrument or by the making of loud or improper noises, nor interfere in any way with the other tenants or those having business with them.

7. Except as provided under Section 8 of the Lease, bicycles or other vehicles, other than wheel chairs, shall not be permitted in the offices, halls, corridors and lobbies in the Building nor shall any obstruction of sidewalks or entrances of the Building by such be permitted.

8. Tenant shall not allow anything to be placed on the outside of the Building, nor shall anything be thrown by Tenant or Tenant's agents or employees, out of the windows or doors, or down the corridors, ventilation ducts or shafts of the Building. Tenant, except in case of fire or other emergency, shall not open any outside window.

9. No awnings shall be placed over any window or entrance, without Landlord's prior written approval, which shall not be unreasonably withheld.

10. All garbage, including wet garbage, refuse or trash shall be placed by Tenant in suitable receptacles located in the Premises or in the receptacles designated by Landlord for that purpose. Tenant shall not burn any trash or garbage at any time in or about the leased Premises or any area of the Project. Tenant and Tenant's officers, agents, and employees shall not throw cigar or cigarette butts or other substances or litter of any kind in or about the Project.

11. Tenant shall not install or operate any steam or gas engine or boiler, or other machinery or carry on any mechanical business, other than such mechanical business that normally is identified with general use in the Premises. Explosives or other articles of an extra hazardous nature shall not be brought into the Building complex.

12. Any painting or decorating as may be agreed to be done by and at the expense of Landlord shall be done during regular weekday working hours. Should Tenant desire such work on Saturdays, Sundays, holidays or outside of regular working hours, Tenant shall pay for the extra cost thereof, if any.

13. Tenant shall not mark, drive nails, screw, bore, or drill into, paint or in any way deface the common area walls, exterior walls, roof, foundations, bearing walls, or pillars without the prior written consent of Landlord. The expense of repairing any breakage, stoppage or damage resulting from a violation of this rule shall be borne by Tenant.

14. No waiver of any rule or regulation by Landlord shall be effective unless expressed in writing and signed by Landlord or his authorized agent.

15. Tenant shall be responsible for cleaning up any trash blowing around the Premises that may have been left by their customers or employees.

16. In the event of any conflict between these Rules and Regulations or any further or modified rules and regulations from time to time issued by Landlord and provided in writing to Tenant, and the Lease provisions, the Lease provisions shall govern and control.

17. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable rules and regulations as in Landlord's reasonable judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, and for the preservation of good order therein, as well as for the convenience of other tenants of the Project; provided, however, that Landlord first notifies Tenant of any such changed, rescinded or further Rules and Regulations. Landlord shall not be responsible to Tenant or to any other person for

the nonobservance or violation of these Rules and Regulations by any other tenant or person. Tenant shall be deemed to have read these rules and Regulations and to have agreed to abide by them as a condition to its occupancy of the space herein leased, and Tenant shall abide by any additional Rules and Regulations that are ordered or requested by Landlord or by any governmental authority; provided, however, that Landlord first notifies Tenant of any such additional Rules and Regulations.

Exhibit D

[Leasehold Improvement Agreement]

EXHIBIT D

LEASEHOLD IMPROVEMENT AGREEMENT

This Leasehold Improvement Agreement ("LIA") is dated for reference purposes only as May 11, 2017 ("Effective Date"), and is made by and between **SR OFFICE PROPERTIES DE, LLC**, a Delaware limited liability company, and **REDBIRD SR OFFICE PROPERTIES DE, LLC**, a Delaware limited liability company ("Landlord"), and the **COUNTY OF SONOMA**, a political subdivision of the State of California ("Tenant"), as part of that certain Lease dated as of the same date as this LIA between them, affecting the real property commonly known as **2245 Challenger Way**, located in the City of Santa Rosa, State of California. Capitalized terms used, but not otherwise defined, in this LIA shall have meanings ascribed to those terms in the Lease. The following provisions are added to the Lease and, in the event of conflict between this LIA and the Lease, this LIA shall prevail.

ARTICLE I

DEFINITIONS

1.1 Definitions. Wherever used in this LIA, the following terms are defined as follows:

Architect means **Jennifer Jensen, Basin Street Properties**, or designee.

Contractors means the General Contractor and all other general contractors, design-build contractors, subcontractors, and material suppliers who provide labor and materials for construction of the Leasehold Improvements. Each Contractor shall be duly licensed by the State of California and in good professional standing.

Construction Costs means all costs incurred to complete the Leasehold Improvements, including, without limitation, the following:

- a. Payments to Contractors for labor, material, equipment, and fixture supplied pursuant to any construction contract entered into in accordance with this LIA;
- b. Fees paid to Designers for services required by this LIA;
- c. Taxes, fees, charges, and levies by governmental and quasi-governmental agencies for Permits or for inspections of the work;
- d. Utilities incurred in the course of the construction;
- e. Premiums for builder's risk insurance and other insurance required by this LIA;
- f. Costs incurred for the management and administration of the construction, including without limitation, wages, labor burden, and expediting, procurement, and administrative expenses; and
- g. Any and all other costs incurred to complete the Leasehold Improvements.

Construction Documents means this LIA and the Final Plans.

Design and Construction Schedule means the schedule for preparation, approval, disapproval, modification, and completion of the Final Plans and for obtaining Permits required for the

Leasehold Improvements and for the commencement, prosecution, and Substantial Completion of all Leasehold Improvements, which schedule is attached to this LIA as **Attachment A**, and incorporated into the LIA by this reference.

Design Process means the process for creation of the Final Plans as set forth in **Attachment B**.

Designers means the Architect and all other architects, structural engineers, mechanical engineers, and the other design professionals that are needed to design the Leasehold Improvements, each of whom shall be duly licensed by the State of California and in good professional standing.

Engineered Plans means the heating, ventilating and air conditioning system engineering plans, specifications and calculations prepared by an independent, licensed mechanical engineer acceptable to and approved in writing by Tenant and engaged by the Architect (and not any mechanical or other subcontractor). Such engineer is hereinafter referred to as the "HVAC Engineer". It is the specific intention of the parties that the heating, ventilating and air conditioning system will not be designed under a so-called 'design-build' arrangement.

Final Plans are those working drawings, plans, specifications, elevations, finishes and other documents, including, without limitation, the Engineered Plans, prepared by the Designers and approved by the parties in accordance with this LIA.

General Contractor means **Vila Construction**, the general contractor selected by Landlord, and approved by Tenant, or so such other general contractor that Landlord may reasonably request and which Tenant shall consider and accept unless Tenant has reasonable cause to reject. Tenant may elect to contract directly with certain vendors for particular services for the construction of the Premises, and the total cost for work contracted through the Landlord shall be adjusted downward accordingly.

Landlord's Representative means **Matt Sherrill** or such other person as Landlord shall designate in writing to Tenant as its authorized representative for the purposes of administering this LIA. Landlord's Representative shall have no right to modify any term or conditions of this LIA or the Lease.

Laws and Orders shall have the meaning set forth in **Section 12.1** of the Lease.

Leasehold Improvements means the improvements, modifications, and alterations to be constructed in or about the Premises in accordance with this LIA.

Permits means the permits, approvals, and consents of governmental authorities and third parties having jurisdiction over the Leasehold Improvements that are required for commencement and completion of the Leasehold Improvements, including without limitation, conditional use permits, building permits, sign permits and other permits.

Punchlist is defined in **Section 5.2** of this LIA.

Substantial Completion or Substantially Completed or Substantially Complete is defined in **Section 5.1** below.

Scheduled Completion Date means the scheduled date for Substantial Completion of the Leasehold Improvements as specified in **Section 2.3** of the Lease.

Tenant Delay means any actual delay in the Substantial Completion of the Leasehold Improvements as a consequence of:

a. Tenant's failure to fulfill its obligation as set forth in the Design and Construction Schedule, or this LIA which is not cured within twenty-four (24) hours following written notice to Tenant of the default;

b. Change Orders requested by Tenant, provided the delay will not exceed the amount of delay specified in the Change Order;

c. A willful or negligent act or omission of Tenant or Tenant's Representative, Tenant's agents, or employees that interferes with the progress of the work and which is not remedied within twenty-four (24) hours after delivery of notice from Landlord's Representative to Tenant's Representative of the interference.

Tenant's Design Requirements means the documents included in **Attachment C** to this LIA.

Tenant's Representative means **County of Sonoma, General Services Department, FDM Division**, or such other person as Tenant shall designate in writing to Landlord as its authorized representative for the purposes of administering this LIA.

Tenant's Work means furniture, fixtures and equipment not shown or described in Tenant's Design Requirements or the Final Plans, telephone cable from the Building's point-of-demarcation to and within the Premises, computer cable within the Premises, interior signs not shown or described in Tenant's Design Requirements, Tenant's security system if one is to be installed, and Tenant's personal and business property.

ARTICLE II

DESIGNATION OF REPRESENTATIVES

2.1 Designation of Representatives. Landlord and Tenant respectively appoint Landlord's Representative and Tenant's Representative as their sole representatives for the purposes of administering this LIA. Until replaced upon written notice, Landlord's Representative and Tenant's Representative will have the full authority and responsibility to act on behalf of Landlord and Tenant, respectively, as required in this LIA, but shall have no right to modify this LIA or the Lease or to waive any materials right of his or her principal under this LIA.

ARTICLE III

CONTRACT DOCUMENTS AND PERMITS

3.1 Retention of Architect, Design Process and Delivery of Tenant's Design Requirements. Landlord shall retain the Architect to prepare the plans and specifications for the Leasehold Improvements in accordance with the Design Process and Tenant's Design Requirements. Landlord shall also retain the HVAC Engineer to prepare the Engineered Plans in accordance with the Design Process and Tenant's Design Requirements.

3.2 Preparation and Approval of Final Plans. Landlord shall cause the Architect to prepare proposed Final Plans (which Final Plans shall include, but not by way of limitation, the Engineered Plans) which shall conform to Tenant's Design Requirements, on or before the last date specified in the Design Schedule for completion of such items. Tenant shall review the Final Plans and deliver to Landlord Tenant's written approval or disapproval of the Final Plans within the time limits stated in the Design Schedule. If Tenant disapproves in any respect the Final Plans, the parties shall confer and negotiate in good faith to reach written agreement on such item(s), using all reasonable efforts to achieve final agreement on such item(s) by the last date for agreement specified in the Design Schedule. Tenant

agrees to work closely with the Architect to value engineer the proposed Final Plans, provided, however, that, such value engineering shall not compromise Tenant's Design Requirements.

3.3 Standards for Consent. Tenant shall not unreasonably withhold its approval of the Final Plans, unless the Final Plans do not conform to the Tenant's Design Requirements or unless the Leasehold Improvements are unsuitable for the conduct of Tenant's business. Any disapproval by Tenant shall be accompanied by a written statement of the disapproved item, the reasons for disapproval, and the specific changes required to make the Final Plans acceptable. If Tenant's written notice of disapproval is not delivered in accordance with the time limits and standards set forth in this section, approval shall be deemed given.

3.4 Application for Approvals. When Tenant approves the Final Plans, Landlord shall submit them to all appropriate governmental agencies and third parties for issuance of the Permits required for the construction of the Leasehold Improvements and occupancy by Tenant of the Premises for its intended use; provided that Landlord may elect in its discretion to proceed with the construction of the Leasehold Improvement without Permits, in which case any references to the issuance of, or compliance with, Permits in this LIA shall be disregarded. Landlord shall use all reasonable efforts to obtain the Permits within the time permitted by the Design Schedule.

3.5 Changes to Construction Documents. After being approved by Tenant in accordance with the foregoing, the Final Plans established in accordance with Article III, may be modified only by a written "Change Order" executed by Landlord and Tenant, which clearly describes: (a) the change; (b) the party required to perform the change; (c) any modification of the Final Plans necessitated by the Change Order; and (d) the cost or credit to Tenant, if any, of the Change Order. Neither Landlord nor Tenant shall unreasonably withhold or delay its approval of any Change Order (whether requested by a party or required by Law and Orders).

ARTICLE IV

PERFORMANCE OF THE WORK

4.1 Selection of Contractors. When Tenant has approved the Final Plans and Landlord has obtained the Permits required for construction of the Leasehold Improvements, Landlord shall cause the General Contractor to prepare and circulate an appropriate bid package for bidding by the various subcontractors (the "Contractors"). When the bids are received and approved by Landlord and Tenant, Landlord shall enter into a guaranteed maximum cost construction contract with the General Contractor based on the lowest qualified subcontract bids selected by Landlord, and approved by Tenant and General Contractor. No Contractor shall have any direct right or remedy against Tenant for payment of any sum or performance of any obligation with respect to the Leasehold Improvements.

4.2 Commencement and Completion of Leasehold Improvements. When all Permits for construction of the Leasehold Improvements have been obtained and Landlord and the General Contractor have entered into a construction contract in accordance with Section 4.1 above, Landlord shall cause the General Contractor to commence and to thereafter diligently prosecute the construction of the Leasehold Improvements in accordance with the Permits and the Final Plans, so that the Leasehold Improvements will be Substantially Completed on or before the Scheduled Completion Date. Landlord shall comply with the applicable provisions of California Labor Code Sections 1720.2 and 1770 et seq., regarding general prevailing wages.

4.3 Tenant's Entry. Landlord shall notify Tenant when the Leasehold Improvements are Substantially Completed and shall permit Tenant's contractors to enter into the Premises for the purpose of conducting Tenant's Work. Tenant and Landlord shall cooperate in good faith to schedule, coordinate, and perform their respective construction activities in an orderly manner and Tenant shall comply, and shall cause its contractors to comply, with all reasonable rules and regulations promulgated in writing by Landlord and provided to Tenant for the performance of Tenant's Work in the Premises.

4.4 Standards for Performance of the Work. Landlord shall cause the Leasehold Improvements to be constructed by well-trained, adequately supervised workers, in a good and workmanlike manner, free from design, material and workmanship defects in accordance with all Construction Documents and all Laws and Orders. Notwithstanding anything stated to the contrary in the Lease or this LIA, Tenant's acceptance of possession of the Leasehold Improvements shall not waive this warranty and Landlord shall promptly remedy all violations of the warranty at its sole cost and expense.

ARTICLE V

COMPLETION OF THE WORK

5.1 Substantial Completion. Landlord's Work shall be deemed "Substantially Complete" when: (a) construction of the Leasehold Improvements has been substantially completed in accordance with the Final Plans, the Permits, and Laws and Orders; (b) the Architect has certified that the Leasehold Improvements have been constructed in accordance with the Final Plans; (c) Landlord's Representative and Tenant's Representative agree that all work has been substantially performed, such agreement not to be unreasonably withheld; (d) there is no incomplete or defective work that unreasonably interferes with Tenant's use of the Premises; (e) the Leasehold Improvements are ready for occupancy by Tenant (including a Certificate of Occupancy only if Landlord elects to obtain Permits pursuant to Section 3.4) except for the completion of Tenant's Work; and (f) all utilities are hooked up and available for use by Tenant in the Premises. The Substantial Completion Date shall not occur until the Leasehold Improvements are Substantially Completed and Tenant has had at least thirty (30) calendar days to complete Tenant's Work.

5.2 Inspection and Punchlist. Tenant's Representative and Designers shall have the right to enter the Premises at all reasonable times for the purpose of inspecting the progress of construction of the Leasehold Improvements. Landlord shall notify Tenant's Representative when the Leasehold Improvements are Substantially Completed. On receipt of such notice, Tenant's Representative, Landlord's Representative, and the Architect shall inspect the Leasehold Improvements and prepare a written list of any items that are defective, incomplete, or do not conform to the Final Plans or the Permits and Laws and Orders (the "Punchlist"). Tenant may augment the Punchlist at any time on or before sixty (60) days following the Substantial Completion Date. Tenant's failure to specify any item on the Punchlist, however, shall not waive Landlord's obligation to construct the Leasehold Improvements in accordance with this LIA. Landlord shall cause all Punchlist items to be remedied within sixty (60) days after the Substantial Completion Date.

5.3 Delay in Substantial Completion. If the Substantial Completion of the Leasehold Improvements is delayed, the provisions of Sections 2.3 and 2.4 of the Lease shall govern.

ARTICLE VI

PAYMENT OF CONSTRUCTION COSTS

6.1 Duty to Pay Construction Costs. The Leasehold Improvements shall be completed at the sole expense of Landlord, without reimbursement by Tenant, except as Tenant and Landlord may otherwise agree in writing after the date of this LIA. Tenant shall bear all costs of performing Tenant's Work.

6.2 Notice of Non-responsibility. Landlord shall provide Tenant with at least ten (10) days' prior written notice of the date of commencement of construction of the Leasehold Improvements, in order to permit Tenant to post, file, and record such Notices of Non-Responsibility and other instruments as may be necessary to protect Tenant and its property from claims by Contractors for Construction Costs that are to be paid by Landlord pursuant to this LIA.

ARTICLE VII

RISK OF LOSS

7.1 Builder's Risk Insurance. At all times prior to the Substantial Completion Date, Landlord shall maintain, or cause the General Contractor to maintain, so-called contingent liability and broad form "builder's risk" insurance with coverage in an amount equal to the replacement cost of the Premises and the Leasehold Improvements to be constructed pursuant to this LIA.

7.2 Casualty. If the Premises or any portion of the Leasehold Improvements are damaged or destroyed prior to the Substantial Completion Date, the parties shall have the following rights to terminate the Lease:

a. Tenant may terminate the Lease, if (in the reasonable opinion of the Architect) the building cannot be restored and the Leasehold Improvements Substantially Completed prior to one hundred twenty (120) days after the Scheduled Completion Date.

b. If the Lease is so terminated, Landlord shall be entitled to the proceeds of the builder's risk insurance specified in Section 7.1.

c. If the Premises or the Leasehold Improvements are damaged or destroyed prior to the Substantial Completion Date and the Lease is not terminated pursuant to this section, Landlord shall promptly and diligently cause the General Contractor to restore the Premises and complete the construction of the Leasehold Improvements. Landlord shall be entitled to the proceeds of the builder's risk insurance specified in Section 7.1.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this LIA, intending to be bound by it as of the Effective Date.

LANDLORD: **SR OFFICE PROPERTIES DE, LLC**, a Delaware limited liability company

By: G&W Ventures, LLC, a California limited liability company, its Manager

By: 
Matthew T. White, Manager 

REDBIRD SR OFFICE PROPERTIES DE, LLC, a Delaware limited liability company

By: Redbird Investment Group LLC: Santa Rosa Office Series, a Delaware Series limited liability company, its Sole Member

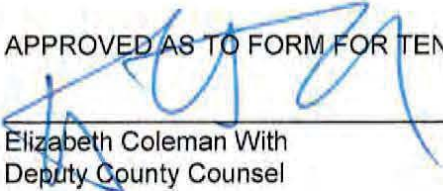
By: Redbird Investment Group LLC, a Delaware series limited liability company, its Sole Member

By: 
 Bruce J. Cardinal, Trustee of The Bruce J. Cardinal Living Trust Agreement dated December 15, 1997, its Managing Member

TENANT: **COUNTY OF SONOMA**, a political subdivision of the State of California

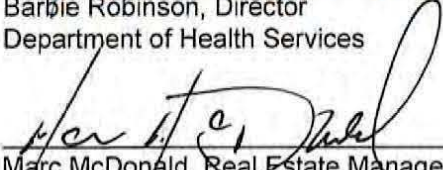
By: 
Caroline Judy, Director
General Services Department

APPROVED AS TO FORM FOR TENANT:


Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:


Barbie Robinson, Director
Department of Health Services


Marc McDonald, Real Estate Manager
General Services Department

Attachment A

Design and Construction Schedule

SCHEDULE	DATE or DAYS TO COMPLETE
1. County approves final space plan	
2. County submits space plan to LL	
3. LL applies for permits and completes architectural drawings	
4. Architect completes Construction Drawings	
5. Tenant will approve, conditionally approve or disapprove the Construction Documents	
6. Architect completes the Final Plans and Specifications	
7. County orders furniture	
8. Tenant will approve/disapprove the Final Plans	
9. Last day for Landlord and Tenant to agree upon and initial Final Plans	
10. Last day for Landlord to obtain all Permits	
11. Scheduled Completion Date of Leasehold Improvements and start of County Fixturization period	
12. Last day for Substantial Completion of Leasehold Improvements	
13. Fixturization period completed	
14. Punch list and final (walkthrough and correction)	
15. The last day that LL can give County notice that the work is substantially completed, or County may terminate	

CLIENT TARGET MOVE-IN DATE: _____

Attachment B

Design Process

Landlord's Architect is the architect and designer of record for the Leasehold Improvements. The parties agree to use all reasonable efforts to complete the design documents for the Premises. Tenant shall provide Landlord with a preliminary architectural program and outline specifications for the Leasehold Improvements (the "Program"). Based on said Program, Tenant's Architect shall provide professional architectural, engineering and other services to the Tenant as outlined below.

Schematic Design. The schematic design phase shall be completed by Tenant's Architect, who is the architect and designer of record for the Leasehold Improvements. The parties agree to use all reasonable efforts to complete the design documents for the Premises. Tenant shall provide Landlord with a preliminary architectural program and outline specifications for the Leasehold Improvements (the "Program"). Based on said Program, Tenant's Architect shall provide professional architectural, engineering and other services to the Tenant as outlined below.

Schematic Design. The schematic design phase has been completed by ***Jennifer Jensen, Basin Street Properties***, and is reflected by Tenant's Design Requirements attached hereto as **Attachment C**.

Design Development. Based on Tenant's Design Requirements attached hereto as **Attachment C**, the Tenant's Architect shall prepare, for approval by the Tenant, design development documents ("Design Development Documents") to fix and ascribe the size and character of the Leasehold Improvements as to architectural, structural, mechanical, electrical, and other elements. In addition, the Design Development Documents shall include the following details: (a) specific electrical, mechanical and fire sprinkler distribution plans, including, without limitation, the Engineered Plans (as defined above); (b) a reflected ceiling plan; (c) millwork and cabinet elevation drawings and door details; (d) a separate telecommunications and computer systems cabling plan; (e) three color finish boards (including specifications, swatches and samples); and (f) other details required including, without limitation, building security and safety system plans. Architect shall advise Tenant and Landlord of any adjustments to the schedule.

Final Plans (Construction Documents). Based on the approved Design Development Documents and updated schedule, Tenant's Architect shall prepare the Final Plans and Specifications for approval by the Tenant and Landlord.

Attachment C

Tenant's Design Requirements/Outline Specifications

I GENERAL REQUIREMENTS

II CONSTRUCTION AND CODE CRITERIA

III DESIGN REQUIREMENTS

Division 2	Sitework	
	A	Parking
Division 6	Wood and Plastics	
	A	Cabinets
Division 7	Thermal and Moisture Protection	
	A	Exterior Walls
	B	Roofs
Division 8	Windows and Doors	
	A	Windows
	B	Doors
	C	Hardware
Division 9	Finishes	
	A	Floors
	B	Carpet
	C	Ceilings
	D	Window Coverings
	E	Painting
Division 10	Specialties	
	A	Toilet Room Accessories
	B	Signs
	C	Modular Systems Furniture (MSF)
Division 13	Special Construction	
	A	Sound Control
Division 15	Mechanical	
	A	Plumbing
	B	HVAC
Division 16	Electrical	
Division 17	Security System	

I - GENERAL REQUIREMENTS

A The Premises shall consist of the usable square footage described in Section 1.1 of the Lease and appurtenant facilities complete and ready for occupancy and in accordance with attached sketch plans and these outline specifications.

B The Tenant's intent is to achieve adequate standards of quality and yet to avoid unnecessary alterations so that in all cases where Tenant agrees an existing feature meets requirements specified herein, the Landlord's obligation is only to maintain that feature, as it exists.

C These specifications and design criteria describe minimum standards of quality and construction for Premises. Construction methods or materials other than those mentioned herein may be acceptable if in the opinion of the Tenant they provide equal appearance and utility. Prior approval in writing must be secured before substitution. Any deviations from the Exhibits of the Lease shall require approval from the Tenant.

D Any reference in these documents to "plans", "sketch plans", or "as shown on plans" should be construed to mean as shown or described in Attachment C-1.

E In case of conflict between the sketch plans and these "Outline Specifications" the sketch plans shall supersede these specifications. When such conflict is discovered, contact the Tenant for clarification and/or interpretation.

F Submit copies of design documents (drawings, calculations, electrical needs, lighting system, and proposed heating, ventilating, and cooling system) to Tenant for review and conceptual approval. Documents shall be retained by Tenant and shall be provided at no cost to Tenant. Submittals shall be made at two stages:

Submittal Stage 1: Submit documents at end of design development stage. Tenant's conceptual approval will be required prior to moving on to the working drawing phase.

Submittal 2: Prior to commencing construction, provide Tenant with copy of permit set of documents as approved by local building authority.

G Should the Tenant make comments with regard to working drawings and specifications, they shall be construed as advisory only and shall not relieve Landlord from sole responsibility for conformity of the Premises to all lease exhibits or attachments, or compliance with all applicable codes and regulations.

II - CONSTRUCTION AND CODE CRITERIA

A Premises when completed shall conform to applicable codes, ordinances, and zoning laws and shall be constructed in accordance with sound engineering practices. Landlord shall obtain a building permit for required construction and tenant improvements from the local authority and, upon completion of construction, a Certificate of Occupancy. Landlord shall furnish the Tenant with copies thereof.

B Prior to beginning construction, submit proposed construction schedule for Tenant's review and approval.

C Landlord shall furnish certification from the local Fire Marshal that Premises comply with local fire regulations, as appropriate. If Tenant detects either before or after occupancy fire, safety or health hazards, Landlord shall correct them at the Landlord's sole cost and expense. Premises shall include installation and annual servicing of fire hoses and extinguishers in cabinets located as required by codes as applied by officials responsible.

D Landlord hereby guarantees that Premises, when completed and ready for occupancy, are tenantable and that mechanical, electrical, plumbing, and all other facilities and features (including architectural finishes, paint, hardware, doors, floor covering, etc.) are of quality capable of giving satisfactory service in accordance with these specifications and for the full term of the Lease. All labor shall be especially skilled for each kind of work and all workmanship must be thorough and first-class in all respects.

E Where the Tenant occupies any portion, or all of a multi-story building, the Landlord shall provide an emergency evacuation plan for the tenants. The plan shall be coordinated with the tenant agency Emergency Coordinator. In addition to any code required exit signage, Landlord shall provide sufficient "key" floor plans to clearly

delineate emergency exit routes, corridor located fire extinguishers and fire alarm pull stations. Key plans shall be located in central traffic areas, wall mounted and framed under glass, minimum size 8" x 10".

F The requirements of CCR Title 24, State Building Code relative to Access Law Compliance, and Americans with Disabilities Act (ADA), and Uniform Federal Access Standards (UFAS), must be included in the planning of these Premises. All new construction work shall be planned to comply with the above-mentioned standards. Modifications of existing conditions to reach compliance are also required unless the alterations and cost meet the qualifications for unreasonable hardship.

G Hazard Communication Program (for work in and adjacent to areas already occupied by Tenant): Always use the least hazardous material available that will achieve required results. Prior to beginning any construction in or adjacent to spaces already occupied by Tenant, Landlord shall provide the following information:

1. MSDS (Material Safety Data Sheets) or other appropriate literature on any hazardous materials (paint thinners, solvents, mastics, etc.) that will be used during construction.
2. Identify any procedures likely to produce vapors, odors, fumes, dust, etc. Such procedures shall only be undertaken during times when adjacent areas are not occupied (i.e. evenings, weekends). Provide adequate ventilation to ensure that all vapors, etc. are expelled from building prior to next business day.
3. Any safety precautions Tenant should take regarding proposed construction.

III - DESIGN REQUIREMENTS

2 – Sitework

A Parking: If parking is shown or indicated on plans or in lease documents, it shall have pre-cast concrete bumpers or curbs to protect property and pedestrians and shall be paved, including paved access from street and be properly graded for effective disposal of surface water away from building, and off site. Each stall shall have unobstructed individual access. Mark parking stalls with painted 4" wide stripes of white traffic paint or indicate by marker buttons. Provide appropriate designation of space for Tenant and ADA requirements.

B Provide accessible route between handicap-designated parking space/s and main building entry serving each tenant space.

6 - Wood and Plastics

A Cabinets:

1. Provide new cabinetwork as shown and where indicated on plan. Manufacture items per the current edition of the Woodwork Institute of California (WIC) "Manual of Millwork" standards for "Custom Grade" millwork. Each item of casework and plastic laminate counter top shall be built in accordance with WIC standards. Cabinet core materials shall be veneer core hardwood plywood or 3/4" medium density fiberboard (MDF). High-density particleboard and tempered hardboard products will not be permitted. Countertop core materials shall be plywood. No product containing formaldehyde shall be used.

2. Cabinets shall be of sizes and types indicated on the plans. Unless otherwise noted, base cabinets shall have one row of drawers and one adjustable shelf below with hinged doors unless noted otherwise. Provide a 4" toe space at base cabinets. Upper cabinets shall have two rows of adjustable shelves and hinged doors unless noted otherwise. Access openings and other cutouts to plumbing and electrical fixtures and lines shall be provided by the cabinetmaker; field cutouts shall be minimized and shall be finished to match casework.

3. Counter tops and cabinets shall be covered with plastic laminate at all exposed surfaces. Counter tops shall be self-edged unless otherwise noted. Counter tops with sinks shall have a no-drip, bull-nose edge, and an integral cove, with a sanitary metal rim around the sink or a self-rim stainless steel sink. Other materials may be submitted to the Tenant for approval.

4. Where concealed, shelves may be of minimum 3/4", white melamine, per WIC Specifications. Cover exposed edges with plastic laminate or hardwood edging.

5. Face of millwork to be high-pressure decorative plastic laminate: NEMA LD-3 grades as required by Tenant Specifications. Use Formica, Wilsonart, Nevamar, or equal, subject to approval by Tenant.
6. Provide 3-way adjustable European-style concealed hinges and wire pulls plated to match hardware.
7. Finishes for casework shall be plastic laminate. Color to be selected by Tenant.
8. Design all casework to meet the requirements of ADA. Work surfaces and counters shall be adjustable in height wherever possible for accessibility and flexibility.

7 - Thermal and Moisture Protection

A Exterior walls, including door and window assemblies, shall be constructed or processed so that they are weatherproof. Seal all visible cracks that allow outside air to penetrate the building's envelope. Exterior walls shall be insulated such that the heat transfer values from the wall to the occupied space comply with CCR Title 24, Part 2.

B Roof shall be weather tight and provided with suitable drainage system that will effectively dispose of roof water without interfering with use of Premises. Roof shall be insulated such that the heat transfer values from roof to occupied area complies with CCR Title 24.

8 - Windows and Doors

A Windows:

Glazed openings in office partitions shall have 3'-6" high sill unless noted otherwise on plans. Glass shall be clear unless noted otherwise and shall meet all applicable code requirements. All products shall be commercial grade.

B Doors:

1. All interior doors shall be of minimum dimension 3'-0" x 6'-8" x 1-3/4" thick, flush solid core wood. Doors with mortise locksets shall be solid core. Face veneer shall be rotary cut book-matched premium birch or maple or beech suitable for stained or natural transparent finish. All double doors to be "book matched".

2. Glass view panels in interior doors shall be minimum 3/16" clear float glass, tempered as required by code.

3. Fire-rated door and frame assemblies shall be installed where noted or as required by code. Doors and frames shall bear Underwriters Laboratory (UL) label for required fire resistive rating. Modification of labeled assemblies will be subject to inspection and approval by the Office of the Fire Marshal who may require re-testing and/or re-certification.

4. Doors separating conditioned and unconditioned space shall be weather stripped or have a door gasket to effectively and reliably limit air infiltration. Adhesive foam-type or felt weather-stripping is not acceptable.

C Hardware:

1. Furnish and install hardware required for complete installation, including but not limited to, hardware for locks, latches, door butts with non-removable pins on out swinging exterior doors, door stops, and, where indicated on plan, metal thresholds, metal kick plates, metal push plates, single or double acting self-closing gravity operated gate hinges.

2. Provide lever type hardware to comply with Title 24 Access and ADA requirements. Locksets and latch sets shall be "Schlage," or approved equal. Interior office doors may have Schlage "AL" series latch sets or equal. Doors providing access to Premises, isolated storage rooms and other doors shall have a lock, shall have Schlage "D" Series or equal. **Provide 6-pin cylinder capable of being keyed to Tenant's master key system (confirm requirement with Tenant prior to installation).**

3. Provide adjustable door closers on entrance doors, doors to toilet room and their vestibules, doors between leased spaces and public areas, and on other doors where noted on the plan. Spring-loaded hinges will not be allowed in lieu of door closers.

9 - Finishes

A Floors:

1. Concrete floors in janitor closets, heater or utility rooms shall be cleaned and treated with epoxy coating. Office areas throughout shall have carpet or other floor covering per Exhibit A with 4" top-set rubber base, unless otherwise specified. Floor covering shall extend under counters and cabinets. Colors and patterns shall be as selected or approved by Tenant.

2. Floors in toilet rooms shall be of nonabsorbent material impervious to moisture (such as sheet vinyl, terrazzo, ceramic tile, or approved equal material) with 6" minimum base. Provide 4' high wainscot of equal material at plumbing fixture walls, walls within water closet compartments, and walls within 24" of the front and sides of urinals. Exposed concrete floors are not acceptable in toilet rooms.

B Carpet:

All other areas shall receive new carpeting. Carpeting may be either broadloom or carpet tiles. Approved products: Lees Commercial Grade - Lineage, Interface Carpet Mills - Quantum Plus Series, Moiré Plus Series with Protekt 2, or equal. Broadloom carpet shall be of level loop or multi-level loop broadloom, nylon face yarn, Antron or BASF with inherent static control, minimum 28 oz./sq. yd. face yarn weight. No pads will be used. Pattern and color as per drawings, or approved equal.

C Ceilings of office areas including reception, corridors, and office storage areas shall have acoustical ceilings of "T" bar systems with new acoustical lay-in panels or other approved material with equivalent acoustical qualities. Ceiling height shall be a minimum of 9'-0" and a maximum of 12'-0". If existing "T" bar system is in place, the grid shall be painted and new tiles installed.

D Window Coverings (horizontal blinds) will be provided on all exterior windows and office sidelights. Acceptable manufacturer is Riviera Dust Guard 1-inch Blind by Levolor. Include cord lock and hold down brackets.

E Painting: Unless otherwise note, all walls to be painted.

1. Colors shall be as selected or approved by Tenant. Provide 12" x 12" brush-out samples off all proposed colors prior to painting.
2. Interior walls and ceilings and painted sash, doors, and trim shall be in clean, newly painted condition.
3. Walls and plaster or gypsum board ceilings shall be finished in latex semi-gloss stipple enamel.
4. Painted doors and trim shall be finished in latex semi-gloss enamel.
5. Where existing acoustic tile is painted, it shall be finished with non-bridging paint "Off-White".
6. Stained or natural finished wood shall be finished with sealer and lacquer.
7. New partitions without factory finish shall be painted with one coat of primer/sealer and two finish coats of best quality latex semi-gloss stipple enamel.
8. Painted doors and trim shall be latex semi-gloss enamel.
9. Stained or natural finish wood shall be finished with sealer and two coats lacquer.
10. Where non-matching contiguous painted surfaces result from preparation of the Tenant's Premises, matching paint shall be applied extending to natural break points of the surfaces in question.
10. Landlord's architect to provide 3 color boards of distinctly different finishes for approval by tenant. An individual qualified to select finishes shall prepare the boards. The selected board is to be retained by the tenant for verification purposes.

10 - Specialties

A Toilet Room Accessories: Each toilet room shall include paper towel holder(s), waste receptacle(s), soap dispensers, and mirror with shelf below for each lavatory. Provide a Diaper Changing Station in each woman and men's public restroom. Station shall be Bobrick or equal. Each woman's toilet room shall include a coin-operated sanitary napkin dispenser. Each toilet stall shall include a toilet paper holder (single roll with continuous paper flow), toilet seat cover dispensers, inside locking device and a coat hook. In addition, in each woman's toilet stall shall include a folding purse shelf and a sanitary napkin receptacle. All dispensers to have stainless steel finish. Accessories must comply with California Accessibility Code 3105.A (6).

B Signs: It is the intent of this paragraph to provide the Tenant with proper identification for the public's information. Signage shall be placed to suit the building configuration and the entrance to the Tenant's Premises.

1. Interior: All signs to comply with California Accessibility Code. On or near entrance door, install the words "COUNTY OF SONOMA" and name of County agency and address numbers as directed. Signage shall be per building standard subject to approval by the Tenant. Painted or pressure sensitive vinyl letters are not acceptable, unless approved in writing by tenant. Provide similar agency identification signage in the building directory, if any. Each toilet room shall have required identification signs.

2. Exterior: Letters shall be of cast aluminum alloy, bronze, black anodized finish, dimensional plastic, or as approved by the Tenant. Submit catalog or sample for approval by the Tenant. The words "COUNTY OF SONOMA" shall be 6" high and the name of the department shall be 10" high. Sign shall include street address numbers 4" high.

C Modular Systems Furniture Projects (MSF) -- The Tenant may elect to provide and install MSF in lieu of traditional office furniture. MSF may be comprised of any combination of freestanding partition panels, panel supported worktops, files, components, and integrated circuitry and access raceways for provision of electrical power and voice and data cabling. The system is typically provided with a hardwired connection for phone, data, and electric service.

If the Tenant elects to use MSF as described above, it will complete all procurement procedures for purchase of MSF and will coordinate the installation of the MSF (excluding hardwiring of Landlord supplied utilities and connections). Landlord shall provide access to building and facilities to Tenant and its MSF installer as required during MSF installation period. Tenant will provide Landlord with MSF layout drawings showing panel and workstation configurations, panel sizes, point of connection (POC) for Landlord-supplied utilities (phone, data, electric), and utility requirements.

Landlord shall ensure that building electrical/mechanical systems and capacities are compatible with MSF design requirements. Landlord shall ensure MSF lay out drawings are used to coordinate location of wall-mounted equipment such as access panels, thermostats, fire extinguishers, etc., and will relocate existing equipment as required to accommodate MSF layout.

Landlord shall be responsible for coordination and delivery of electrical, service and phone/data outlet boxes and conduits to MSF "Point of Connection" (POC) - generally a junction box at wall or above ceiling) as indicated on MSF installation and wiring cable plans to be provided by Tenant. Tenant will provide Landlord with required MSF utility "whip" and Landlord shall also be responsible for hardwiring "whip" at POC. This work shall be coordinated to occur concurrently with MSF installation. Landlord shall obtain any required permits from the local jurisdiction.

Coordination of delivery and installation of MSF is critical to timely occupancy by the tenant agency, as business cannot be conducted until power, voice, and data components are fully operational. Tenant shall provide installation schedule to Landlord, and once agreed upon, both parties may not change this schedule without agreement. If Landlord fails to meet the installation date, Landlord shall be responsible for storage and associated delivery costs of MSF if delivery schedules cannot be adjusted to conform to new schedules.

Installation of modular systems furniture may not take place until construction of tenant improvements is substantially complete. Conditions required for said completion are:

- a. Building official approval of electrical and cabling systems to the point of connection.
- b. Installation of floor covering.
- c. Substantial completion of project punch list.

13 - Special Construction

A Sound Control: Construction of equipment rooms and toilet rooms shall be such as to prevent transmission of sound or vibration to office areas (minimum sound transmission class (STC) rating of 50 STC. Access to mechanical rooms shall not be through office areas. All other walls shall be a of minimum STC 35 rating.

15 - Mechanical

A Plumbing: If not shown on plans, provide plumbing fixtures in number and type required by the California Plumbing Code.

Provide hot and cold water at each lavatory and sink, per CPC and CCR Title 24, Part 5.

Provide one or more ADA compliant refrigerant drinking fountains within close proximity to office Premises or as indicated on plans. Soldered connections on water supply lines shall use ASTM 832, Grade 5A 95-5 Tin Antimony solder. Lead solder is not allowed.

At fixtures provided for the Tenant's exclusive use, provide the following:

1. Set temperature of hot water to lavatories and sinks at maximum 105° F.
2. Water heaters and storage tanks shall be fitted with external insulation blankets rated at a minimum thermal resistance value of R-6 unless the existing insulation jacket is in excess of R-12.

B Heating, Ventilating, and Air Conditioning (HVAC): A comfort conditioning system shall consist of a fully automatic heating, cooling, and ventilating system providing air continuously during occupied hours to areas designed for occupancy, including storage-work rooms, lounge, etc. Provide adequate ventilation and cooling to maintain proper operating temperature for equipment in telephone/communications room and other support spaces.

Systems shall be zoned for each exposure and for interior zones, each zone of size and shape to ensure even distribution and temperature control throughout occupied space. Each zone shall be able to be independently controlled without affecting airflows or air temperature supplied to other zones. Each zone shall require a separate air-handling unit unless Tenant specifically agrees to an alternative design.

The heating and cooling system shall maintain the following temperatures in all occupied areas: Winter 70°F; Summer 75°F.

Prior to construction, submit to Tenant detailed heating and cooling calculations (including loads for lights, occupants, and equipment), equipment data sheets. All calculations and related design documents shall be prepared and signed by licensed engineer. The cooling load for conference rooms, hearing rooms, public lobbies, waiting rooms, and employee rooms shall be based on occupancy of 25 SF per person. Cooling load for all other areas shall be based on occupancy of 100 SF per person.

Distribution ductwork shall be properly insulated in accordance with the California Mechanical Code (CMC). Ductwork shall be concealed or integrated into the architectural design of the interior space. Air distribution system shall be capable of draft less operation at acceptable noise level while handling designed flow of air. Return air shall be conducted through registers connected to ductwork or plenum above ceilings, except as otherwise approved by the Tenant. The ductwork construction and installation shall conform to the appropriate Sheet Metal and Air Conditioning Contractors National Association, Inc. (SMACNA) low velocity, high velocity, or fibrous glass duct construction standards.

Individual supply and return air outlets shall be provided in each enclosed area. Offices between 150 and 250 square feet shall be provided with two supply and one return air register. Undercutting of doors, door grilles, or jumper ducts are not acceptable alternates to ducted returns.

Minimum outside air ventilation shall be 20 cfm per person. The complete hydronic and air system shall be checked, adjusted, and balanced during construction and re-balanced after occupancy by an established air-balancing firm in accordance with the AABC Standards. Certified balance reports shall be delivered to the Tenant upon occupancy of the building. Thereafter, out-door air damper operation and outdoor air quantities shall be verified by an established air balancing firm and a report delivered to the Tenant annually as requested by the Tenant.

A design supply airflow of .75 cfm per SF. in interior of windowless perimeter spaces is acceptable.

Toilet rooms shall be provided with a mechanical exhaust system providing a minimum of 15 air changes per hour. Replacement air shall be supplied from the building system. Individual supply ducts for sound lined jumper ducts are acceptable. Where toilet rooms have individual exhaust fans, the fan operation shall be interlocked with the toilet room light switch. Exhaust air shall be ducted to the outside.

Thermostats shall be provided for the regulation of the "daytime" temperature, in each zone without manual attention by tenant. The thermostats shall include automatic changeover from heating to cooling. "Dead-band" thermostats shall be used with adjustable range where no heating or cooling is activated. The temperature range of the thermostats shall be minimum 55F to 85F. Lockable tamperproof covers shall be provided. Thermostats shall be cleaned, calibrated. Room thermostats shall be located in representative location (out of sun, out of diffuser blow, and not on walls near return air devices). Thermostats on exterior walls shall be on insulated bases.

Provide one winter night setback thermostat for each air-handling unit. The thermostat shall cycle the heating system to maintain 55F.

One or more readily accessible, adjustable, automatic-control time clocks (7-day), battery, spring loaded, or energy management start/stop systems (micro processors) shall be provided to allow the shutoff and startup of the heating, ventilating, and cooling equipment for off-hour energy control. Locate control unit in mechanical room or as directed by the Tenant. Tenant shall determine maximum daily hours of operation. Provide one-hour bypass timers where after-hours operation is noted on plans.

Filtration shall be provided for all ventilated (outside air) and re-circulated air. Low static pressure filters shall be used, with 0.15" maximum pressure drop when clean, except in areas requiring a cleaner atmosphere.

All equipment shall be inspected for proper operation at least every month. An inspection and maintenance log for time clocks and all major equipment, including the economizer, shall be posted in the mechanical room or in a convenient building location and be available upon request for Tenant inspection.

16 – Electrical

Relocate and/or provide fluorescent lighting at ceilings to provide watts/square foot required by Title 24 overall in each area. Lighting fixtures in individual offices shall be located such that illumination levels within each office are as evenly distributed as possible. Proper lighting at task locations is important.

Light fixtures are to be lamped with high efficiency lamps. New or replacement fluorescent fixtures shall have four foot 32 watt T-8 lamps with energy saving solid state electronic ballast.

Light fixtures shall be installed with a 6' flexible "pigtail" to facilitate rearrangement.

Replace incandescent lamps with compact fluorescent lamps or with circular fluorescent lamps wherever possible.

In building designed for a return air plenum, light fixtures shall be of the return air type.

Wall switches shall control lights. All light switches shall be installed within the space controlled by them or near entrances and exits to areas served. Three-way switches shall be provided in corridors and spaces with more than one entrance. Switches shall be located at the interior office wall the door opens onto and shall be mounted a maximum of 44 inches above the finished floor and between 12 and 36 inches horizontally of the end of the door in a fully open position though never behind the door itself.

Any panel switches shall have a 7-day spring or battery loaded time clock set for a maximum of 10-1/2 hours or operation daily. Time clocks shall have manual override with one-hour reset. Override shall be accessible to tenant.

Provide motion sensors for all areas.

Provide dual switching to provide even half-level lighting in enclosed areas (100sf. or larger) in accordance with Title 24, Sec. 2-5319(c).

Any parking and outdoor lights (non-security) shall have photocell control or a 7-day spring or battery loaded time clock set to suit Tenant's after-hours needs.

Duplex convenience outlets shall be 20 ampere 125 volt 3 wire grounding type.

Provide wiring and electrical switching and control equipment for heating, ventilating, and cooling equipment and other special power or heating equipment. Provide special outlets, dedicated circuits, isolated ground convenience outlets, etc., for copy machines, word processing equipment, data processing equipment, etc., where shown on plan. Dedicated circuits shall have individual black wire from outlet to panel neutral bus. Green wire shall be run to building ground via an isolated ground panel bus. (Green wire may be ganged from outlets to isolated ground panel bus.) Landlord shall furnish certification from electrical contractor that this work has been installed in compliance with specifications and vendor's equipment requirements.

Each office and open work station shall be provided with the following unless the existing conditions currently meet these requirements (note: outlets and jacks shall be located such that they are hidden from view by the desk or table (i.e. located in the area where furniture directly adjoins a wall or within 24 inches of the furniture on the user's side of the furniture):

1. Minimum one duplex outlet on the wall adjacent to each desk and data procession (DP) table. When the desk and DP table directly adjoin one another, two duplex outlets may be provided at a wall adjoining either the desk or DP table.

2. Minimum one duplex outlet per wall in each office and workspace and duplex outlet at corridors spaced at no greater than 12 feet apart.

3. Minimum one phone connection at one wall adjacent to each desk. This shall consist of an outlet box in wall with EMT conduit extending from box to 6" above finished ceiling*. Provide nylon pull cord at each location.

4. Minimum one data connection at one wall adjacent to each DP table. This shall consist of an outlet box in wall with EMT conduit extending from box to 6" above finished ceiling*. Provide nylon pull cord at each location.

***Note:** When space at ceiling is not accessible for pulling cables, extend conduit and pull wire to location that will allow Tenant to pull wires unimpeded back to phone/data distribution center.

Landlord shall provide and install all conduits, complete with pull wire, necessary for telephone installation, including conduit from exterior of building to junction box location and telephone distribution centers. Provide 2 – 2" conduit from the Main Telephone Room (MPO) to the telecom room in tenant's space. Provide telephone terminal backboard or terminal cabinet of proper size, as directed by Tenant's telephone vendor company. Provide flush cabinets or closets to enclose all telephone backboards, terminal strips, and telephone equipment except where suitable telephone-company-furnished covers will serve to conceal these items. Provide lighting and power outlet(s) in closets as required. Telephone service outlets shall be as shown and conduit provided to serve these locations. NO ELECTRICAL OR ALARM PANELS WILL BE ALLOWED IN THE TEL/COM ROOM.

Provide 30 percent additional electrical capacity to Tenant leased space for future needs.

17 - Security System

Provide outlet boxes and conduit to support tenant-supplied security system, if required in the plans. Locate outlet boxes in wall adjacent to each location and extend 1/2" conduit with pull cord from outlet to space in ceiling above.

END OF SPECIFICATIONS

Exhibit E

[Acknowledgement of Commencement Date]

LANDLORD and TENANT hereby acknowledge that the Commencement Date of that certain Lease dated _____, 2017, for premises located at **2245 Challenger Way, Santa Rosa, California**, occurred on _____, 2017.

ACKNOWLEDGED BY LANDLORD:

SR OFFICE PROPERTIES DE, LLC, a Delaware limited liability company,

By: G&W Ventures, LLC, a California limited liability company, its Manager

By: _____
Matthew T. White, Manager

REDBIRD SR OFFICE PROPERTIES DE, LLC, a Delaware limited liability company

By: Redbird Investment Group, LLC: Santa Rosa Office Series, a Delaware Series limited liability company, its Sole Member

By: _____
Bruce J. Cardinal, Trustee of The Bruce J. Cardinal Living Trust Agreement dated December 15, 1997, its Managing Member

ACKNOWLEDGED BY TENANT:

COUNTY OF SONOMA, a political subdivision of the State of California

By: _____
Marc McDonald
Real Estate Manager

Exhibit F

Section I: Insurance Required to be Maintained by Landlord

At all times during the term of this Lease, Landlord shall purchase and maintain, at its own expense, but subject to Section 4.5.2 of the Lease, insurance as described below, unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*.

Tenant reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Lease or failure to identify any insurance deficiency shall not relieve Landlord from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during this Lease.

1. Workers Compensation and Employers Liability Insurance

- a. Required if Landlord has employees.
- b. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- c. Employers Liability with minimum limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- d. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Tenant.
- e. Required Evidence of Insurance:
 - i. Subrogation waiver endorsement; and
 - ii. Certificate of Insurance

If Landlord currently has no employees, Landlord agrees to obtain the above-specified Workers Compensation and Employers Liability insurance should any employees be engaged during the term of this Lease or any extensions of the term.

2. General Liability Insurance

- a. Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- b. Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; the General Aggregate shall apply separately to each location. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Landlord maintains higher limits than the specified minimum limits, Tenant requires and shall be entitled to coverage for the higher limits maintained by Landlord.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by Tenant. Landlord is responsible for any deductible or self-insured retention and shall fund it upon Tenant's written request, regardless of whether Landlord has a claim against the insurance or is named as a party in any action involving the Tenant.
- d. **County of Sonoma, its Officers, Agents and Employees** shall be additional insureds for liability arising out of premises owned by or rented to Landlord, (Insurance Services Office endorsement CG 20 26 or equivalent).
- e. The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- f. The policy shall cover inter-insured suits between Landlord and Tenant and include a "separation of insureds" or "severability" clause which treats each insured separately.
- g. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Tenant.
- h. Required Evidence of Insurance:
 - i. Copy of the additional insured endorsement or policy language granting additional insured

- status, and
ii. Certificate of Insurance.

3. Property Insurance for Building

- a. The insurance shall cover the Building (excluding land) and all improvements (except property required to be insured by Tenant pursuant to Section II(4)(a) below) and structures on the land.
- b. Insured perils shall be "special form" or "all risks".
- c. The minimum amount of insurance shall be the full current replacement cost of the building and all improvements and structures on the land, including the cost of debris removal. This amount shall be re-determined annually by Landlord, subject to approval by Tenant.
- d. The insurance shall apply on a replacement cost basis, without deduction for depreciation.
- e. If the policy has a deductible, Landlord shall be responsible for the full amount of the deductible without contribution from Tenant.
- f. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Tenant.
- g. Required Evidence of Insurance:
 - i. Certificate of Property Insurance or Evidence of Commercial Property Insurance.

4. Rental Value Insurance

- a. The insurance shall cover loss of rents resulting from an insured cause of loss under a "special form" or "all risks" policy.
- b. The period of insurance shall be for a minimum of 24 months.
- c. The limit shall be one hundred fifty percent (150%) of the annual rents payable by all tenants occupying the building.
- d. Required Evidence of Insurance: Certificate of Property Insurance or Evidence of Commercial Property Insurance

5. Reserved

6. Standards for Insurance Companies

Insurers shall have an A.M. Best's rating of at least A:VII.

7. Documentation

- a. The Certificate of Insurance must include the following reference: **County of Sonoma leased premises located at 2245 Challenger Way, Santa Rosa, California.**
- b. All required Evidence of Insurance shall be submitted prior to the execution of this Lease. Landlord agrees to maintain current Evidence of Insurance on file with Tenant for the required period of insurance.
- c. The name and address for Additional Insured endorsements and Certificates of Insurance is: **County of Sonoma, its Officers, Agents and Employees, in c/o General Services Department, Attn: Real Estate Manager, 2300 County Center Drive, Suite A220, Santa Rosa, CA 95403.**
- d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- e. Landlord shall provide immediate written notice if: (1) any of the required insurance policies is terminated; or (2) the limits of any of the required policies are reduced.
- f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

8. Policy Obligations

Landlord's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

9. Material Breach

If Landlord fails to maintain insurance which is required pursuant to this Lease, it shall be deemed a material breach of this Lease. Tenant may give notice to Landlord to reinstate or acquire the affected insurance. Should Landlord fail to reinstate or acquire the affected insurance within ten (10) days of

Tenant's notice to reinstate or acquire such insurance, Tenant may either terminate this Lease, reinstate or acquire the affected insurance, and Landlord shall reimburse Tenant for the necessary cost at Tenant's option.

Section II: Insurance Required to be Maintained by Tenant

At all times during the term of this Lease, Tenant shall purchase and maintain, at its own expense, insurance or self-insurance as described below.

1. General Liability Insurance

- a. Commercial general liability insurance (occurrence form) having a combined single limit of not less than \$2,000,000 per occurrence and \$2,000,000 aggregate per location, if Tenant has multiple locations, providing coverage for, among other things, blanket contractual liability, premises, product/completed operations and personal injury coverage (in a form, with a deductible amount, and with carriers reasonably acceptable to Landlord).
- b. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Landlord.
- c. Required Evidence of Insurance: Certificate of Insurance or Letter of Self-Insurance.

2. Automobile Insurance

- a. Comprehensive automobile liability insurance having a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence, and insuring Tenant against liability for claims arising out of ownership, maintenance or use of any owned, hired, borrowed or non-owned automobiles.
- b. Required Evidence of Insurance: Certificate of Insurance or Letter of Self-Insurance.

3. Workers Compensation Insurance

- a. Workers' compensation insurance having limits not less than those required by state statute and federal statute, if applicable, and covering all persons employed by Tenant in the conduct of its operations on the Premises (including the all states endorsement and, if applicable, the volunteers endorsement), together with employer's liability insurance coverage in the amount of at least Two Million Dollars (\$2,000,000).
- b. Required Evidence of Insurance: Certificate of Insurance or Letter of Self-Insurance.

4. Property Insurance

- a. "Special Form" property insurance (or its equivalent if "Special Form" property insurance is not available), including vandalism and malicious mischief, boiler and machinery comprehensive form, if applicable, and endorsement for earthquake sprinkler damage, each covering damage to or loss of (i) all office furniture, trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property in the Premises installed by, for, or at the expense of Tenant, including electronic data processing equipment ("EDP Equipment"), and (ii) any leasehold improvements in the Premises, whenever and by whomever installed or paid for, including any Leasehold Improvements installed pursuant to the LIA and any Alteration (defined in Section 7.1), whether pursuant to this Lease or pursuant to any prior lease or other agreement to which Tenant was a party (the "Tenant-Insured Improvements"). EDP Equipment, media and extra expense shall be covered for perils insured against in the so-called "EDP Form". If the property of Tenant's invitees is to be kept in the Premises, warehouse's legal liability or bailee customers insurance for the full replacement cost of such property.
- b. The foregoing insurance shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by Landlord with respect to the Tenant-Insured Improvements.
- c. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Landlord.
- d. Required Evidence of Insurance: Certificate of Insurance or Letter of Self-Insurance.

5. General

Tenant's commercial general liability insurance policy shall be endorsed to provide that (i) it may not

be canceled or altered in such a manner as to adversely affect the coverage afforded thereby without thirty (30) days' prior written notice to Landlord, (ii) Landlord is designated as an additional insured, and (iii) such insurance is primary with respect to Landlord and that any other insurance maintained by Landlord is excess and noncontributing with such insurance. If, in the opinion of Landlord's lender or in the commercially reasonable opinion of Landlord's insurance adviser, the specified amounts of coverage are no longer adequate, such coverage shall, within thirty (30) days' written notice to Tenant, be appropriately adjusted. Prior to the commencement of the Term, Tenant shall deliver to Landlord a certificate thereof to Landlord for retention by it with endorsements. If Tenant fails to obtain such insurance or to furnish Landlord any such duplicate policy or certificate as herein required, Landlord may, at its election, without notice to Tenant and without any obligation to do so, procure and maintain such coverage and Tenant shall reimburse Landlord on demand as additional rent for any premium so paid by Landlord.

6. **Documentation**

- a. All required Evidence of Insurance shall be submitted prior to the execution of this Lease. Tenant agrees to maintain current Evidence of Insurance on file with Landlord at all times during the term of this Lease.
- b. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing insurance or self-insurance.



BASIN-2

OP ID: CM

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/20/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Don Ramatic Insurance, Inc. P.O. Box 551 Petaluma, CA 94953 W. Thomas Griffith		707-782-9200		CONTACT NAME: W. Thomas Griffith	
				PHONE (A/C, No, Ext): 707-782-9200	FAX (A/C, No): 707-782-9300
				E-MAIL ADDRESS:	
				INSURER(S) AFFORDING COVERAGE	
				INSURER A: TravelersProp.CasualtyCo Amer.	
				INSURER B: TravelersIndemCo ofConnecticut	
				INSURER C: RSUI Indemnity Company	
				INSURER D:	
				INSURER E:	
				INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 002

REVISION NUMBER: 000

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ No Deductible/SIR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☒ LOC OTHER:	X	X	6609C563543TIL17	04/01/2017	04/01/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Emp Ben. \$ 1,000,000
B	AUTOMOBILE LIABILITY ☐ ANY AUTO OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			BA9C56354317CAG	04/01/2017	04/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	UMBRELLA LIAB ☐ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$			NHA242265	04/01/2017	04/01/2018	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 Excess of \$ 25,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Excess Liability			EX2J977347TIL17	04/01/2017	04/01/2018	Limit \$ 25,000,000 Aggregate \$ 25,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Please see holder notes.

Named Insured Includes: SR Office Properties DE, LLC & Redbird SR Office Properties DE, LLC

RE: County of Sonoma leased premises located at 2245 Challenger Way, Santa Rosa, California

CERTIFICATE HOLDER

SONOM09

County of Sonoma
c/o General Services Dept.
Attn: Real Estate Mgr.
2300 County Center Dr Ste A220
Santa Rosa, CA 95403

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – DESIGNATED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Additional Insured Person(s) or Organization(s):

County of Sonoma, its Officers, Agents and Employees
c/o General Services Department
Attn: Real Estate Manager
2300 County Center Drive, Suite A220
Santa Rosa, CA 95403

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR SERVICE INDUSTRIES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|--|--|
| <ul style="list-style-type: none">A. Broadened Named InsuredB. Blanket Additional Insured – Broad Form VendorsC. Damage To Premises Rented To You<ul style="list-style-type: none">• Perils of fire, explosion, lightning, smoke, water• Limit increased to \$300,000D. Blanket Waiver Of SubrogationE. Blanket Additional Insured – Owners, Managers Or Lessors Of PremisesF. Blanket Additional Insured – Lessors Of Leased EquipmentG. Incidental Medical MalpracticeH. Personal Injury – Assumed By Contract | <ul style="list-style-type: none">I. Amended Bodily Injury DefinitionJ. Bodily Injury To Co-Employees And Co-Volunteer WorkersK. Aircraft Chartered With CrewL. Non-Owned Watercraft – Increased From 25 Feet To 50 FeetM. Increased Supplementary Payments<ul style="list-style-type: none">• Cost of bail bonds increased to \$2,500• Loss of earnings increased to \$500 per dayN. Knowledge And Notice Of Occurrence Or OffenseO. Unintentional OmissionP. Reasonable Force – Bodily Injury Or Property Damage |
|--|--|

PROVISIONS

A. BROADENED NAMED INSURED

1. The following is added to **SECTION II – WHO IS AN INSURED**:

Any organization, other than a partnership or joint venture, over which you maintain ownership or majority interest on the effective date of the policy qualifies as a Named Insured. However, coverage for any such organization will cease as of the date during the policy period that you no longer maintain ownership of, or majority interest in, such organization.

2. The following replaces Paragraph 4.a. of **SECTION II – WHO IS AN INSURED**:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, unless reported in writing to us within 180 days.

B. BLANKET ADDITIONAL INSURED – BROAD FORM VENDORS

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is a vendor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" that:

- a. Is caused by an "occurrence" that takes place after you have signed and executed that contract or agreement; and
- b. Arises out of "your products" which are distributed or sold in the regular course of such vendor's business.

The insurance provided to such vendor is subject to the following provisions:

- a. The limits of insurance provided to such vendor will be the limits which you agreed to pro-

3. The following replaces Paragraph a. of the definition of "insured contract" in the **DEFINITIONS** Section:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- (1) Fire;
- (2) Explosion;
- (3) Lightning;
- (4) Smoke resulting from such fire, explosion, or lightning; or
- (5) Water.

is not an "insured contract";

4. The following replaces Paragraph 4.b.(1)(b) of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

(b) That is insurance for premises rented to you, or temporarily occupied by you with the permission of the owner;

D. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of premises owned or occupied by or rented or loaned to you; ongoing operations performed by you or on your behalf, done under a contract with that person or organization; "your work"; or "your products". We waive this right where you have agreed to do so as part of a written contract, executed by you prior to loss.

E. BLANKET ADDITIONAL INSURED – OWNERS, MANAGERS OR LESSORS OF PREMISES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to name as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" that:

- a. Is "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" or "advertising injury" caused by an offense that is committed, after you have signed and executed that contract or agreement; and
- b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.

The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

- a. The limits of insurance provided to such premises owner, manager or lessor will be the limits which you agreed to provide in the written contract or agreement, or the limits shown on the Declarations of this Coverage Part, whichever are less.
- b. The insurance provided to such premises owner, manager or lessor does not apply to:
 - (1) "Bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" or "advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.
- c. The insurance provided to such premises owner, manager or lessor is excess over any valid and collectible other insurance available to such premises owner, manager or lessor, unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.

F. BLANKET ADDITIONAL INSURED – LESSORS OF LEASED EQUIPMENT

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" that:

- a. Is "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" or "advertising injury" caused by an offense that is committed, after you have

H. PERSONAL INJURY – ASSUMED BY CONTRACT

1. The following replaces Exclusion e., **Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

e. Contractual Liability

"Personal injury" or "advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to:

- (1) Liability for damages that the insured would have in the absence of the contract or agreement; or
- (2) Liability for damages because of "personal injury" assumed in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

2. The following replaces the third sentence of Paragraph 2. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**:

Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability or Paragraph 2.e. of Section I – Coverage B – Personal and Advertising Injury Liability, such payments will not be deemed to be damages because of "bodily injury", "property damage" or "personal injury", and will not reduce the limits of insurance.

3. The following replaces Paragraph 2.d. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**:

- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

4. The following replaces the first subparagraph of Paragraph f. of the definition of "insured contract" in the **DEFINITIONS** Section:

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury," "property damage" or "personal injury" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

I. AMENDED BODILY INJURY DEFINITION

The following replaces the definition of "bodily injury" in the **DEFINITIONS** Section:

"Bodily injury" means bodily injury, mental anguish, mental injury, shock, fright, disability, humiliation, sickness or disease sustained by a person, including death resulting from any of these at any time.

J. BODILY INJURY TO CO-EMPLOYEES AND CO-VOLUNTEER WORKERS

The following is added to Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

Paragraph (1)(a) above does not apply to "bodily injury" to a co-"employee" in the course of the co-"employee's" employment by you or performing duties related to the conduct of your business, or to "bodily injury" to your other "volunteer workers" while performing duties related to the conduct of your business.

K. AIRCRAFT CHARTERED WITH CREW

The following is added to Exclusion g., **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

This exclusion does not apply to an aircraft that is:

in Paragraphs e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.

However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.

O. UNINTENTIONAL OMISSION

The following is added to Paragraph 6., **Representations**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The unintentional omission of, or unintentional error in, any information provided by you which we

relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

P. REASONABLE FORCE – BODILY INJURY OR PROPERTY DAMAGE

The following replaces Exclusion a., **Expected Or Intended Injury**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

a. Expected or Intended Injury or Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect any person or property.

Fiscal Year 16/17	CERTIFICATE OF SELF-INSURANCE		Issue Date 05052017
COVERED ENTITIES: County of Sonoma Sonoma County Agriculture Preservation and Open Space District Sonoma County Community Development Commission Sonoma County Fair and Exposition, Inc. Sonoma County Water Agency 575 ADMINISTRATION DR., 116-C SANTA ROSA, CA 5403-2881		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BELOW. THIS CERTIFICATE OF COVERAGE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE COVERED ENTITIES AND THE CERTIFICATE HOLDER.	
COVERAGE	EFFECTIVE DATE	EXPIRATION DATE	LIMITS
General Liability	July 1, 2016	July 1, 2017	\$1,000,000 per occurrence, no aggregate; self-insured
Automobile Liability	July 1, 2016	July 1, 2017	\$1,000,000 per occurrence; self-insured
Workers' Compensation	July 1, 2016	July 1, 2017	Statutory Limits: \$300,000 permissibly self-insured; excess coverage through California State Association of Counties Excess Insurance Authority
Public Officials Errors and Omissions Liability	July 1, 2016	July 1, 2017	\$1,000,000 per wrongful act; no aggregate; self-insured
Description of Operations/Locations/Vehicles/Special Items: <u>As Respects Leased premises at 2245 Challenger Way, in the city of Santa Rosa and county of Sonoma, California</u> The Certificate Holder is an additional covered party to the extent required by the indemnification provisions of the above referenced contract. This shall apply to claims, costs, injuries or damages but only in proportion to and to the extent such claims, costs, injuries or damages are caused by or result from the negligent acts or omissions of the Covered Entities shown on this certificate. The Covered Entities agree to waive recovery rights against the Certificate Holder with respect to the above referenced contract if required in writing in the contract.			
Certificate Holder SR Office Properties DE, LLC Redbird SR Office Properties DE, LLC		AUTHORIZED REPRESENTATIVE   County of Sonoma Risk Manager 575 Administration Drive, Suite 116C Santa Rosa, Ca 95403	

Exhibit G

TENANT ESTOPPEL CERTIFICATE

Date: _____, 20____.

Attention: _____
and

Attention: _____

RE: Lease dated _____ ("Lease") between _____, a _____
("Tenant") and _____, a _____ ("Landlord");
Leased Premises: _____, comprised of _____ rentable square
feet ("Leased Premises")

Ladies and Gentlemen:

The undersigned, as Tenant under the above-referenced Lease, hereby represents, warrants and certifies to _____, a _____ ("Buyer") the truth and accuracy of the foregoing descriptions and the following statements:

1. Attached hereto as Schedule 1 is a complete, true and correct copy of the Lease and, except as identified to Buyer in writing and attached hereto together with the Lease, there are no modifications, amendments, supplements or understandings, oral or written, amending, supplementing or changing the terms of the Lease.

2. Tenant has accepted and is in possession of the Leased Premises, and the Lease is in full force and effect, having been duly executed and delivered by Tenant. The Premises consists of approximately _____ rentable square feet.

3. The term of the Lease commenced on _____ and, including any presently exercised option or renewal term, will terminate on _____.

4. Current base monthly rent under the Lease is \$_____, which has been paid through and including _____. Tenant is currently making estimated payments of additional rent in the amount of \$_____. There is no prepaid rent, except \$_____. Tenant has no right to any future rent abatement under the Lease.

5. To Tenant's actual knowledge, there is no default under the Lease on the part of Landlord or any existing conditions which upon giving notice or lapse of time or both would constitute a default under the Lease on the part of Landlord, and Landlord has satisfactorily complied with all requirements to the commencement of the term of the Lease.

6. Tenant has no claim against Landlord for any security, rental, cleaning or other deposits, except for a security deposit under the Lease in the amount of \$_____. [If none, state "none".]

7. There is no outstanding tenant improvement allowance or any other payments from the Landlord due under the Lease. [The amount of the tenant improvement allowance outstanding under the Lease is \$_____.]

8. Tenant has not entered into any sublease, assignment or other agreement transferring any of its interest in the Lease or the Leased Premises, except _____. [If none, state "none".]

9. Except as set forth in the Lease, Tenant has no options to extend the term of the Lease, no right of first offer or right of first refusal to lease or occupy any other space within the Leased Premises, no right to renew or extend the Lease and no right or option to purchase the Leased Premises and/or the property related thereto.

This Tenant Estoppel Certificate is made to Buyer in connection with the prospective purchase by Buyer of the property containing the Leased Premises. This Tenant Estoppel Certificate may be relied on by _____ and Buyer's successors and assigns in connection with such purchase.

Very truly yours,

"Tenant"

a _____

By: _____
Name: _____
Title: _____

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Wells Fargo Bank, National Association
SAN FRANCISCO COMMERCIAL REAL ESTATE GROUP (AU#02034)
420 Montgomery Street, 6th Floor
San Francisco, CA 94104

Attn: Colleen King
Loan No.
(PROPERTY NAME)

(Space Above For Recorder's Use)

**SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF LEASE ASSIGNMENT, ESTOPPEL,
ATTORNMET AND NON-DISTURBANCE AGREEMENT
(Lease to Security Instrument)**

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF LEASE ASSIGNMENT, ESTOPPEL, ATTORNMET AND NON-DISTURBANCE AGREEMENT ("**Agreement**") is made _____, 2014 by and between REDBIRD SR OFFICE PROPERTIES DE, LLC, a California limited liability company and SR OFFICE PROPERTIES DE, LLC, a California limited liability company, **OWNERS OF THE REAL PROPERTY** **HEREINAFTER DESCRIBED** ("**Mortgagor**"), **TENANT NAME** ("**Tenant**") and Wells Fargo Bank, National Association (collectively with its successors or assigns, "**Lender**").

RECITALS

- A. Pursuant to the terms and provisions of a lease dated _____ ("**Lease**"), Mortgagor granted to Tenant a leasehold estate in and to a portion of the property described on Exhibit A attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the "**Property**").
- B. **[IF LEASE CONTAINS OPTION TO PURCHASE]** Said Lease contains provisions and terms granting Tenant an option to purchase the Property (the "**Option to Purchase**").
- C. Mortgagor has executed that certain DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed Of Trust**") securing, among other things, that certain PROMISSORY NOTE SECURED BY DEED OF TRUST dated _____, ("**Original Note**") and as amended and restated by that certain AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEEDS OF TRUST dated _____ ("**A&R Note**") in the principal sum of \$_____, the Original Note and the A&R Note are collectively referred to herein as the ("**Note**"), in favor of Lender ("**Loan**"). The Deed Of Trust was recorded in the Office of the Sonoma County Recorder on _____, as Document Number _____ and as amended by that certain Memorandum Of Assumption, Modification And Joinder Agreement Amending Deed Of Trust dated _____ ("**Amended Deed Of Trust**") and recorded in

the Office of the Sonoma County Recorder on _____, as Document Number _____, the Deed Of Trust and the Amended Deed Of Trust are collectively referred to herein as the ("**Security Instrument**").

- D. As a condition to Lender making the Loan secured by the Security Instrument, Lender requires that the Security Instrument be unconditionally and at all times remain a lien on the Property, prior and superior to all the rights of Tenant under the Lease **[and the Option To Purchase]** and that the Tenant specifically and unconditionally subordinate the Lease **[and the Option To Purchase]** to the lien of the Security Instrument.
- E. Mortgagor and Tenant have agreed to the subordination, attornment and other agreements herein in favor of Lender.

NOW THEREFORE, for valuable consideration and to induce Lender to make the Loan, Mortgagor and Tenant hereby agree for the benefit of Lender as follows:

- 1. **SUBORDINATION.** Mortgagor and Tenant hereby agree that:
 - 1.1 **Prior Lien.** The Security Instrument securing the Note in favor of Lender, and any modifications, renewals or extensions thereof (including, without limitation, any modifications, renewals or extensions with respect to any additional advances made subject to the Security Instrument), shall unconditionally be and at all times remain a lien on the Property prior and superior to the Lease **[and the Option To Purchase]**;
 - 1.2 **Subordination.** Lender would not make the Loan without this agreement to subordinate; and
 - 1.3 **Whole Agreement.** This Agreement shall be the whole agreement and only agreement with regard to the subordination of the Lease **[and the Option To Purchase]** to the lien of the Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the Security Instrument and the Lease **[and the Option To Purchase]**, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination of the Lease **[and the Option To Purchase]** to a deed or deeds of trust or to a mortgage or mortgages.
- AND FURTHER, Tenant individually declares, agrees and acknowledges for the benefit of Lender, that:
 - 1.4 **Use of Proceeds.** Lender, in making disbursements pursuant to the Note, the Security Instrument or any loan agreements with respect to the Property, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part; and
 - 1.5 **Waiver, Relinquishment and Subordination.** Tenant intentionally and unconditionally waives, relinquishes and subordinates all of Tenant's right, title and interest in and to the Property to the lien of the Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Lender and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

2. **ASSIGNMENT.** Tenant acknowledges and consents to the assignment of the Lease by Mortgagor in favor of Lender.
3. **ESTOPPEL.** Tenant acknowledges and represents that:
 - 3.1 **Entire Agreement.** The Lease constitutes the entire agreement between Mortgagor and Tenant with respect to the Property and Tenant claims no rights with respect to the Property other than as set forth in the Lease;
 - 3.2 **No Prepaid Rent.** No deposits or prepayments of rent have been made in connection with the Lease, except as follows (if none, state "None"): _____;
 - 3.3 **No Default.** To the best of Tenant's knowledge, as of the date hereof: (i) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default under the Lease; and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the Lease;
 - 3.4 **Lease Effective.** The Lease has been duly executed and delivered by Tenant and, subject to the terms and conditions thereof, the Lease is in full force and effect, the obligations of Tenant thereunder are valid and binding and there have been no amendments, modifications or additions to the Lease, written or oral; and
 - 3.5 **No Broker Liens.** Neither Tenant nor Mortgagor has incurred any fee or commission with any real estate broker which would give rise to any lien right under state or local law, except as follows (if none, state "None"): _____.
4. **ADDITIONAL AGREEMENTS.** Tenant covenants and agrees that, during all such times as Lender is the Beneficiary under the Security Instrument:
 - 4.1 **Modification, Termination and Cancellation.** Tenant will not consent to any modification, amendment, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent and will not make any payment to Mortgagor in consideration of any modification, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent;
 - 4.2 **Notice of Default.** Tenant will notify Lender in writing concurrently with any notice given to Mortgagor of any default by Mortgagor under the Lease, and Tenant agrees that Lender has the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below and Tenant will not declare a default of the Lease, as to Lender, if Lender cures such default within fifteen (15) days from and after the expiration of the time period provided in the Lease for the cure thereof by Mortgagor; provided, however, that if such default cannot with diligence be cured by Lender within such fifteen (15) day period, the commencement of action by Lender within such fifteen (15) day period to remedy the same shall be deemed sufficient so long as Lender pursues such cure with diligence;
 - 4.3 **No Advance Rents.** Tenant will make no payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease; and
 - 4.4 **Assignment of Rents.** Upon receipt by Tenant of written notice from Lender that Lender has elected to terminate the license granted to Mortgagor to collect rents, as provided in the Security Instrument, and directing the payment of rents by Tenant to Lender, Tenant shall comply with such direction to pay and shall not be required to determine whether

Mortgagor is in default under the Loan and/or the Security Instrument.

5. **ATTORNMEN**. In the event of a foreclosure under the Security Instrument, Tenant agrees for the benefit of Lender (including for this purpose any transferee of Lender or any transferee of Mortgagor's title in and to the Property by Lender's exercise of the remedy of sale by foreclosure under the Security Instrument) as follows:

- 5.1 **Payment of Rent.** Tenant shall pay to Lender all rental payments;
- 5.2 **Continuation of Performance.** Tenant shall be bound to Lender in accordance with all of the provisions of the Lease for the balance of the term thereof, and Tenant hereby attorns to Lender as its landlord, such attornment to be effective and self-operative without the execution of any further instrument immediately upon Lender succeeding to Mortgagor's interest in the Lease and giving written notice thereof to Tenant;
- 5.3 **No Offset.** Lender shall not be liable for, nor subject to, any offsets or defenses which Tenant may have by reason of any act or omission of Mortgagor under the Lease, nor for the return of any sums which Tenant may have paid to Mortgagor under the Lease as and for security deposits, advance rental payments or otherwise, except to the extent that such sums are actually delivered by Mortgagor to Lender; and
- 5.4 **Subsequent Transfer.** If Lender, by succeeding to the interest of Mortgagor under the Lease, should become obligated to perform the covenants of Mortgagor thereunder, then, upon any further transfer of Mortgagor's interest by Lender, all of such obligations shall terminate as to Lender.

6. **NON-DISTURBANCE.** In the event of a foreclosure under the Security Instrument, Lender agrees for itself and its successors and assigns that the leasehold interest of Tenant under the Lease shall not be extinguished or terminated by reason of such foreclosure, but rather the Lease shall continue in full force and effect and Lender shall recognize and accept Tenant as tenant under the Lease subject to the terms and provisions of the Lease except as modified by this Agreement; provided, however, that Tenant and Lender agree that the following provisions of the Lease (if any) shall not be binding on Lender: any option to purchase with respect to the Property; any right of first refusal with respect to the Property; any provision regarding the use of insurance proceeds or condemnation proceeds with respect to the Property which is inconsistent with the terms of the Security Instrument.

7. **MISCELLANEOUS.**

- 7.1 **Remedies Cumulative.** All rights of Lender herein to collect rental payments on behalf of Mortgagor under the Lease are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender and Mortgagor or others.
- 7.2 **Notices.** All notices, demands, or other communications under this Agreement and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of Default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal

to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

Mortgagor:	SR OFFICE PROPERTIES DE, LLC, and REDBIRD SR OFFICE PROPERTIES DE, LLC c/o Basin Street Properties 300 E. Second Street, Suite 1300 Reno, Nevada 89501 Attention: Matthew T. White
Tenant:	COUNTY OF SONOMA General Services Department c/o Facilities Development & Management 2300 County Center Drive, Suite A220 Santa Rosa, CA 95403 Attention: Real Estate Manager
Lender:	Wells Fargo Bank, National Association San Francisco Real Estate Banking Group (AU #0002034) 420 Montgomery Street, 6 th Floor San Francisco, CA 94104 Attention: Peter Angel Loan #: 1008340
With a copy to:	Wells Fargo Bank, National Association Minneapolis Loan Center 608 Second Avenue South, 11 th Floor Minneapolis, MN 55402 Attention: Andrew J. Douglas

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove.

- 7.3 **Heirs, Successors and Assigns.** Except as otherwise expressly provided under the terms and conditions herein, the terms of this Agreement shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto.
- 7.4 **Headings.** All article, section or other headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.
- 7.5 **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

- 7.6 **Exhibits, Schedules and Riders.** All exhibits, schedules, riders and other items attached hereto are incorporated into this Agreement by such attachment for all purposes.

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

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

"MORTGAGOR"

SR OFFICE PROPERTIES DE, LLC,
a Delaware limited liability company

By: G & W Ventures, LLC, a California limited liability company, its Manager

By: _____
Matthew T. White, Manager

REDBIRD SR OFFICE PROPERTIES DE, LLC, a Delaware limited liability company

By: Redbird Investment Group, LLC: Santa Rosa Office Series, a Delaware Series limited liability company, its Sole Member

By: _____
Bruce J. Cardinal, Trustee of The Bruce J. Cardinal Living Trust Agreement dated December 15, 1997, its Managing Member

"TENANT"

COUNTY OF SONOMA, a political subdivision of the State of California

By: _____
Name: _____
Title: _____

"LENDER"

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Peter M. Angel
Vice President

**IF DOCUMENT TO BE RECORDED, ALL SIGNATURES MUST BE
ACKNOWLEDGED**

EXHIBIT A - DESCRIPTION OF PROPERTY

All that certain real property located in the City of Santa Rosa, County of Sonoma, State of California, described as follows:

**[IF LEASE GUARANTY]
LEASE GUARANTOR'S CONSENT**

The undersigned ("**Lease Guarantor**") consents to the foregoing Subordination Agreement; Acknowledgment of Lease Assignment, Estoppel, Attornment and Non-Disturbance Agreement and the transactions contemplated thereby and reaffirms its obligations under the lease guaranty ("**Lease Guaranty**") dated _____. Lease Guarantor further reaffirms that its obligations under the Lease Guaranty are separate and distinct from Tenant's obligations.

AGREED:

Dated as of: _____

"LEASE GUARANTOR"

[SIGNATURE BLOCK FOR LEASE GUARANTOR]

IF DOCUMENT TO BE RECORDED, ALL SIGNATURES MUST BE ACKNOWLEDGED

Exhibit H

[Phase I Environmental Site Assessment]

PHASE I ENVIRONMENTAL SITE ASSESSMENT
OF
THE LAKES
2225, 2235, 2245 AND 2255 CHALLENGER WAY, AND 2227
CAPRICORN WAY
SANTA ROSA, CALIFORNIA



FOR
SR OFFICE PROPERTIES LLC
C/O BASIN STREET PROPERTIES



File No. 112087
August 2012



BA ENVIRONMENTAL

A Division of Building Analytics
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EXECUTIVE SUMMARY

BA Environmental (a Division of Building Analytics) has conducted a Phase I Environmental Site Assessment (ESA) at the subject site located at 2225, 2235, 2245 and 2255 Challenger Way and 2227 Capricorn Way, in the City of Santa Rosa, California. This Phase I ESA was conducted in general accordance with ASTM Standard Practice E 1527-05 and the United States Environmental Protection Agency All Appropriate Inquiry (AAI) Rule (as defined in the Code of Federal Regulations 40 CFR part 312). Any exceptions to, or deletions from, this practice are described in the Objective and Scope of Work Section of this report.

Report Findings and Conclusions Summary

Report Section	No Further Action	De Minimis Condition*	Recognized Environmental Condition ** (REC)	Historical Recognized Environmental Condition *** (HREC)	Environmental Concern***	Description
Adjacent Land Use	X					
Oil Wells and Oil Fields	X					
User Provided Information	X					
Historical Site Usage	X					
Historical Adjacent Property Usage	X					
HVAC Systems	X					
Elevators	X					
Hazardous Materials/ Waste Storage	X					
Biohazards and Infectious Wastes	X					
Radiologic Hazards	X					
Underground Storage Tanks (USTs)	X					
Aboveground Storage Tanks (ASTs)	X					
Hydraulic Lifts and Equipment	X					
Generators and Emergency Power Systems	X					
Wastewater Treatment Systems, Clarifiers and Interceptors	X					
Pits, Ponds and Lagoons	X					
Septic Tanks and Cesspools	X					
Distressed Vegetation and Staining	X					
Spills, Corroded Surfaces and Odors	X					

Findings and Conclusions

BA Environmental has identified **no** RECs, **no** HRECs and one environmental concern in connection with the subject property. BA Environmental has also identified **no** significant data gaps in connection with the subject property.

Recommendations

Based on the findings of this Phase I ESA, BA Environmental recommends the following with regard to the subject property:

- Any suspect ACMs should be sampled prior to any renovations or demolition. Any identified ACMs scheduled for renovation or demolition, or noted to be damaged, should be abated by a licensed asbestos abatement contractor, and disposed of according to all state and local regulations.

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PHASE I ENVIRONMENTAL SITE ASSESSMENT

The Lakes

**2225, 2235, 2245 and 2255 Challenger Way
and 2227 Capricorn Way
Santa Rosa, California**

1.0 INTRODUCTION

BA Environmental (a Division of Building Analytics) is pleased to submit this Phase I Environmental Site Assessment (ESA) report to **SR Office Properties LLC c/o Basin Street Properties**. This report is regarding The Lakes located at 2225, 2235, 2245 and 2255 Challenger Way and 2227 Capricorn Way, in the City of Santa Rosa, California.

This report was prepared in accordance with the BA Environmental Proposal and Contract (LA9632) dated July 23, 2012. The assessment was performed at the Client's request using the methods and procedures consistent with good commercial and customary practice designed to conform to acceptable industry standards.

The independent conclusions represent our professional judgment based on information and data available to us during the course of this assignment. Factual information regarding operations, conditions, and test data provided by the Client or their representative has been assumed to be correct and complete. The conclusions presented are based on the data provided, observations, and conditions that existed on the date of the on-site visit.

In expressing the opinions stated in this report, BA Environmental has exercised the degree of skill and care ordinarily exercised by a reasonable prudent environmental professional in the same community and in the same time frame given the same or similar facts and circumstances. Documentation and data provided by the Client, designated representatives of the Client or other interested third parties, or from the public domain, and referred to in the preparation of this assessment, have been used and referenced with the understanding that BA Environmental assumes no responsibility or liability for their accuracy.

2.0 RELIANCE

All reports, both written and verbal, are for the sole use and benefit of **Basin Street Properties and Wells Fargo Bank, NA**. This report may not be relied upon by any other person or entity without the express written permission of BA Environmental.

3.0 OBJECTIVE AND SCOPE OF WORK

The purpose of the ESA is to identify, to the extent feasible, recognized environmental conditions. The identification of the presence or lack of recognized environmental conditions will "permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (hereinafter, the "landowner liability protections," or "LLPs"); that is, the practice that constitutes "all appropriate inquiry into the previous

regarding the potential for recognized environmental conditions in connection with a subject property. The ESA is intended to reduce, but not eliminate, uncertainty regarding the potential for recognized environmental conditions in connection with a property. The practices of ASTM E1527-05 recognize reasonable limits of time and cost. The term "All appropriate inquiry" does not mean an exhaustive assessment of a clean property. There is a point at which the cost of information obtained, or the time required to gather it outweighs the usefulness of the information, and in fact may interrupt or interfere with the orderly or timely completion of a property transaction. One of the purposes of ASTM E1527-05 is to identify a balance between limiting the costs and time demands inherent in performing an ESA and the reduction of uncertainty about unknown conditions resulting from additional information. BA Environmental has made every reasonable effort to discover and interpret the information and current conditions regarding the site within the time available. We will recommend prudent additional investigations, if deemed necessary.

Several terms are commonly used throughout this report. For the purpose of this report, the site vicinity refers to an area within a 1-mile radius of the subject site. The term adjacent property includes those properties next to or across a street or a railroad track from the subject property. Adjoining properties are those which directly abut the subject property. Recognized environmental conditions (RECs) refers to "the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include de minimis conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies" (ASTM E1527-05). The term de minimis refers to having such a low or minimal risk that it is not considered to be of concern. "Conditions determined to be de minimis are not recognized environmental conditions" (ASTM E1527-05).

A Historical REC (HREC) is defined as "an environmental condition which in the past would have been considered a REC but which may not be considered a REC currently." If a past release of a hazardous substance or petroleum product that has occurred at the subject property and has been remediated, and the remediation has been accepted by the responsible regulatory agency (for example, as evidenced by the issuance of a no further action letter or equivalent), this condition shall be considered an HREC.

An Environmental Concern is defined as any other environmental conditions which BA Environmental would not be identified or considered as a REC or HREC.

BA Environmental uses risk levels (low, moderate and high) to provide the user with a relative risk for the potential for impact to the subject property. These risk levels are qualitative only, and have no quantitative basis.

4.0 DESCRIPTION OF SUBJECT PROPERTY

4.1 Site Location and Legal Description

The subject property is located at 2225, 2235, 2245 and 2255 Challenger Way and 2227 Capricorn Way, at the southeast corner of Sebastopol Road and Corporate Center

The adjacent properties to the subject site are as follows (Figures 1 and 2):

- North: Sebastopol Road followed by Outlaw Western & Classics, single family residence, vacant land, Brittain Lane, Cisneros Welding, Angel Motors, Gaunella Auto Body, and RadRods.
- South: Vacant office building, and Challenger Way and Capricorn Way followed by vacant graded land.
- East: Single family residences.
- West: Corporate Center Parkway followed by Quick Pick Market and Deli, La Caberia, Estatia Yolis and St. Joseph's Urgent Care.

5.0 PHYSICAL SETTINGS

5.1 Topography

The property is depicted on the Sebastopol, California Topographic Quadrangle map of the United States Geological Survey (USGS). The location of the subject site is at Latitude 38° 25' 30.72' North, Longitude 122° 45' 8.28'' West of the Prime Meridian. The subject site is located on the Santa Rosa Plain, in Sonoma County. The topography of the subject site gently slopes generally westerly at a gradient of approximately 20 feet per mile. The elevation at the site is approximately 111 feet above mean sea level (msl).

Surface drainage of the subject site generally flows towards the west. Some localized changes in surface drainage are present throughout the subject site.

Santa Rosa Creek is located approximately 0.76 miles north of the subject site. An unnamed draining channel is located approximately 0.77 miles south and 0.89 miles southeast of the subject site. Old sewage ponds are located approximately 0.88 miles north of the subject site. No other major bodies of surface water (i.e., oceans, lakes, rivers, streams, etc.) are depicted within a 1.0-mile radius of the site.

5.2 Geology and Hydrogeology

The site is located on the Santa Rosa Plain, within the Coastal Range Geomorphic province of California (CDC, 2002). The subject site is underlain by Quaternary age alluvial fan deposits. Soil investigations conducted on a site 870 feet northwest of the subject site revealed subsurface soils consisting of sandy clay, clayey sand with silty sand and sandy gravel layers to a depth of at least 20 feet bgs. Silty sand and sandy gravel layers were encountered at approximately 10 to 19 feet bgs (BA, 2011a).

The subject site is located in the Santa Rosa Plain Groundwater Basin. Groundwater within the Santa Rosa Plain Basin is generally present under unconfined conditions, except locally in the vicinity of clay and silt horizons where conditions may be semi-confined or confined. In the Santa Rosa Plain, significant natural recharge locations are stream channels located along the eastern portions of the basin and outcrops of permeable sedimentary units along the southwest margin of the basin. Clay-rich sediments cover

AULs associated with the subject property. The EDR Radius Map report searched databases for Federal Superfund Liens, US Engineering Controls, US Institutional Controls, and Deed Restrictions. According to the EDR report, no Federal Superfund Liens, US Engineering Controls, US Institutional Controls, or Deed Restrictions exist for the subject site (EDR, 2012a).

A copy of the Preliminary Title Report is included in Appendix B.

6.3 Specialized Knowledge

No specialized knowledge of the subject site was reported to BA Environmental by the Client.

6.4 Valuation Reduction Due to Environmental Issues

No information regarding abnormal property pricing for the subject property was reported to BA Environmental by the Client.

6.5 Interviews

Attempts were made to interview various individuals with regard to the subject property's current and past usages. Interviews were also conducted with regard to the presence of underground storage tanks (USTs), usage and storage of hazardous materials, and the possibilities of any spills or unauthorized releases of hazardous materials on the subject property.

Mr. Roger Williams, building engineer for the subject buildings, was interviewed with regard to the subject site. Mr. Williams indicated that he was unaware of the properties history prior to his association with the subject site. According to Mr. Williams, the subject property is used for commercial offices. Mr. Williams indicated that no USTs or ASTs are located on-site. According to Mr. Williams, to the best of his knowledge, there are no wastewater clarifiers on-site. Mr. Williams did indicate that there was a 1,500-gallon grease interceptor on-site. According to Mr. Williams, the interceptor was intended for an on-site restaurant which was never completed. Mr. Williams stated that the grease interceptor has never been used. According to Mr. Williams, no hazardous materials are used or stored on-site, except for small quantities of janitorial supplies. Mr. Williams was unaware of any releases or spills of hazardous materials on the subject property. According to Mr. Williams, he was unaware of any past or present environmental investigations or reports for the subject property. According to Mr. Williams, he is unaware of any remedial activities which have been conducted on the subject property. Mr. Williams was interviewed with regard to asbestos and lead-based paint existing on the subject property. Mr. Williams stated that he was not aware of any asbestos or lead-based paint on-site. According to Mr. Williams, he was unaware of any asbestos or lead-based paint surveys for the subject site. Mr. Williams stated he was unaware of any asbestos or lead-based paint abatement activities conducted on the subject site. Mr. Williams was interviewed with regard to water leaks and mold. According to Mr. Williams he was unaware of any current mold growth within the buildings. Mr. Williams stated that roof leaks had occurred in 2227 Capricorn Way. Mr. Williams stated he was unaware of any plumbing leaks. Mr. Williams was interviewed with regard to environmental liens, land use limitations and environmental litigations regarding the

Protection Agency AAI. This Phase I ESA was conducted for the purpose of a commercial property transaction/sale.

7.0 HISTORICAL REVIEW

As part of the historical review, BA Environmental reviewed available historical aerial photographs for the years 1953, 1965, 1972, 1982, 1993, 1998, 2005 and 2006 (EDR, 2012b); city directories for the years 1930-2006 (EDR, 2012c); historical topographic maps for the years 1947, 1954, 1968 and 1980 (EDR, 2012d); and building records (City of Santa Rosa, 2012). BA Environmental also utilized on-line historical aerial photographs for the year 2005 (NETR, 2012a), and on-line satellite images for the years 1993, 2004, 2005, 2006, 2007, 2009, 2010 and 2012 (Google Earth, 2012). BA Environmental also utilized on-line historical topographic maps for the years 1942, 1948, 1955, 1959, 1964, 1969, 1977, 1980 and 1983 (NETR, 2012b). No historical fire insurance maps exist for the subject property (EDR, 2012e). Copies of the above historical documents are provided in Appendices C through F.

7.1 History of Subject Property

The subject property was occupied by what appeared to be farms and associated buildings, cropland and an old orchard. The subject site remained unchanged until around 1972 when the old orchard was removed. The subject site remained farms and associated buildings and what appeared to be cropland until 1987. In 1987, the five present day commercial buildings were constructed. Since the construction of the five present day buildings, the subject site has been occupied by the offices of the County of Sonoma, City of Santa Rosa and various commercial businesses.

7.2 History of Adjacent Properties

From prior to 1953 until prior to 1965, the adjacent properties to the north included Sebastopol Road followed by residences and farm buildings. By 1965, the properties north of Sebastopol Road were occupied by various commercial businesses. By 1972, the properties north of Sebastopol Road appeared to be occupied by commercial businesses with a few residences. Since 1972, there have been no significant changes in the adjacent properties to the north.

The adjacent properties to the south of the subject site were occupied by cropland and an old orchard from prior to 1953 until around 1987. By 1987, the properties to the south included Challenger Way and Capricorn Way followed by vacant graded land. Since 1987, there have been no significant changes in the adjacent properties to the south.

The adjacent properties to the east were occupied by cropland from prior to 1953 until sometime prior to 1972. By 1972, the properties to the east of the subject site were occupied by a farmhouse and what appeared to be cropland. By 1993 the adjacent properties to the east were occupied by single family residences. Since 1993, there have been no significant changes in the adjacent properties to the east.

The adjacent properties to the west were occupied by cropland and a large farm and associated buildings from prior to 1953 until around 1965. By 1965, the adjacent properties to the west appeared the same except for what appeared to be a commercial

The heating, ventilating and air conditioning (HVAC) systems consisted of packaged units located on the roof. All of the units are electrically and/or natural gas operated.

8.4 Elevators

The subject building at 2227 Capricorn Way is serviced by a hydro-electric elevator. The hydraulic equipment is located in a room on the first floor, adjacent to the elevator shaft. The elevator is regularly serviced by ThyssenKrupp Elevator. On the day of the site reconnaissance, no staining was observed on the concrete floor beneath the elevator equipment. The floor within the elevator equipment room appeared to be in good condition with no visible cracking. The elevator equipment room was observed to be in good condition with two empty 5-gallon hydraulic fluid buckets and one 7-gallon empty container. No staining was observed beneath these containers. The elevator pits were not accessible on the day of the site reconnaissance.

8.5 Industrial Equipment/Manufacturing Processes

During the site reconnaissance, no industrial equipment was observed on the subject site. No manufacturing processes which utilize hazardous materials or petroleum products were observed during the site visit.

8.6 Hazardous Materials/Waste Storage

Small quantities of normal household cleaners were observed in several of the tenant suites. The containers were observed to be in good condition with no visible evidence of leakage. No staining was observed on the surfaces beneath the containers.

Janitorial closets were observed in each of the buildings. These closets were observed to contain various janitorial supplies and cleaners. The containers were observed to be in good condition with no visible evidence of leakage. The floors of the closets were observed to be in good condition with no visible cracks. No staining was observed on the surfaces beneath the containers. Material Safety Data Sheets for the janitorial supplies were observed in each of the closets.

8.7 Biohazards and Infectious Wastes

No biohazards or infectious wastes were observed on the subject site during the site reconnaissance.

8.8 Radiologic Hazards

No radiologic hazards were observed on the subject site during the site reconnaissance.

Man-made lakes and water features were observed on the subject site. The man-made lakes are concrete lined. Water is circulated by means of submersible pumps.

8.15 Septic Tanks and Cesspools

Septic tanks and cesspools are often associated with the disposal of wastewater from structures that are not served by public sewer systems. Septic tanks and cesspools may be associated with hazardous materials, if such materials have been inappropriately disposed of in the past via sinks. Information obtained from the subject site reconnaissance indicated that septic tanks and cesspools do not currently exist on the subject site. Presently, the sanitary sewer discharge to the subject building is tied into the city-owned sanitary sewer system.

8.16 Distressed Vegetation and Staining

Areas of vegetation (trees and shrubbery) in planters were observed throughout the subject property. No distressed vegetation, dead vegetation or discolored vegetation was observed during the site reconnaissance.

No areas of stained soil, or stained asphalt or concrete, were observed on-site during the site reconnaissance.

8.17 Spills, Corroded Surfaces and Odors

No visible evidence of spills or ponded liquids was observed during the site reconnaissance. No corroded or degraded metal or concrete surfaces were observed. No unusual odors were detected inside or outside of the subject building on the day of the site reconnaissance.

8.18 Wells, Cisterns, Sumps and Floor Drains

No evidence of the presence of cisterns, sumps, floor drains or well heads, was observed at the subject property.

8.19 Pipelines

No evidence for the presence of underground pipelines used to transport petroleum products such as crude oil, gasoline, or natural gas was observed on or adjacent to the subject property.

8.20 Mines, Oil and Gas Wells, Oil Production Facilities

During the site reconnaissance, no visible evidence of mine shafts, open pit mines or other mining activities were observed on the day of the site reconnaissance.

8.24 Stormwater

Stormwater that collects on the roofs is directed into roof drains, which drain to the parking lots. Water which collects in the parking lots sheet flows to on-site catch basins. These catch basins collect stormwater runoff and channel it into the city owned stormdrain system. Stormwater which collects on the landscaped areas percolates into the soil.

9.0 AGENCY CONTACTS

9.1 Sonoma County Department of Health Services, Environmental Health Division (SCDHS)

BA Environmental contacted the office of the SCDHS regarding USTs for the subject property. According to the SCDHS, no UST files exist for the subject property.

9.2 Santa Rosa City Fire Department (SRFD)

BA Environmental contacted the office of the SRFD regarding USTs for the subject property. According to the SRFD, no UST files exist for the subject property.

9.3 California State Regional Water Quality Control Board (RWQCB)

BA Environmental searched the RWQCB's Geotracker database for UST Program, and Spills, Leaks, Investigations and Cleanups (SLIC) Program, files for the subject site. According to the RWQCB's Geotracker database, no files exist for the subject property. BA Environmental also placed a written request for files at the RWQCB for these programs. According to the RWQCB, no files exist for the subject property.

9.4 California State Department of Toxic Substance Control (DTSC)

BA Environmental searched the ENVIROSTOR database for any files regarding contamination beneath the subject site. According to the DTSC's ENVIROSTOR database, the subject property address was not listed on the ENVIROSTOR database. BA Environmental also placed a written request for files at the DTSC for these programs. According to the DTSC, no files exist for the subject property.

A review of the DTSC Hazardous Waste Tracking System identified one listing for one of the subject addresses. Redwood Development was listed at 2235 Challenger Way, Suite 104. The status is listed as inactive. The record was entered in May 22, 1997 and was listed as inactive on October 25, 2000.

According to the DTSC Hazardous Waste Tracking System, in 1997 Redwood Development manifested 1.9807 tons of an unidentified waste.

Since it appears that the subject building was used only for office space since its construction, it is BA Environmental's opinion that the materials manifested were likely generated at an off-site location and the subject site was used as a manifesting address.

AGENCY DATABASE	SEARCH RADIUS	TARGET PROPERTY	NUMBER OF SITES IDENTIFIED
State Underground Storage Tank (UST) List	0.25 mile	---	1
State Aboveground Storage Tank (AST) List	0.25 mile	---	0
State Voluntary Cleanup Program (VCP)	0.5 mile	---	0
EPAs Brownfield Sites in the United States (US Brownfields) List	Property	---	0
U.S. Department of Justice Clandestine Drug Lab (US CDL) List	Property	---	0
State Hazardous Waste Sites (Hist Cal-Sites)	1.0 mile	---	0
State Toxic Pits Cleanup Act Sites (Toxic Pits)	1.0 mile	---	0
State Clandestine Drug Labs (CDL) database	Property	---	0
State Facility Inventory Database of historic active and inactive UST locations (CA FID UST)	Property	---	0
State Hazardous Substance Storage Container Database of historic UST sites (HIST UST)	Property	---	0
Statewide Environmental Evaluation and Planning System (SWEEPS UST) database	0.25 mile	---	6
U.S. EPA CERCLA Lien Information database (LIEN 2)	Property	---	0
State LIENS	Property	---	0
State Deed Restrictions listing (DEED)	Property	---	0
State Hazardous Material Incidents, Including Accidental Releases and Spills (CHMIRS)	1.0 mile	---	24
RCRA-NonGen (Non Generators)	Property	---	0
Department of Justice, Consent Decree Library list of the Superfund (CERCLA) Consent Decrees (CONSENT)	1.0 mile	---	0
California Bond Expenditure Plan Sites	1.0 mile	---	1
State Hazardous Waste and Substances Sites (Cortese)	1.0 mile	---	6
Other Local, State, and/or Federal Databases (see EDR report for complete listing of databases and search radii)	Variable according to database	1	16

10.1 Subject Property

One subject property address, 2235 Challenger Way, Suite 104, was listed on one of the government environmental databases searched. Redwood Development was formerly located at 2235 Challenger Way, Suite 104. Redwood Development was listed on the HAZNET database in 1997. The HAZNET database tracks manifesting of hazardous wastes transported off-site for disposal or recycling. According to the HAZNET database, 1.9807 tons of an unknown waste was manifested for disposal at a transfer station.

Since it appears that the subject building was used only for office space since its construction, it is BA Environmental's opinion that the materials manifested were likely generated at an off-site location and the subject site was used as a manifesting address.

- Non-friable materials are materials in which the fibers have been locked in by a bonding agent, coating, or binder, and may not release fibers during normal use and handling. Improper handling, such as grinding or sanding of non-friable ACMs, will render these materials friable.

BA Environmental performed a visual survey of suspect friable and non-friable asbestos-containing materials (ACMs). Suspect materials observed during the site reconnaissance include 12" x 12" floor tiles and associated mastic, vinyl base molding and adhesive, drywall, joint compound, sink undercoating, carpet mastic, 2' by 2' and 2' by 4' sections of suspended acoustical ceiling panels, HVAC sealant, caulking, and roofing materials. All building materials were observed to be in good condition, with a low potential for damage. Based on the date of construction of the subject building (constructed in 1987), there is a low to moderate potential for ACMs to exist within the subject building.

A previous Phase I ESA prepared by EMG in 2007 reviewed a Limited Asbestos Survey for the Project, prepared by RGA 2006. The limited asbestos survey was conducted in Suites 109 and 113 at 2255 Challenger Way. A total of thirteen suspect ACMs were identified in the suites. Asbestos was not detected in any of the sampled materials, which included ceiling tile, vinyl baseboard and mastic, vinyl floor tile and mastic, sink undercoat, carpet mastic, gypsum wallboard with joint compound – core and perimeter, and gypsum wallboard with joint compound – partitions. RGA recommended that any remaining suspect materials that have not been sampled be treated as ACMs until proven otherwise (EMG, 2007).

12.2 Visual Lead-Based Paint Survey

Lead was a major ingredient in paint pigment prior to and through the 1940s. While other pigments were used in the 1950s, the use of lead in paint continued until the mid 1970s. In 1978, the Consumer Products Safety Commission banned paint and other surface coating materials that are lead-containing.

BA Environmental performed a visual lead-based paint survey in accessible areas at the subject property. All of the paint observed on-site appeared to be in good condition with no visible evidence of damage or peeling. Based on the age of the current subject building, constructed in 1987, there is a low potential that lead-based paint exists on the subject site.

12.3 Radon Gas Survey

Radon is a radioactive gas that occurs naturally in the environment and cannot be seen, smelled or tasted. The human health effect associated with exposure to elevated levels of radon is an increased risk of developing lung cancer. The US Environmental Protection Agency (EPA) and the US Center for Disease Control are concerned about the increased risk of lung cancer developing in individuals exposed to above average levels of radon in their homes or offices. In order to address these concerns, the US EPA conducted a radon survey and presented the results for various counties in 1993.

The EPA's map of Radon Zones assigns each of the 3,141 counties in the United States to one of three zones. The zone designations were determined by assessing five factors that are known to be important indicators of radon potential: indoor radon measurements, geology, aerial radioactivity surveys, soil parameters and foundation types. The subject

According to information provided in the EDR report, the subject site is not located within a 100- or 500-year flood zone per the Federal Emergency Management Agency (FEMA). According to FEMA's National Flood Insurance Program (FFIP) Panel #6097C, the subject site is located in Zone X, areas outside the 500-year flood plain with less than 0.2% annual probability of flooding, annual probability of flooding of less than one percent (FEMA, 2011).

13.0 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

BA Environmental has performed a Phase I ESA, in conformance with the scope and limitations of ASTM Practice E1527-05, regarding The Lakes, located at 2225, 2235, 2245 and 2255 Challenger Way and 2227 Capricorn Way, in the City of Santa Rosa, California. Any exceptions to, or deletions from, this practice are described in the Objective and Scope of Work section of this report.

This assessment has revealed **no** recognized environmental conditions in connection with the subject property.

This assessment has revealed **no** historical recognized environmental condition in connection with the subject property.

The following item of environmental concern was noted for the subject property:

- Based on the age of the subject building, there is a low to moderate potential that ACMs may exist within the subject buildings. In 2006, a Limited Asbestos Survey was conducted in two suites within one of the subject buildings. A total of 13 suspect materials were sampled. All were reported not to contain asbestos.

BA Environmental recommends the following with regard to the subject property:

- Any suspect ACMs should be sampled prior to any renovations or demolition. Any identified ACMs scheduled for renovation or demolition, or noted to be damaged, should be abated by a licensed asbestos abatement contractor, and disposed of according to all state and local regulations.

14.0 LIMITATIONS

14.1 General Limitations

This report contains all of the limitations inherent in the methodologies that are referred to in ASTM E1527-05. BA Environmental has made every reasonable effort to discover and interpret the information and current conditions regarding the site within the time available. This assessment has been completed under the time and cost restraints implemented by the client. There is a possibility that, even with the proper application of the methodologies outlined in ASTM E1527-05, there may exist on the subject property conditions that could not be identified within the scope of the assessment or which are not reasonably identifiable from reasonably ascertainable information. This assessment is a visual, non-intrusive investigation, and conditions may exist at the site that cannot be identified solely by visual observation. No sampling, destructive or subsurface, of any type has been conducted on-site, unless expressly stated in the Objective and Scope of Work section above. All conclusions and recommendations are based on the visual

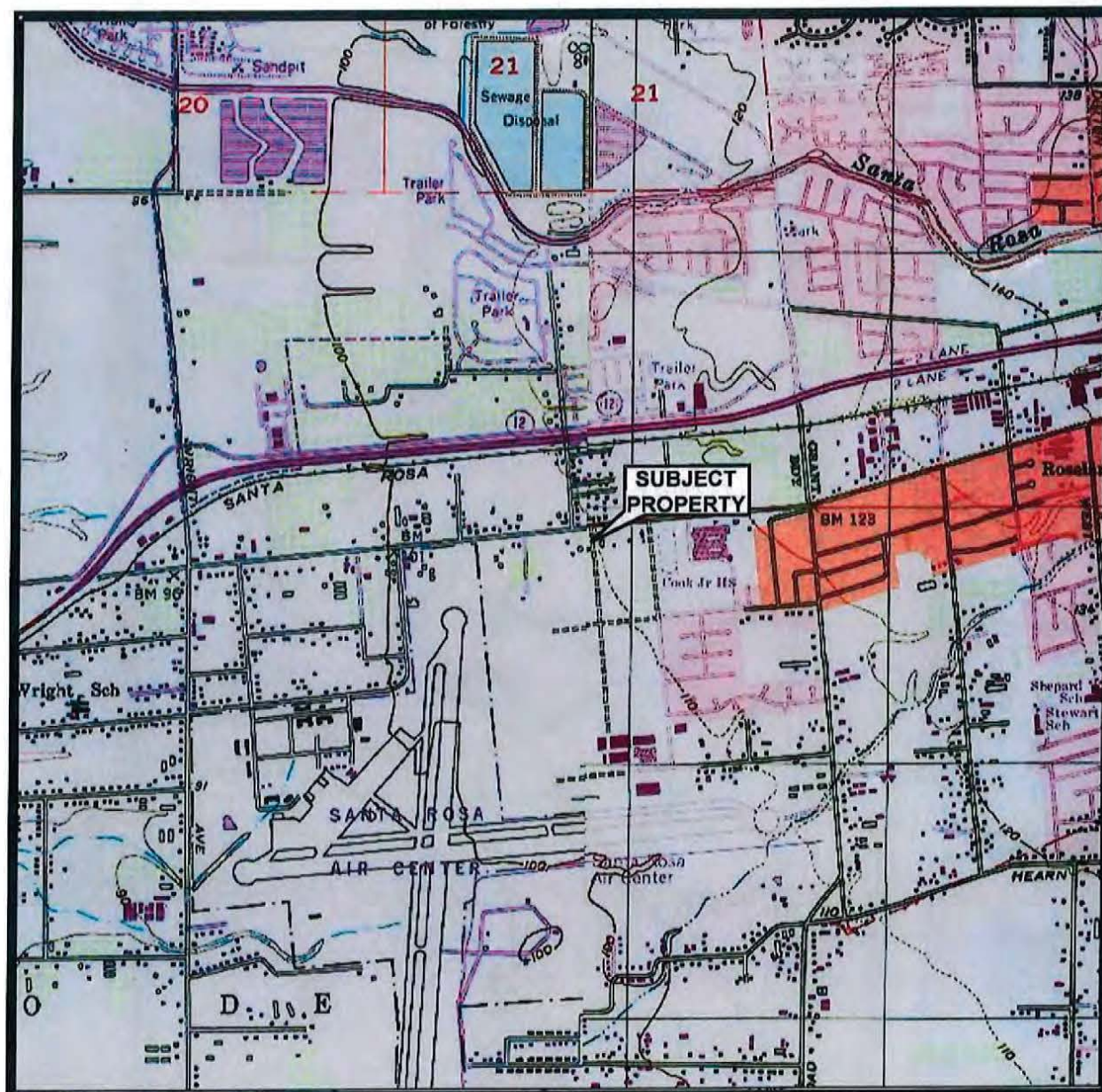
interpretation of existing environmental regulations. BA Environmental assumes no responsibility or liability for errors in the public data utilized, statements from sources outside of BA Environmental, or developments resulting from situations outside the scope of this project. BA Environmental make no warranties, expressed or implied, including, without limitation, warranties as to merchantability or fitness for a particular purpose.

MCL = maximum concentration limit
MSDS = Material Safety Data Sheet
MTBE = methyl-tertiary-butyl ether
 $\mu\text{g/l}$ = micrograms per liter
 $\mu\text{g/kg}$ = micrograms per kilogram
 mg/kg = milligrams per kilogram
 mg/l = milligrams per liter
msl = mean sea level
NOV = Notice of Violation
NPL = National Priority List
NRC = Nuclear Regulatory Commission
OCHCA = Orange County Health Care Agency
O&M = Operations and Maintenance
OSHA = Occupational Safety and Health Administration
PCBs = polychlorinated biphenyls
PCE = perchloroethene or tetrachloroethylene
ppb = parts per billion
ppm = parts per million
PVC = polyvinyl chloride
RCDEH = Riverside County Department of Environmental Health
RCRA = Resource Conservation and Recovery Act
REC = Recognized Environmental Condition
RWQCB = Regional Water Quality Control Board
SBCFD = San Bernardino County Fire Department
SLIC = Spills Leaks, Investigations and Cleanups
SPCC – Spill Prevention, Control and Countermeasure
SQG = small quantity generator of hazardous waste
SVOC = semi-volatile organic compounds
SWPPP = Stormwater Pollution Prevention Plan
TCA = trichloroethane
TCE = trichloroethene
TPH-cc = total petroleum hydrocarbons, carbon chain range
TPH-d = total petroleum hydrocarbons as diesel
TPH-g = total petroleum hydrocarbons as gasoline
TRPH = total recoverable petroleum hydrocarbons
TSCA = Toxic Substance Control Act

16.0 REFERENCES

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- BA, 2011b, Quarterly Monitoring Report, October 2011, Gem Jak Enterprises, 3323 Sebastopol Road, Santa Rosa, California, dated December 29, 2011.
- California Department of Conservation, California Geological Survey (CDC), 2002, California Geomorphic Provinces, California Geological Survey Note 36, dated 2002.
- California State Department of Toxic Substance Control (DTSC), ENVIROSTOR web page <http://www.envirostor.dtsc.ca.gov/public/>, searched August 7, 2012.
- California State Water Resources Control Board (CWRCB), Geotracker web page <http://geotracker.swrcb.ca.gov/>, searched August 7, 2012.
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- EDR, 2012b, Aerial Photography Print Services, Inquiry No. 3375617.5, dated July 30, 2012.
- EDR, 2012c, City Directories Abstract, Inquiry No. 3375617.6, dated July 26, 2012.
- EDR, 2012d, Historical Topographic Map Report, Inquiry No. 3375617.4, dated July 26, 2012.
- EDR, 2012e, Sanborn® Map Report, Inquiry No. 3375617.3s, dated July 26, 2012.
- EMG, Phase I Environmental Site Assessment (ESA) Report, The Lakes, 2225-2255 Challenger Way and 2227 Capricorn Way, Santa Rosa, California, dated January 24, 2007.
- Environmental Protection Agency (EPA), 1993, Map of Radon Zones.
- Federal Emergency Management Agency (FEMA), 2009, National Flood Insurance Program (NFIP) Panel 6907C, dated 1981.
- Google Earth, 2012, online satellite images, www.googleearth.com/, searched August 9, 2012.
- Munger Map Book of California/Alaska Oil and Gas Fields, 37th Edition, June 1993.
- NETR Online, 2012a, online aerial photographs, <http://www.historicaerials.com/>, searched August 8, 2012.
- NETR Online, 2012b, online topographic maps, <http://www.historicaerials.com/>, searched August 8, 2012.

ATTACHMENTS



Reference: USGS Sebastopol Quadrangle, California
7.5 Minute Series

SITE VICINITY

SCALE - 1:24,000



BA ENVIRONMENTAL

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Site Plan

PROJECT:

The Lakes

2225-2255 Challenger Way & 2227 Capricorn Way
Santa Rosa, California

Project No.
112087

FIGURE
1

Drawn By: RMC

Reviewed By: RJO

Date: 8-23-12

SITE PHOTOGRAPHS

3



3. Break room in 2225 Challenger Way.

4



4. Roof of 2225 Challenger Way.

7



7. Janitorial closet in 2235 Challenger Way.

8



8. Grease interceptor at 2235 Challenger Way.

11



11. Office space in 2245 Challenger Way.

12



12. Break room in 2245 Challenger Way.

15



15. Lobby in 2255 Challenger Way.

16



16. Hallway in 2255 Challenger Way.

19



19. 2227 Capricorn Way.

20



20. Second floor office space in 2227 Capricorn Way.

23



23. Janitorial closet in 2227 Capricorn Way.

25



25. Roof of 2227 Capricorn Way.

26



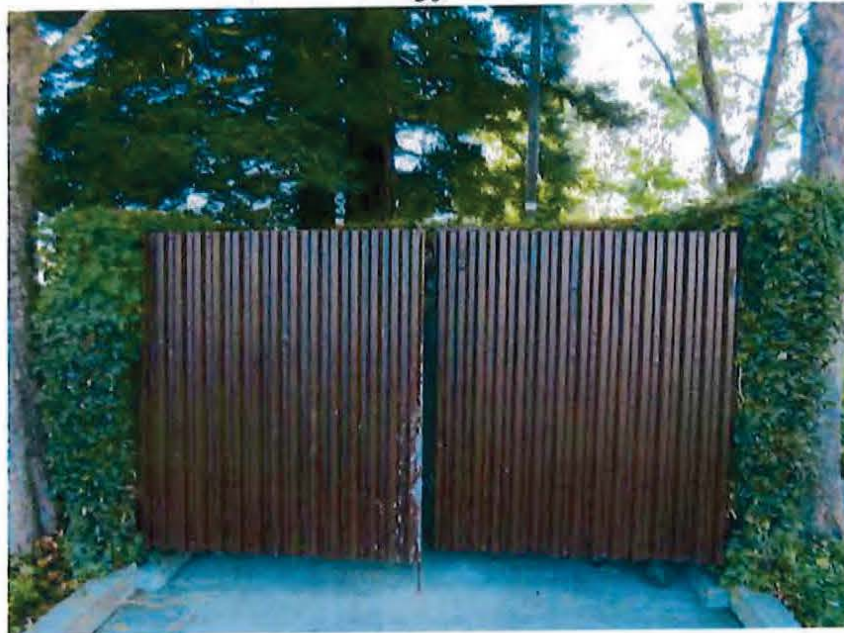
26. Exterior break area.

29



29. Water feature.

30



30. Typical trash enclosure.

33



33. Pad-mounted electrical transformer.

34



34. Pad-mounted electrical transformer.

Exhibit I

[Form of Memorandum of Lease]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Above Space for Recorder's Use Only

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "**Memorandum**") dated as of _____, 20__, by and between SR OFFICE PROPERTIES LLC, a California limited liability company, and REDBIRD SR OFFICE PROPERTIES LLC, a California limited liability company (hereinafter called "**Landlord**"), and the COUNTY OF SONOMA, a political subdivision of the State of California ("**County**").

1. **Lease Terms and Premises.** Landlord and County have entered into a Lease dated _____, 20__ (the "**Lease**") whereby Landlord leases to County, and County leases from Landlord, that certain building located at **2225 Challenger Way**, situated in that certain building campus commonly known as The Lakes (the "**Lakes Site**"), located in the city of Santa Rosa, County of Sonoma, for purposes of locating and operating a mental health crisis stabilization unit ("**CSU**") therein. The premises that are leased to the County pursuant to the Lease are more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "**Premises**"). The provisions of the Lease are incorporated herein.

2. **Term.** The term of the Lease is for fifteen (15) years and commenced on _____. Tenant has the right to exercise three (3) options to extend the term by a period of five (5) years per extension.

3. **Use Restrictions.** The Lease provides that the Premises can only be used for the purpose of operating the CSU during the term of the Lease; such use restriction does not apply, however, to the balance of the Lakes Site.

4. **Defined Terms.** All capitalized terms used in this Memorandum but not expressly defined in this Memorandum shall have the meanings ascribed to them in the Lease.

5. **Purpose of Memorandum of Lease.** This Memorandum is prepared solely for purposes of recordation, and in no way modifies the provisions of the Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

6. **Counterparts.** This Memorandum may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Landlord and County have executed this Memorandum as set forth below.

"LANDLORD": **SR OFFICE PROPERTIES LLC**, a California limited liability company

By: G&W Ventures, LLC, a California limited liability company, its Managing Member

By: _____
Matthew T. White, Manager

REDBIRD SR OFFICE PROPERTIES LLC, a California limited liability company

By: Redbird SR Mezzanine LLC, a California limited liability company, its Sole Member

By: Redbird Investment Group, LLC, a Delaware series limited liability company, its Sole Member

By: _____
Bruce J. Cardinal, Trustee of The Bruce J. Cardinal Living Trust Agreement dated December 15, 1997, its Managing Member

"TENANT": **COUNTY OF SONOMA**, a political subdivision of the State of California

By: _____
Tawny Tesconi, Interim Director
General Services Department

APPROVED AS TO FORM FOR TENANT:

Elizabeth Coleman
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

Marc McDonald, Real Estate Manager
General Services Department

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A TO MEMORANDUM OF LEASE

Description of Premises

--End of Lease--

