

OFFICE LEASE
450 West 2nd St., Cloverdale

This Lease ("Lease") is made this day of _____, 2026 ("Effective Date"), by and **CITY OF CLOVERDALE**, a municipal corporation (hereinafter referred to as "Landlord") and the **COUNTY OF SONOMA**, a political subdivision of the State of California (hereinafter referred to as "Tenant"). Landlord and Tenant are sometimes collectively referred to herein as the "parties" and singularly, as "party."

R E C I T A L S

WHEREAS, Landlord owns that certain real property located at 450 West 2nd Street, Cloverdale (APN 001-051-023) on which is located a building containing +/- 2,700 square ft. built in the 1940's known as the Scout's Cabin (the "Building"). Landlord desires to improve this Building making renovations to the bathroom, kitchen, HVAC and electrical systems among other actions and constructing a new office within the Building for Tenant's exclusive use; the Building, improvements and land associated with it shall be referred to as the "Real Property";

WHEREAS, Tenant desires to contribute funds for the renovation of the Building which will be used for general recreational and governmental purposes and provided that Tenant and its elected officials, staff and visitors may use of the newly constructed office portion of the renovated property for governmental and office purposes, and the general public shall also benefit from an improved recreational facility;

WHEREAS, Tenant desires to fund a portion of the cost to renovate and improve the Real Property, in an amount of not to exceed \$333,000, pursuant to that certain Funding Agreement dated 6/10/2026 executed by the Parties together herewith (the "Funding Agreement"), provided Landlord complies with the restrictions and condition set forth herein. Landlord estimates that the project to renovate the Real Property will cost as much as \$1,000,000;

WHEREAS, as consideration for the contribution of funds by Tenant, the Parties desire to enter into this Lease for Tenant's use of an office space to be constructed within the renovated Building, which space is more particularly described at "Exhibit A," referred to as the "Premises", made part of this Agreement by its reference herein and Landlord shall make the Building available to the public for recreational and other government purposes;

WHEREAS, Landlord represents that it is duly qualified and experienced in the hiring and overseeing of similar construction projects and professionals, including building renovations and management of construction processes and related services in compliance with local, state, and federal law; and

WHEREAS, in accordance with the terms and conditions of this Agreement, Tenant is willing to provide funding to assist the Landlord with renovations of this Building and in an amount not to exceed \$333,000.

ARTICLE 1

REAL PROPERTY, BUILDING, AND PREMISES

1.1 Lease of Premises. Landlord hereby leases to Tenant and Tenant leases from Landlord those certain premises described in Exhibit A attached hereto ("Premises"). The Rentable Area for Tenant's office use (as defined in Section 1.4) shall be no less than one hundred fifty (150) square feet. The Building, the areas servicing the Building, 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 surrounding the Building, delivery and loading areas and facilities of the Building, elevator lobbies, telephone equipment rooms, restrooms, and all other common facilities in or about the Building, and the appurtenances thereto, as the same may exist from time to time. 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. 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 approved Work Plan attached to the Funding Agreement, which is also attached hereto as Exhibit C ("Work Plan").

1.3.1. Tenant Improvement Allowance. N/A.

1.3.2 Public Works.

- (i) General. In the expenditure of County's funding for the public works project contemplated in the Funding Agreement, the City shall use its own competitive procurement procedures.
- (ii) Compliance with Law. Landlord stipulates that it shall comply with all applicable wage and hour laws, including without limitation Labor Code Sections 1775, 1776, 1777.5, 1813, and 1815 and California Code of Regulations, Title 8 Section 16000, et seq.

1.4 Standard of Calculation of Rentable Area and Usable Area. For purposes of this Lease, "Rentable Area," shall be calculated under the American National Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2017 or successor standard(s), adopted by the Building Owners and Managers Association International ("BOMA"). The Rentable Area shall be no less than 150 s.f.

1.5 First Right of Refusal. N/A

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 thirty (30) 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.

2.2 Commencement Date. The Lease Term shall commence on the later of the following dates (the "Commencement Date"): (a) July 1, 2027, 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 the Landlord's Work Plan is substantially completed. 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 D.

2.3 Substantial Completion of Landlord's Work. The work to be done in the Premises by Landlord pursuant to the provisions of the Work Plan shall be "substantially completed" when Landlord has delivered to Tenant a temporary or final certificate of occupancy 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. Notwithstanding anything contained herein to the contrary, if, after receiving the aforesaid notice from Landlord that the Landlord's work is substantially completed, Tenant shall be delayed in installing and completing or having installed and completed any finishing work necessary for the operation of Tenant's business in the Premises (including, without limitation, files, reproduction and other office equipment, and telephone communications facilities) or in completing the move or installation of substantially all of its furniture and other equipment into the Premises so as to be able to commence its business there, by reason of fire, casualty, acts of God, strikes, lockouts, or other labor troubles, inability to secure materials, governmental laws or regulations, or other causes of whatever kind beyond the reasonable control of Tenant, then the Commencement Date shall be deferred for a period of time equivalent to the period of such delay. Evidence of when the Landlord's work has been substantially performed shall be a certificate to that effect signed by Landlord's architect and Tenant's architect. Substantial (Completion of Landlord's Work or "substantially completed" is defined in the Work Plan. 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 June 30, 2027 that the Work Plan is substantially completed, as provided for above, then Tenant may: (a) terminate this Lease by giving Landlord five (5) days prior written

notice of its intention to do so; or (b) extend Landlord's time for completion thereof and delivery of possession to Tenant. 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 June 30, 2027, Tenant at its option shall have the right, by giving Landlord five (5) days' prior written notice of its intention to do so, to immediately cancel this Lease. Landlord's obligation to complete the Premises within the time specified in this Section 2.4 shall not be extended for any reason except delays caused by Tenant, strikes, lockouts, fires, floods, war, civil disorder or government regulations.

2.5 Option 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. The 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 the Extension Option, the Lease Term, as it applies to the entire Premises then leased by Tenant, shall be extended for the respective Option Term. If Tenant properly exercises the second Extension Option, Landlord shall, prior to the commencement of the second Option Term, repaint the Premises and install 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. N/A

2.5.3 Exercise of Option. The Extension Options must be exercised by Tenant, if at all, only at the time and in the manner provided in this Subsection 2.5.3.

2.5.3.1 Exercise of First Option. If Tenant wishes to exercise its Extension Option with respect to the first Option Term, Tenant shall deliver written notice to Landlord no less than 60 days before the expiration of the initial Lease Term.

2.5.3.2 Exercise of Subsequent Options. If Tenant wishes to exercise its Extension Option with respect to the second Option Term, Tenant shall deliver written notice to Landlord no less than 60 days before the expiration of the first Option Term.

2.5.4 Amendment to Lease. If Tenant timely exercises its Extension Options, 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.

2.6 Termination by Tenant.

Tenant shall have the option, upon sixty (60) days' prior written notice to Landlord ("Termination Notice"), to terminate this Lease with respect to all or part of the Premises for lack of funding to operate within the Premises, or based on Landlord's failure to complete the work set forth in the Work Plan and deliver the Premises within the time period set forth herein and/or the Funding Agreement, or for any reason within Tenant's discretion. In which event the Premises subject to

any Termination Notice shall be referred to as the "Canceled Premises." The termination shall be effective as of sixty (60) days after Tenant delivers the Termination Notice to Landlord ("Lease Termination Date").

2.7 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 County upon sixty (60) days' prior written notice to the other party, and shall otherwise be on the same terms and conditions herein set forth.

ARTICLE 3

USE OF PREMISES

3.1 Tenant's Use. Tenant shall use and occupy the Premises for any lawful business use so long as such use continues to be for recreational and other government purposes.

3.2 Landlord's Obligations. Landlord shall use, or permit use, only for purposes that do not materially interfere with Tenant's allowed use of the Premises.

ARTICLE 4

RENT

4.1 No Obligation to Pay Rent. Tenant shall not be obligated to pay rent during the Lease Term as may be extended. Additionally, Tenant shall not be responsible for any operating expenses or operating expense pass-throughs during the Lease Term.

4.2 Tenant Funding. In lieu of payment of rent, utilities, taxes and/or any other operational expenses associated with the Building, and subject to all terms and conditions herein, the Tenant shall provide up to Three Hundred Thirty-Three Thousand Dollars (\$333,000.00) pursuant to the Funding Agreement for the "Tenant Improvements" described in the Work Plan.

4.3 Rental Adjustments. N/A.

ARTICLE 5

MAINTENANCE

5.1 Maintenance of Building and Premises. Except as otherwise provided in this Lease, during the Lease Term, Landlord, at its expense, agrees to maintain the Building 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 ordinary maintenance of the exterior portions of the Building such as painting and/or washing the exterior walls and windows, maintaining the exterior portions of the Building, polishing or waxing any exterior components, cleaning and maintaining sidewalks adjacent to the Building, rubbish removal and all interior maintenance, repair and replacement, including, without limitation, the replacement of fluorescent and other lighting (e.g., light bulbs, ballasts) and furnishing of all restroom supplies. In addition, Landlord shall provide, for the use by Tenant and its customers, agents, employees, assignees, subtenants, licensees and invitees during Tenant's normal business hours (7:00 a.m. - 8:00 p.m.) Monday through Saturday, excluding County holidays), building utility services and elevators and building maintenance personnel who shall, at the option of Landlord, be either on duty in the Building or reasonably available to the Tenant and capable of promptly performing the services or work required. If any service or maintenance requested by Tenant cannot reasonably be completed by Landlord's on duty building maintenance personnel, 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. If Landlord does not perform its obligations within the time limitations in this Section 5.1, Tenant may perform the obligations and shall have the right to be reimbursed for the sum Tenant actually expends in the performance of Landlord's obligations. If Landlord does not reimburse Tenant within fifteen (15) days after demand from Tenant, Tenant shall have the right to withhold from future Rent due the sum Tenant has expended until Tenant is reimbursed in full.

5.2 Maintenance by Tenant. Tenant shall be responsible for the maintenance, including repair and/or replacement desired by Tenant, of its interior signs, furnishings, trade fixtures installed by or on behalf of Tenant, and other personal property used in connection with the Premises. Tenant shall not be responsible for any of the items that are Landlord's responsibilities under this Lease.

ARTICLE 6

UTILITIES AND SERVICES

6.1 Landlord to Provide Utilities. Landlord shall provide and pay for electricity service for ordinary lighting and business machines (such as typewriters, adding machines, faxes, printers, and computer terminals), gas, water, sewer, and heat and air conditioning (in the customary periods of the year and during the customary hours (i.e., 7:00 a.m. to 8:00 p.m., Monday through Saturday, excluding County holidays)) all in reasonable amounts not to exceed the capacities of the utility systems serving the Premises making delivery to Tenant, such amounts not to be less than the amounts being used upon the commencement of this Lease plus Tenant's anticipated growth. Tenant acknowledges that gas, water, and sewer are not provided to the Premises, but are available in common areas of the Building accessible by Tenant.

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 damage or defective condition relating to failure of such systems 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 damage or defective condition is caused by one of the above three listed reasons, then the amount of such abatement 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 23) 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 any 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. In the event of any stoppage or interruption of services, Landlord shall use commercially reasonable and diligent efforts to restore said services as soon as possible. Tenant, however, shall have the right, at its option, to terminate this Lease if any such stoppage or interruption of said services continues for any reason for more than fourteen (14) consecutive days.

6.3 Security Services. Landlord shall provide security services for the Building and Real Property in accordance with the specifications set forth in the approved Work Plan. Tenant shall have the right to install or have installed in the Premises, a card key access system or other security system.

6.4 Janitorial Services. Landlord agrees to provide reasonable cleaning service consistent with first class buildings for the Premises and for all of the public and common areas in the Building and appurtenances thereto, including the elevators and stairways. Such services shall include those set forth in Exhibit E attached hereto and incorporated herein by this reference. Tenant shall have the right for any reason whatsoever or for no reason, upon thirty (30) days' notice to Landlord, to assume responsibility for providing janitorial service and supplies to the Premises, and in said event, the Rent due under this Lease shall be reduced by the estimated amount of savings in costs for such janitorial services and supplies incurred by Landlord as a result of such performance by Tenant, as determined based on the actual costs incurred by Landlord for such janitorial service and supplies during the 12-month period ending on the last day of the last full calendar month ending before the commencement of such performance by Tenant. Landlord covenants and agrees, at its sole cost and expense: (a) to comply with all present and future laws, orders and regulations of the Federal, State, County, municipal or other governing authorities, departments, commissions, agencies and boards regulating the collection, sorting, separation, and recycling of garbage, trash, rubbish and other effuse (collectively "trash"); (b) to sort and separate trash and recycling into such categories as are provided by law; and (c) that Landlord shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Landlord's failure to comply with the provisions of this Section 6.4.

ARTICLE 7

ALTERATIONS AND IMPROVEMENTS

During the term of this Lease, Tenant shall make no alterations, installations, additions, or improvements to the Premises costing more than Ten Thousand Dollars (\$10,000.00) without submitting to Landlord plans and specifications therefor and obtaining Landlord's written consent, which consent will not be unreasonably withheld or delayed. 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.

ARTICLE 8

PARKING

Included in Tenant's rental herein is the right of Tenant's employees, contractors, agents, customers and invitees to have the right to use on a non-exclusive basis and free of charge at least three (3) parking spaces in the parking area associated with the Building. 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 employees, contractors, agents, 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 tenants; 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 all Laws and Orders and do not adversely affect Tenant's ability to utilize said three (3) parking spaces.

ARTICLE 9

INSURANCE AND INDEMNITY

9.1 Fire and Extended Coverage 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 use or occupancy or manner of use or occupancy of the Real Property by Landlord or any person or entity claiming through or under Landlord, except Tenant; (c) the condition of the Real Property or any occurrence in the Building from any cause whatsoever except to the extent caused by the negligence or willful misconduct of Tenant; or (d) any acts, omissions or negligence of Landlord or of the contractors, agents, employees, visitors or licensees of Landlord in, on or about the Real Property including, without limitation, the design and construction of the Building or the Premises. Landlord's obligations under this Section 9.2.2 shall survive the termination of the Lease.

ARTICLE 10

DESTRUCTION AND UNTENANTABILITY OF PREMISES

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 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 be used only 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 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 9. 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, provided that Landlord also terminates the leases of all other tenants of the Building. 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 either (a) 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, or (b) Tenant gives notice, in writing, prior to the expiration of the 60-day period set forth above, that it desires to have the Building, or so much thereof as may be necessary to constitute a complete architectural unit, restored to a condition that will provide Tenant with suitable facilities, satisfactory 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 any insurance proceeds, to pay for such partial rebuilding. If Tenant gives such notice to Landlord, 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.. 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.

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.

10.6 Abatement of Rent. N/A

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 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) Subject to the provisions of Section 11.4.5, 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 untenanted, 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. N/A

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. 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 options 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), 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 first to reimburse Landlord and Tenant for costs incurred in such appropriation proceedings, then shall be used to repair or restore the Building as provided in this Article 11, and 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 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 which are applicable to the Premises, the Building and the Real Property. 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). The laws of the County shall not be binding upon the Landlord solely due to Tenant's use and occupancy of the Real Property, Building or Premises.

12.2 Compliance with Laws and Orders. Throughout the term of this Lease, Landlord, at Landlord's sole expense, shall comply with all Laws and Orders with respect to the Building. Landlord shall promptly make all repairs, replacements, alterations, or improvements needed to comply with all Laws and Orders.

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

Include the following statement if a CASp inspection has NOT been performed: 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 Landlord may not prohibit the Tenant from obtaining a CASp inspection of the subject Premises for the occupancy or potential occupancy of Tenant, if requested by 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

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 Tenant shall be permitted to remain in quiet and peaceful possession of the Premises throughout the term thereof, and any extension or renewal thereof, as long as Tenant shall not be in default under this Lease, or, if Tenant is in such default, as long as Tenant's time to cure such default shall not have expired. Such agreements shall be on form mutually acceptable to the parties. 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.

ARTICLE 15

TRANSFER OF TENANT'S INTEREST

Tenant shall have the right at any time and from time to time to assign or otherwise transfer all or any part of Tenant's interest in this Lease and to sublet the Premises, or any part thereof, provided that Landlord has provided its written consent, which consent may be withheld or granted by the City in its sole discretion.

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 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; and

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

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 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 the best of 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").

17.3 Right of Offset. N / A

17.4 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 are not in compliance with Hazardous Substance Laws, Tenant may, upon thirty (30) days' written notice to Landlord, terminate this

Lease.

17.5 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: (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; (c) any lawsuits or administrative action brought or threatened, settlement reached or governmental order relating to any Hazardous Materials; or (d) any violation of any laws applicable to any Hazardous Materials. Landlord's obligation under this section shall not apply to the proportionate extent that the presence, disposal, or release of Hazardous Materials is due to the acts or omissions of the Tenant.

17.6 Survival. Landlord's indemnification obligations under Section 17.5 above shall survive the expiration or sooner termination of this Lease.

17.7 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 the 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.

17.8 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.

17.9 Clean-Up. If Landlord is responsible for the clean-up of any contamination of the Premises, the Building or the Real Property, Landlord shall carry out and complete, at its own cost and expense, 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 if Tenant elects to cure.

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
Public Infrastructure
400 Aviation Blvd., Suite 100
Santa Rosa, CA 95403
Attn: Real Estate Manager
Phone: 707 565 2550
Email: SPI-RealEstate@sonomacounty.gov

“Landlord”

City of Cloverdale
124 N. Cloverdale Blvd.
Cloverdale, CA 95425
Office: 707.894.1710
www.cloverdale.net
attn: Kevin Thompson, City Manager

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, 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 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. Tenant, at any time after Landlord commits a material default, may terminate this Lease or may cure the default at Landlord's cost. If Tenant at any time, by reason of Landlord's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Tenant shall be due from Landlord to Tenant within thirty (30) days of written notice that the sum was paid, and if paid at a later date shall bear interest at the maximum rate the Tenant is permitted by law to charge from the date the sum is paid by Tenant until Tenant is reimbursed by Landlord. The remedies set forth in this Section 20.2 are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease. In the event Landlord disputes that it is in default, Landlord shall have the right to initiate an arbitration proceeding in accordance with Article 23 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.

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) The vacating for more than sixty (60) consecutive days or abandonment of

the Premises by Tenant;

(b) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, 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. The purpose of this notice requirement is to extend the notice requirements of the unlawful detainer statutes of California.

20.4 Landlord's Remedies on Tenant's Default. In the event of any material default by Tenant which is not cured by Tenant, Landlord may terminate this Lease by giving Tenant sixty (60) days' notice of termination. The purpose of this notice requirement is to extend the notice requirement of the unlawful detainer statutes of California. On termination of the Lease for default pursuant to this Section 20.4, Landlord shall have the right to recover from Tenant only the following amounts for any and all damages and court costs, which may be the direct or indirect result of such default necessary to compensate Landlord for all detriment proximately caused by Tenant's default which Landlord proves could not have been reasonably avoided.

ARTICLE 21

SIGNAGE

Upon the commencement of this Lease, Landlord shall provide: (a) signage consistent with the existing signage program for the Building reasonably acceptable to Tenant (in conformance with all Laws and Orders (as defined in Article 12) identifying as the principal occupant of the Building; and (b) main entry door signage. The cost of the signage and lettering shall be Landlord's responsibility. Landlord shall ensure proper signage at the entrances to the Building and on the Premises to identify County as the Tenant.

ARTICLE 22

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, except for Landlord's/Tenant's N/A/ broker, NONE, whose commission, if any is due, shall be the responsibility of Landlord. In the event that any other 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 23

DISPUTE RESOLUTION

23.1 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.

23.1.1 Qualifications of Arbitrators. The arbitrators shall be real estate appraisers, licensed in the State of California, familiar with handling commercial lease matters.

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

23.3 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.

23.4 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.

23.5 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.

23.6 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.

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

23.8 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.

23.9 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 24

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 25

MISCELLANEOUS

25.1 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.

25.2 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.

25.3 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.

25.4 Force Majeure-Specific Exceptions. Unless otherwise specified (including, without limitation Section 2.4), 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.

25.5 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.

25.6 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.

25.7 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.

25.8 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.

25.9 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.

25.10 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.

25.11 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.

25.12 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.

ARTICLE 26

TELECOMMUNICATIONS EQUIPMENT

Installation of Telecommunications Equipment. Tenant shall have the right to install, at Tenant's cost, a satellite dish or similar antennae on the roof of the Building as set forth in this Article 26. Tenant shall have the right to install, operate and maintain telecommunications equipment on or about the Premises, the Building and the roof of the Building. In installing the telecommunications equipment, Tenant shall adhere to industry standards for installation and workmanship, all work to be completed to Landlord's reasonable satisfaction. Landlord reserves the right to have its roofing

inspector supervise and review installation(s) to ensure the integrity of the roof structure is maintained. In addition, the installation of such equipment shall not cause damage to the Building and the use shall not result in excessive electrical use or diminish the rentable square footage of the Building. Tenant shall be responsible for procuring whatever consents, approvals, licenses or permits that may be required for the installation, use, operation and removal of Tenant's system. Tenant shall at all times and at Tenant's sole cost and expense be responsible for proper maintenance of the Telecommunications Equipment and all governmental permits and approvals required in connection therewith.

[SIGNATURE PAGE FOLLOWS]

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

corporation

“LANDLORD”: CITY OF CLOVERDALE, a California municipal

Kevin Thompson

Kevin Thompson (Jun 13, 2026 11:13:37 PDT)

By: _____

Print Name: Kevin Thompson

Title: _____

City Manager

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

By: _____

Director

Public Infrastructure Department

The Director is authorized to execute this Lease, pursuant to the Board of Supervisors' Summary Action dated _____, 20_____.

APPROVED AS TO FORM FOR TENANT:

Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

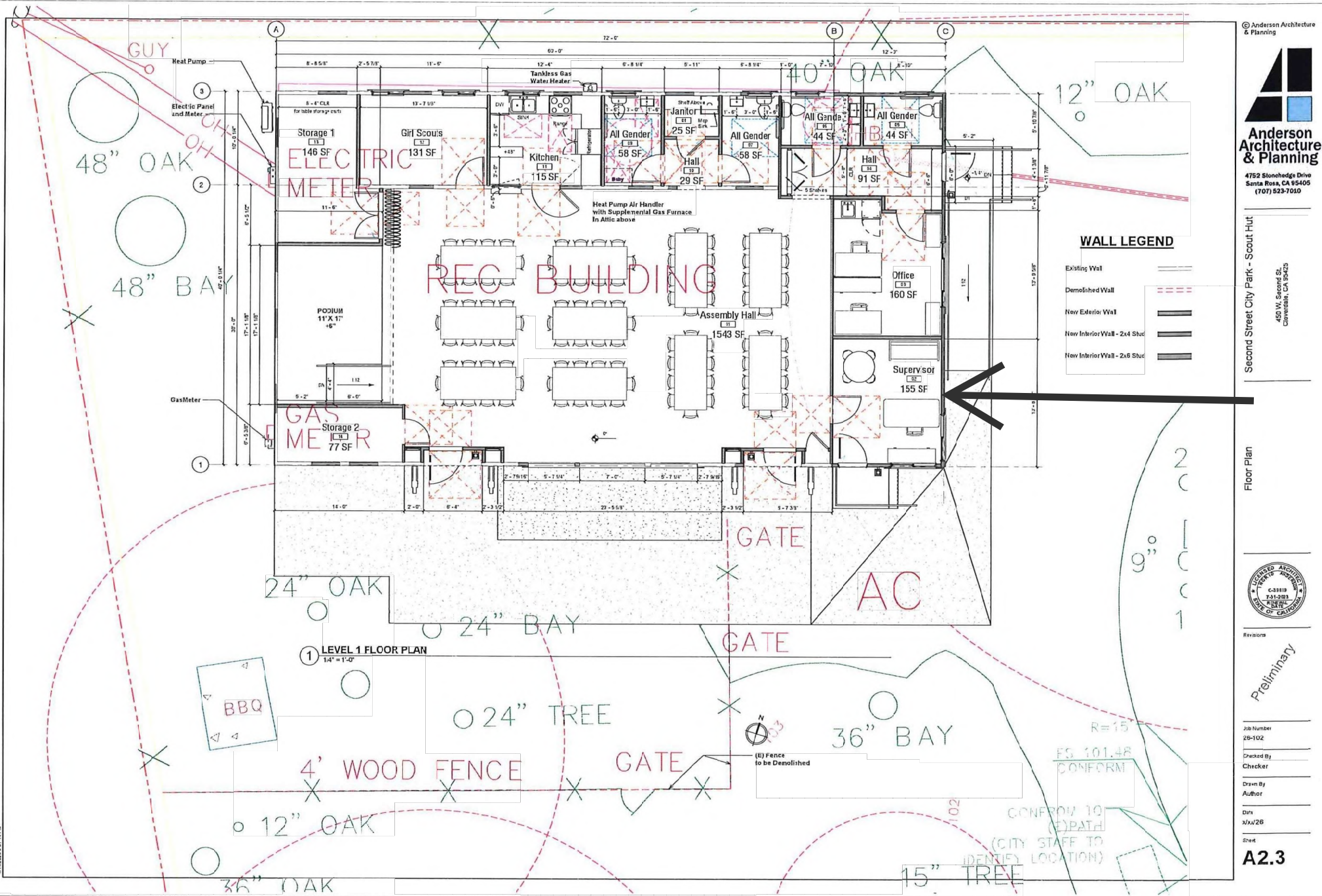
Real Estate Manager
Public Infrastructure Department

CERTIFICATE OF INSURANCE ON FILE WITH DEPARTMENT:

Reviewed by: _____ Date: _____

450 West 2nd Street Cloverdale Premises Description Exhibit A

KT
KT



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Anderson Architecture & Planning
 4752 Stonehedge Drive
 Santa Rosa, CA 95405
 (707) 523-7010

Second Street City Park - Scout Hut

Floor Plan



Revisions

Preliminary

Job Number: 28-102
 Checked By: _____
 Checker: _____
 Drawn By: _____
 Author: _____
 Date: 11/11/26
 Sheet: _____

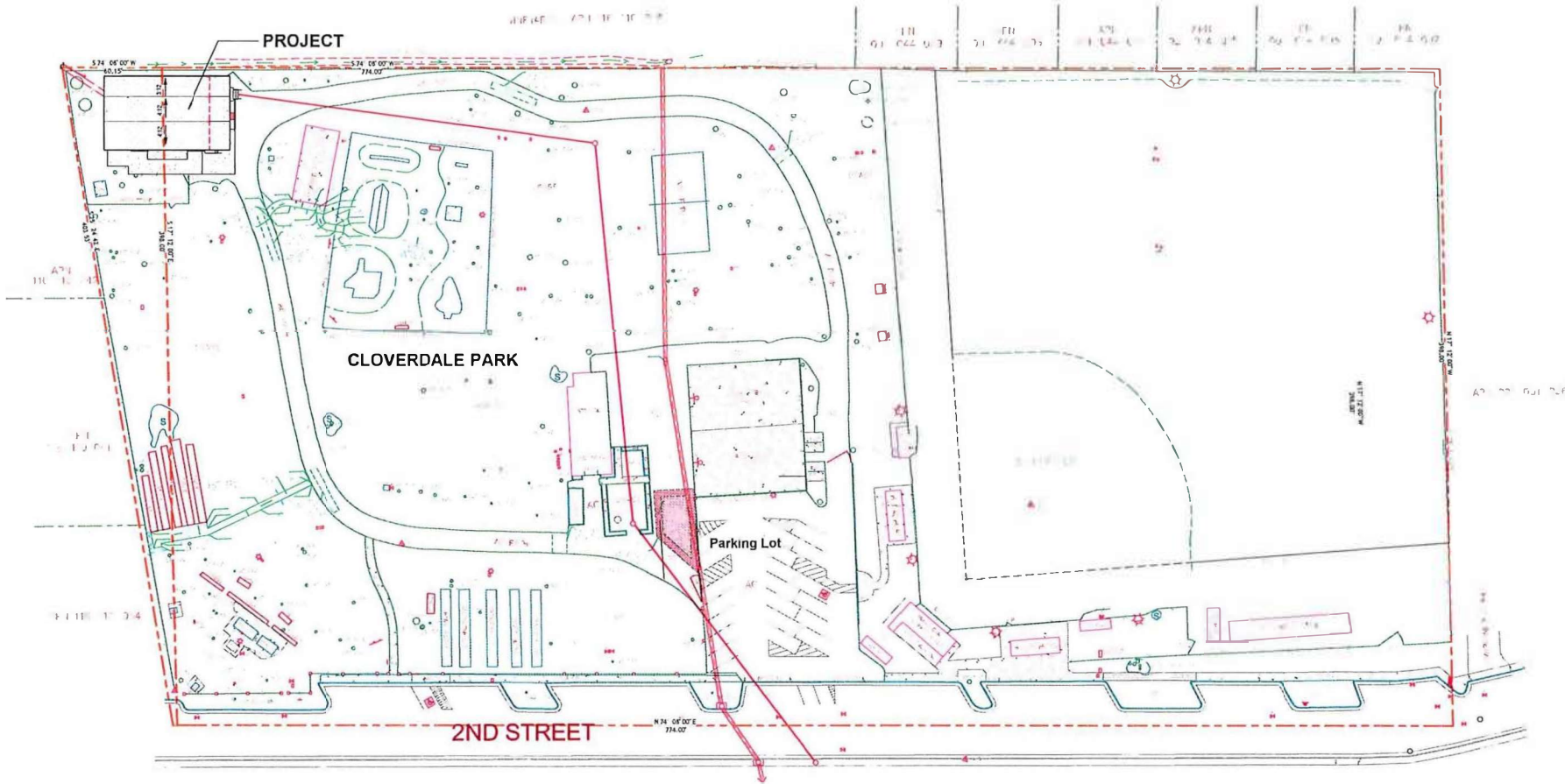
A2.3

450 West 2nd Street Cloverdale Lease
 Site Plan
Exhibit B

KT
 KT

GENERAL NOTES - SITE PLAN

- 1 See Civil drawings for grade and hardscape details
- 2 See Electrical drawings for Site Lighting locations
- 3 All building entrances that are accessible to and usable by persons with disabilities and at every major junction along or leading to an accessible route of travel shall be identified with a sign displaying the International Symbol of Accessibility and with additional directional signs, as required, to be visible to persons along approaching pedestrian ways



SITE PLAN
 1" = 30'-0"



Preliminary

KT
KT

EXHIBIT C

WORK PLAN (same as from Funding Agreement)

EXHIBIT D

Commencement Date Memorandum

CITY, as landlord, and COUNTY as tenant, entered into that certain LEASE AGREEMENT (the "Lease") dated _____, 2026, for premises located at 450 West Second Street, Cloverdale. The commencement of Term as defined at Section 2.2 of the Lease provides that the Lease Term shall commence on the later of the following dates (the "Commencement Date"): (a) July 1, 2027, 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 the Landlord's Work Plan is substantially completed. Therefore, the Parties acknowledge that the date the Term commenced is _____.

ACKNOWLEDGED BY COUNTY:

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

By: _____

Name: _____

Its: Director, Public Infrastructure

Date: _____

ACKNOWLEDGED BY CITY:

**CITY OF CLOVERDALE,
a California municipal corporation**

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT E
JANITORIAL SERVICES

For Tenant Premises

Weekly Service

1. Replace lights as needed.
2. Empty, clean and dust all waste baskets and other waste containers.
3. Remove trash and wastepaper, refuse to designated areas.
4. Thorough vacuum of all carpeting and rugs nightly.
5. Dust all desks, chairs, tables, filing cabinets and other office furniture with specially treated dust cloths.
6. Damp clean lobby counters.
7. If floors are carpeted, carpet will be vacuumed nightly.
8. All tile floors in all areas will maintain a satin finish. Trafficked areas to receive regularly programmed floor maintenance to ensure luster and remove black marks and scuffs.
9. Sweep and spot mop hard surface areas, restrooms, break areas, food service, and lunchroom. Clean and sanitize drinking fountains.
10. Clean entrance glass.
11. Damp clean tabletops in coffee rooms.
12. Sweep entryways.
13. Spot clean carpets of small spillages, footprints, etc. only upon Tenant request and at Tenant cost.
14. Keep janitor closets clean and orderly.
15. Plumb toilets as needed.
16. Clean and sanitize restroom fixtures, mirrors, chrome pipes, etc.

17. All metal and mirrors will be cleaned and polished.
18. Toilet bowls, urinals and basins will be cleaning nightly. A safe antiseptic and deodorant bowl cleaner will be used.
19. Fill and maintain mechanical operations of all tissue, soap, towel, paper and sanitary napkin dispensers.
20. Floors to be swept and washed, using antiseptic liquid detergent.
21. Remove waste paper and refuse.
22. Clean all desktops that are cleared.

Monthly Service

1. Dust high areas.
2. Dust and wipe clean top of window sills, desk cabinets, baseboards, molding, partitions and picture frames (Hi-lo).
3. Vacuum dust and dirt accumulation from air-conditioning vents.
4. Brush down cobwebs inside building.
5. Dust blinds.
6. Polish and buff (no wax) resilient floors in county areas as needed.

Every Four (4) Months

1. Vacuum upholstered furniture.
2. Clean lobby directories and fire extinguisher glass.
3. Wash inside windows and partitions.
4. Scrub restroom floors.
5. Dust clean all vertical surfaces; such as walls, partitions, doors, etc. not reached in nightly cleaning.

6. Wax and buff all resilient flooring in county areas, or as needed. Floors shall be stripped, re-waxed and buffed when required- at Tenant's cost. Unusual traffic conditions will receive special attention.

7. Wash outside windows.

Annually

1. Vacuum blinds
2. Shampoo/clean carpets.
3. Supply and change entry mats upon Tenant's request and at Tenant cost.

As Needed

1. Clean and remove finger and hand marks, smudges and scuff marks from all vertical and horizontal surfaces (walls, doors, sills and woodwork).
2. Dust all louvers, grills and other than flush light fixtures.
3. Buff floor

The above are considered the minimum standard janitorial items. Landlord is responsible for providing all janitorial services for the health and cleanliness of the leased facility.

Exhibit F

450 West Second Street Lease (City of Cloverdale to County of Sonoma)

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, 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; \$3,000,000 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 and Tenants' Improvements & Betterments

- a. The insurance shall cover the Building (excluding land) and all improvements 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. The insurance shall cover the interests of both Landlord and Tenant. Tenant shall be endorsed as an additional insured with respect to its interest in covered property; other tenants may be added as additional insureds.
- f. All moneys collected from the insurance company shall be held by Landlord in trust to be used and applied exclusively in accordance with Article 10 of the Lease entitled "Destruction and Untenantability of Premises".
- g. Tenant shall not be responsible to Landlord for any coinsurance penalty assessed by the insurance company.
- h. If the policy has a deductible, Landlord shall be responsible for the full amount of the deductible without contribution from Tenant.
- i. *Required Evidence of Insurance:*
 - i. Additional insured endorsement; and
 - ii. 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 the entire period of restoration of damaged property and shall not be limited to a period of 12 or 18 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. Mold Liability Insurance

- a. The insurance shall cover claims for mold-related bodily injury and property damage (including loss of use) and remediation expenses.
- b. The insurance shall cover claims arising out of the presence of mold, microbial matter, or mold or fungus spores on the Premises.
- c. Minimum Limit: \$5,000,000 per occurrence.
- d. *Required Evidence of Insurance*: Certificate of Insurance

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: 450 West Second Street, Cloverdale, CA (Boy Scout Building)
- 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 Public Infrastructure, 400 Aviation Blvd., Suite 100, Santa Rosa, CA 95403, Attn: Real Estate Manager, Phone: 707 565 2550, Email: 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. 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.** Minimum Limit: \$1,000,000 per occurrence.
- 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. 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.







Office Lease 350 West 2nd St City of Cloverdale Execution

Final Audit Report

2026-06-15

Created:	2026-06-15
By:	Pamela Asselmeier (Pamela.Asselmeier@sonomacounty.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAA50O25uc39HmS_SQPZmAKyux9O6w0ZNkA

"Office Lease 350 West 2nd St City of Cloverdale Execution" History

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2026-06-15 - 5:45:46 PM GMT
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2026-06-15 - 6:07:47 PM GMT- IP address: 104.47.56.126
-  Signer kthompson@ci.cloverdale.ca.us entered name at signing as Kevin Thompson
2026-06-15 - 6:13:35 PM GMT- IP address: 70.90.160.11
-  Document e-signed by Kevin Thompson (kthompson@ci.cloverdale.ca.us)
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