

LEASE

This Lease ("Lease") is made this day of _____, 20__ ("Effective Date"), by and between Sonoma County Community Development Commission a political subdivision of the State of California (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 hereby leases to Tenant and Tenant leases from Landlord those certain premises described in **Exhibit A** attached hereto ("Premises"), which are situated in that certain building commonly known as Flood Control Maintenance Building ("Building"), which Building is situated on that certain real property commonly known as Sonoma County Assessor's Parcel Number 010-320-029 located in the City of Santa Rosa, County of Sonoma, State of California ("Real Property"). Subject to verification of the Premises are Nine thousand, one hundred and seventy four (9,174_) 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 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 Leasehold Improvement Agreement ("LIA") attached to this Lease as **Exhibit C**. If this Lease conflicts with the LIA, the LIA shall prevail.

1.31. **Tenant Improvement and Moving Allowance.** Landlord shall fund Improvements to the Premises in the amount of Three hundred thousand (\$ 300,000). The Schedule of Tenant Improvements that will be performed is attached as Exhibit C to the Lease.

1.4 Rentable Area and Usable Area.

1.4.1 **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/BOMA Z65.1-2017 or successor standard(s), adopted by the Building Owners and Managers Association International ("BOMA").

1.4.2 Verification of Rentable Area and Usable Area. 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 the Landlord, 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. 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 office 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.

1.5 First Right of Refusal. Landlord shall not lease all or any part of the remainder of the Building in which the Premises are located (throughout the term of this Lease, including any and all extensions exercised by Tenant) ("Expansion Space") to a third person for a period longer than a month-to-month basis, unless Tenant has declined to exercise its right of first refusal as described below. At any time that Landlord determines to lease or extend any existing lease covering all or part of the Expansion Space, Landlord shall notify Tenant, including, without limitation, the target commencement date of the rent for which Landlord is willing to lease the Expansion Space, or a portion of the Expansion Space to a third party, including, without limitation, the target commencement date of the lease. If Tenant, within fifteen (15) business days after receipt of Landlord's notice, indicates in writing to Landlord its agreement to lease the Expansion Space or a portion thereof, the Expansion Space or the portion thereof shall be included within the Premises upon commencement of the lease for the Expansion Space by Tenant, and the Expansion Space shall be leased to Tenant pursuant to the provisions of this Lease, including, without limitation, the provisions relating to the rights and obligations of the parties with respect to alterations. Rent for the Expansion Space shall be the Rent then in effect under this Lease at the commencement of the lease for the Expansion Space. A tenant improvement allowance and any other lease concessions, if applicable, shall be negotiated based on the amount of term remaining in the Lease. Upon commencement of the lease for occupancy of the Expansion Space, the Rent payable under this Lease shall be increased by the amount of rent attributable to the Expansion Space or portion thereof that is leased by Tenant. The parties shall execute an amendment to this Lease stating the addition of the Expansion Space that is leased by Tenant. If Tenant does not indicate within fifteen (15) business days its agreement to lease the Expansion Space on or around the target commencement date, Landlord thereafter shall have the right to lease or extend the lease covering the Expansion Space to a third party at the rent stated in the notice. The provisions of this Section 1.5 shall be operative each time Landlord determines to lease all or a portion of the Expansion Space to a third party.

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 sixteen

(16) months 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 September 1, 2019 (the "Commencement Date").

2.3 Substantial Completion of Landlord's Work. The work to be done in the Premises by Landlord pursuant to the provisions of Exhibit C shall be "substantially completed" when Landlord has delivered to Tenant a temporary or final statement that the 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.

2.4 Delay in Commencement. If Landlord, for any reason whatsoever, fails to give Tenant notice by September 1, 2019 that the Landlord's work in the Premises is substantially completed, as provided for above, then the 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, and withhold from the first rental payment and subsequent rental payments as may be necessary, as liquidated damages, an amount equal to one and one-half times the Rent otherwise due for each day after said date during which Landlord has failed to give Tenant such notice of substantial completion.

Termination by Tenant.

2.6.1 Non-appropriation of Funds. Tenant may terminate this Lease, in accordance with Section 2.6.3 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.

2.6.2 Discretionary Termination. At any time after the date which is September 1, 2019, Tenant shall have the option, on notice to Landlord ("Termination Notice"), to terminate this Lease with respect to all or part of the Premises, in accordance with Section 2.6.3 below.

2.5.3 Termination Procedures.

2.6.3.1 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 2.6, 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 2.6.3.

2.6.3.2 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," as defined in this Subsection 2.6.3.2.

2.6.3.2.a Lease Concessions. For purposes of this Subsection 2.6.3.2, "Lease Concessions" 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; and (b) the amount of attorney's fees paid to Landlord's attorney to initially review and negotiate this Lease.

2.6.3.2.b Unamortized Value as of Lease Termination Date. The "Unamortized Value as of the Lease Termination Date" of the Lease Concessions shall be equal to the product of:

- (a) The number of months of the Lease Term remaining after the Lease Termination Date until the original Lease Expiration Date;
- (b) The Monthly Amortization Amount, as determined in Subsection 2.6.3.2.3.

2.6.3.2.c 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, not including any concessions for Tenant's expansion options, as the present value of the annuity;
- (b) _____ percent (___%) per annum as the future value interest factor;
- (c) _____ (___) 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.

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 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.

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 standard professional office space.

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

ARTICLE 4

RENT

4.1 Definition of "Rent"--Limited Setoff. Commencing on the Commencement Date, Tenant shall pay to Landlord rent ("Rent") in the equivalent of a Lump Sum of Four Hundred and Eighty Thousand Dollars (\$480,000) or Three-thousand (\$3,000) per month.). The Rent shall be y setoff as provided in Section 5.1. Payment shall be made at the address set forth in Section 19.2 or at any other place that Landlord may from time to time designate in writing. Tenant shall not be obligated to recognize any agent for the collection of Rent until written notice of the appointment and the extent of the authority of such agent shall be provided to Tenant by Landlord.

4.2 Initial Payment; Proration. The Rent for the Lease Term shall be considered paid on the Commencement Date.

ARTICLE 5

MAINTENANCE

5.1 Maintenance of Building and Premises. Except as otherwise provided in this Lease, during the Lease Term, Tenant, at its expense, agrees to maintain the Building and the Premises, in 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, 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, 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. The performance of maintenance of the building as described in this Section shall offset the full amount of the Rent (\$3,000 per month or a Lump Sum of \$480,000).

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 Tenant to Provide Utilities. Tenant shall provide and pay for electricity service for ordinary lighting, gas, water, sewer, and heat and air conditioning all in reasonable amounts not to exceed the capacities of the utility systems serving the Premises.

6.3 Security Services. Tenant shall provide security services for the Building and Real Property.

6.4 Janitorial Services. Tenant agrees to provide reasonable bonded cleaning service for the Premises and for all of the public and common areas in the Building and appurtenances.

ARTICLE 7

ALTERATIONS AND IMPROVEMENTS

As described in Exhibit C and Article 1

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 in the parking area associated with the Building.

ARTICLE 9

INSURANCE AND INDEMNITY

9.1 Each party to this Agreement (the "Indemnifying Party") agrees to accept all responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless and release the other party (the "Indemnified Party"), and the Indemnified Party's supervisors, officers, agents, and employees, from and against any and all liabilities, actions, claims, damages, disabilities, or expenses that may be asserted by any person or entity, including the Indemnifying Party, to the extent resulting from the Indemnifying Party's breach of any material term of this Agreement, or Indemnifying Party's negligence or willful misconduct in connection with the performance of this Agreement, but excluding liabilities, actions, claims, damages, disabilities, or expenses to the extent arising from Indemnified Party's breach of any material term of this Agreement, or Indemnified Party's negligence or willful misconduct in connection with the performance of this Agreement. The Indemnified Party shall have the right to select its legal counsel at the Indemnifying Party's expense, subject to the Indemnifying Party's approval, which 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 the parties hereto or their agents under workers' compensation acts, disability benefit acts, or other employee benefit acts.

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, in which event proration of Rent shall be made to be effective upon the date of such major 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 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, and the Rent necessary for such rebuilding, and the Rent paid by Tenant shall be equitably reduced in accordance with its contribution of additional funds toward such rebuilding by amortizing such contribution over the then remaining Lease Term. 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 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 Rentable 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.

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. 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, and the Rent payable by Tenant shall be equitably reduced in accordance with its contribution of additional funds toward such rebuilding by amortizing such contribution over the then remaining Lease Term. 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 lease additional space pursuant to Section 1.5 and 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) 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 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 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 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).

12.2 Compliance with Laws and Orders. Throughout the term of this Lease, Tenant, shall comply with all Laws and Orders with respect to the Building. T e n a n t shall promptly make all repairs, replacements, alterations, or improvements needed to comply with all Laws and Orders.

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

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 the Tenant, if requested by the 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 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.

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. 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.

17.4 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. Each party to this Agreement (the "Indemnifying Party") agrees to accept all responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless and release the other party (the "Indemnified Party"), and the Indemnified Party's supervisors, officers, agents, and employees, from and against any and all liabilities, actions, claims, damages, disabilities, or expenses that may be asserted by any person or entity, including the Indemnifying Party, to the extent resulting from the Indemnifying Party's breach of any material term of this Agreement, or Indemnifying Party's negligence or willful misconduct in connection with the performance of this Agreement, but excluding liabilities, actions, claims, damages, disabilities, or expenses to the extent arising from Indemnified Party's breach of any material term of this Agreement, or Indemnified Party's negligence or willful misconduct in connection with the performance of this Agreement. The Indemnified Party shall have the right to select its legal counsel at the Indemnifying Party's expense, subject to the Indemnifying Party's approval, which 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 the parties hereto or their agents under workers' compensation acts, disability benefit acts, or other employee benefit acts.

17.6 Survival. 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 has provided Phase I and Phase II environmental studies. Should further sampling and testing of the Premises be conducted on 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 to terminate the lease as described in Article 2.

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.

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" General Services
Attn: Director
XXXXXXXXXXXXXXXXXX
Santa Rosa, CA xxxxxx

"Landlord" Sonoma County Community Development Commission
Attn: Asset Manager
1440 Guerneville Road
Santa Rosa, CA 95403

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. 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 thirty (30) 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, including the payment of Rent, 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 default by Tenant which is not cured by Tenant, Landlord may terminate this Lease by giving Tenant thirty (30) 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 which may be the direct or indirect result of such default:

(a) The worth, at the time of the award, of the unpaid Rent that has been earned at the time of termination of this Lease;

(b) The worth, at the time of the award, of the amount by which the unpaid Rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of Rent that Landlord proves could not have been reasonably avoided;

(c) The worth, at the time of the award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of the loss of Rent that Landlord proves could not have been reasonably avoided; and

(d) Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default which Landlord proves could not have been reasonably avoided;

(e) Landlord shall have the option provided in Civil Code section 1951.4, which provides that, when a tenant has the right to sublet or assign (subject to reasonable limitations), the landlord may continue the lease in effect after the tenant's breach and/or abandonment and recover rent as it becomes due. Accordingly, if Landlord does not elect to terminate the Lease on account of any default by Tenant, Landlord may enforce all of Landlord's rights and remedies under this Lease, including the right to recover all Rent as it becomes due.

"The worth, at the time of the award," as used in "(a)" and "(b)" of this Section 20.4 , is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award," as referred to in "(c)" of this Section 20.4, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

ARTICLE 21

SIGNAGE

Upon the commencement of this Lease, Tenant has permission to provide at their expense: (a) signage consistent with the existing signage program for the Building reasonably acceptable to Landlord (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 Tenant's responsibility. The cost of the signage and lettering shall be chargeable to the tenant improvement allowance described in Exhibit C.

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 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.

LESSEE HAS CAREFULLY READ AND CONSIDERED THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT AND HEREBY AGREES THAT LEASE SHALL BE BOUND BY ALL SAID TERMS AND CONDITIONS.

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

LESSOR "Landlord": Sonoma County Community Development Commission

By:

Date

LESSEE "Tenant": County of Sonoma, a political subdivision of the State of California

By: Director, General Services Department

Date

The General Services Director, or her Deputy, 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:

Director, Regional Parks Department

Director, Probation Department

Director, Emergency Management Department

Marc McDonald, Real Estate Manager

General Services Department

DRAFT