

LEASE

BETWEEN

SR STONY POINT DE LLC

AND

COUNTY OF SONOMA



FOR

**3333 Mendocino Avenue, Suite 240
Santa Rosa, California**

DATED

_____, 2021

3333 MENDOCINO AVENUE, SUITE 240, SANTA ROSA, CA

FULL SERVICE LEASE

BASIC LEASE INFORMATION

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

LANDLORD:

SR STONY POINT DE LLC, a Delaware limited liability company

LANDLORD'S ADDRESS:

In care of **BASIN STREET PROPERTIES**
316 California Ave, #350
Reno, NV 89509
Attention: Scott Stranzl, Vice President, Leasing
Scott@basin-street.com
Fax: (775) 954-2917

With a copy to:

BASIN STREET PROPERTIES
316 California Avenue, Suite 350
Reno, NV 89509
Attention: Stephanie Burlingame, Vice President,
Operations and Property Management
Stephanie@basin-street.com

TENANT:

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

TENANT'S ADDRESS:

COUNTY OF SONOMA
General Services Department
Attn: Real Estate Manager
2300 County Center Drive, Suite A220
Santa Rosa, CA 95403

With a copy to:

COUNTY OF SONOMA
Independent Office of Law Enforcement Review
and Outreach (IOLERO)
Attn: Director
3333 Mendocino Avenue, Suite 240
Santa Rosa, CA 95403

PREMISES:	Two thousand five hundred eleven (2,511) square feet of Rentable Area located at 3333 Mendocino Avenue, Suite 240, Santa Rosa, California, as more particularly shown on <u>Exhibit A</u> attached hereto.
PROJECT:	That certain Sonoma County Assessor's Parcel Number 173-030-021, a two-story professional office building located in the City of Santa Rosa, the County of Sonoma, California, commonly referred to as 3333 Mendocino Avenue, consisting of 38,228 sq. ft. of Rentable Area.
TERM:	Five (5) years, effective as of the Commencement Date of this Lease.
OPTIONS:	Two, 2-year options to extend the term of the Lease.
RENT:	<p>\$1.95 per sq. ft.; Four Thousand Eight Hundred Ninety-Six and 45/100 Dollars (\$4,896.45) per month.</p> <p>Rent by 3% adjusted on the first anniversary, and thereafter, of the commencement date.</p>
RENT ABATEMENT:	Rent for the 1 st month of the Lease shall be abated by Landlord, for a total of \$4,896.45.
BASE YEAR:	2021
SECURITY DEPOSIT:	\$0.00
PROGRAM OR PREMISES FOR WHICH THE PREMISES IS LEASED:	General office and governmental office purposes, including, without limitation, use by the Independent Office of Law Enforcement Review & Oversight (IOLERO).
PERMITTED USE:	Office, administration and related programs, provided through IOLERO.
PARKING SPACES:	See <u>Article 8</u> .
REAL ESTATE BROKERS:	Cushman & Wakefield Keegan & Coppin Co., Inc.

EXHIBITS AND ADDENDUM:

Exhibit A	Diagram of Premises
Exhibit B	Site Plan
Exhibit C	Rules and Regulations
Exhibit D	Insurance
Exhibit E	Tenant Estoppel Certificate
Exhibit F	Acknowledgement of Commencement Date
Exhibit G	Covid19-Related Requirements

LEASE

This Lease ("Lease") is made this _____ day of _____, 2021 ("Effective Date"), by and between **SR STONY POINT DE LLC**, a Delaware limited liability company, (hereinafter called "Landlord"), and the **COUNTY OF SONOMA**, a political subdivision of the State of California (hereinafter called "Tenant"). Landlord and Tenant are sometimes collectively referred to herein as the "parties" and singularly, as "party."

Article 1

REAL PROPERTY, BUILDING, AND PREMISES

1.1 Lease of Premises. Landlord leases to Tenant and Tenant leases from Landlord those certain premises outlined in red on **Exhibit A** attached hereto ("Premises"), which are located in the building commonly known as **3333 Mendocino Avenue**, ("Building"), **Suite 240**, Sonoma County Assessor's Parcel Number 173-030-021 located in the City of Santa Rosa, County of Sonoma, State of California ("Real Property"). Subject to verification as provided in Subsection 1.3.2, the Rentable Area (as defined in Section 1.3.1) and Usable Area (as defined in Section 1.3.1) of the Premises are two thousand five hundred eleven (2,511) rentable square feet, respectively. The Building, the areas servicing the Building (including any adjacent parking structures and parking areas), and the land on which the Building and those areas are located (as shown on the site plan attached to this Lease as **Exhibit B**) are sometimes collectively referred to as the "Real Property".

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

1.2.1. Condition Upon Delivery. Prior to delivery of the Premises to Tenant, Landlord shall conduct the following work in the Premises at its sole cost and expense with Building-standard finishes: Repaint the Premises, machine scrub or dry-clean all carpeted areas, and install new blinds on exterior windows, in colors acceptable to Landlord and Tenant. Tenant acknowledges that it has had an

opportunity to thoroughly inspect the Premises and, except for the improvements to the Premises to be made by Landlord as provided in the foregoing sentence, Tenant accepts the Premises in its existing "as is" condition, with all faults and defects and without any representation or warranty of any kind, express or implied, and Landlord shall have no obligation to make or pay for any improvements or renovations in or to the Premises or to otherwise prepare the Premises for Tenant's occupancy.

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

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

1.2.4 Adjustment of Rent. On the final determination of the Rentable Area of the Premises and the Building, if the Rentable Area of either is different from that stated in Section 1.1, Rent that is based on the Rentable Area shall be recalculated in accordance with that final determination. On the recalculation of Rent as provided in this Subsection 1.2.4, the parties shall confirm in writing and/or execute an amendment to this Lease, stating the recalculated Rentable Area and the recalculated Rent. Execution of an amendment shall not be a condition precedent to the effectiveness of the recalculated Rent. If there is a dispute over the Rentable Area of the Premises or the Building that has not been settled as provided in Subsection 1.2.3 by the date on which Tenant is required to begin paying Rent under this Lease, Tenant shall pay to Landlord the Rent stated in Section 4.1 until final determination of the Rentable Area of the Premises. If the Rent after final determination of the Rentable Area of the Premises is more than the Rent specified in Section 4.1, the deficiency must be paid by Tenant to Landlord, without interest, within forty-five (45) days after that final determination. If the Rent after final determination of the Rentable Area of the Premises is less than the Rent in Section 4.1, Landlord shall credit the overpayment made by Tenant to the next Rent due, without interest.

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

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

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

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

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

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

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

1.3 Fixturation. Tenant shall have the right to access the Premises for a period of up to thirty (30) calendar days prior to the Commencement Date of the Lease for installation of Tenant's furniture, fixtures and equipment. No rent shall be charged to Tenant during the fixturing period, in addition to the rent abatement otherwise provided as stated herein.

Article 2

TERM

2.1 Initial Term. The term of this Lease ("Initial Term") shall be five (5) years, commencing on the date Landlord delivers the Premises in the condition required by Section 1.2.1 above (the "Commencement Date"), and shall end upon the expiration of five (5) 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, extension, or termination rights of Tenant as provided for in this Lease. For purposes of this Lease, the first "Lease Year" shall mean the period commencing on the Commencement Date and ending twelve (12) months thereafter. Thereafter, the term "Lease Year" shall mean a period equal to twelve (12) full calendar months. The parties estimate that the Commencement Date will occur approximately thirty (30) days after the Effective Date. 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 F**.

2.2 **Options to Extend Term.** Landlord grants to Tenant two (2) options to extend the Lease Term ("Extension Option"), each for a period of two (2) years (each an "Option Term"), subject to the conditions described in this **Section 2.2**.

2.2.1 **Conditions of Option.** An Extension Option may be exercised only by written notice delivered by Tenant to Landlord as provided in **Subsection 2.2.3** and only if, as of the date of delivery of the notice, Tenant is not in material default under this Lease after the expiration of any applicable cure periods. If Tenant properly exercises an Extension Option, the Lease Term, as it applies to the entire Premises then leased by Tenant, shall be extended for the Extended Term.

2.2.2 **Option Rent.** Upon exercise of the Extension Option, the Rent payable by Tenant at the commencement of the Option Term shall be adjusted by three percent (3%) per square foot from the previous rent then in effect; and increased annually on the anniversary of the Commencement Date by three percent (3%) per square foot thereafter during the Option Term.

2.2.3 **Exercise of Option.** If Tenant wishes to exercise the Extension Option, Tenant shall deliver written notice to Landlord ("Tenant's Extension Notice") no earlier than twelve (12) months and no later than nine (9) months prior to the expiration of the Initial Term.

2.2.4 **Option Confirmation.** If Tenant timely exercises the Extension Option, Landlord and Tenant shall execute a written confirmation to memorialize the exercise of the option, and the resulting extension (along with applicable dates) on the terms and conditions set forth in this **Section 2.2**. Execution of that instrument shall not be a condition precedent to the effectiveness of the Option Term. Landlord and Tenant hereby acknowledge that the Director of General Services has been delegated authority to execute such an instrument, as required pursuant to this **Section 2.2.4**.

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

2.4 **Termination by Tenant.**

2.4.1 **Non-appropriation of Funds.** Tenant may terminate this Lease, with respect to all or part of the Premises upon two hundred seventy (270) days' prior written notice to Landlord ("Termination Notice"), in accordance with **Section 2.4.3** below, 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; (c) the funding, whether County, State

or Federal, for the program or agency for which the Premises were leased is reduced or withdrawn; or (d) Tenant has approved and funded a new County Administration Center that Tenant will relocate its operations to, from the Premises, whether on County-owned or leased land, the construction of which shall be substantially completed no later than three hundred sixty-five (365) days after the date of the termination notice.

2.4.2 Discretionary Termination. None.

2.4.3 Termination Procedures.

2.4.3.1 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 two hundred seventy (270) days after Tenant delivers the Termination Notice to Landlord ("Lease Termination Date"). If Tenant terminates the Lease pursuant to this Section 2.4, 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 2.4.3.2 below.

2.4.3.2 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 (a) three months of then rent plus (b) the "Unamortized Value as of the Lease Termination Date" of the "Lease Concessions and Costs," as defined in this Subsection 2.4.3.2.

2.4.3.2a. Lease Concessions. For purposes of this Subsection 2.4.3.2, "Lease Concessions" shall be equal to the sum of (a) the cost of the tenant improvement allowance and any other improvements performed by Landlord in connection with Landlord's delivery of the Canceled Premises to Tenant; (b) the amount of lease concessions and/or free rent or rent abatement granted to Tenant with respect to such cancelled portion of the Premises, and (c) the unamortized portion of any leasing commissions and legal fees paid by Landlord with respect to the Canceled Premises.

2.4.3.2b. Unamortized Value as of Lease Termination Date. The "Unamortized Value as of the Lease Termination Date" of the Lease Concessions and Costs shall be equal to the product of:

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

(b) The Monthly Amortization Amount, as determined in Subsection 2.4.3.2.c.

2.4.3.2c. Monthly Amortization Amount. The "Monthly Amortization Amount" shall be determined as if it were a component of an annuity, using:

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

factor;

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

(c) Sixty (60) as the number of monthly payments of the annuity, commencing on the Lease Commencement Date and ending on the Lease Expiration Date; and

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

Article 3

USE OF PREMISES

3.1 Tenant's Use. The Premises may be used for the "Permitted Use" as set forth in the Basic Lease Information and for no other use or purpose. Tenant shall, at Tenant's expense, comply promptly with all applicable federal, state and local laws, regulations, ordinances, rules, orders and requirements in effect during the Lease Term relating to Tenant's business, provided, however, that in no event shall this sentence be construed to require Tenant to make any improvements to the Premises, the Building, the Project or the Real Property. Tenant shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance, or that unreasonably disturbs other tenants of the Building or Project, nor shall Tenant place or maintain any signs, antennas, awnings, lighting or plumbing fixtures, loudspeakers, exterior decoration or similar devices on the Building or the Project or visible from the exterior of the Premises without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Tenant shall not use any corridors, sidewalks, stairs, elevators or other areas outside of the Premises for storage or any purpose other than access to the Premises. Tenant shall not use, keep or permit to be used or kept on the Premises any foul or noxious gas or substance, nor shall Tenant do or permit to be done anything in and about the Premises, either in connection with activities hereunder expressly permitted or otherwise, which would cause an increase in premiums for or a cancellation of any policy of insurance (including fire insurance) maintained by Landlord in connection with the Premises, Building or Project or which would violate the terms of any covenants, conditions or restrictions, the design guidelines, the sign guidelines affecting the Building or the Real Property, or the Rules (as the term is defined under Section 1.2 above).

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

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

Article 4

RENT

4.1 Definition of "Rent". Tenant shall pay to Landlord, without setoff or deduction except as specifically allowed hereunder, rent ("Rent") in equal monthly installments of Four Thousand Eight

Hundred Ninety-Six and 45/100 Dollars (\$4,896.45), (such amount being equal to One and 95/100 Dollars (\$1.95) per square foot of Rentable Area per month) in advance on or before the first day of every calendar month during the Lease Term, without any setoff or deduction except as provided in Section 5.1 and Section 20.2. Payment shall be made at the address set forth in Section 19.3 or at any other place that Landlord may from time to time designate in writing.

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

4.3 Rental Adjustments. Rent shall be adjusted as follows: At the beginning of the 13th month and every twelve (12) months thereafter during the Initial Term, the base rental rate shall be increased by three percent (3%) over the previous period's rent rate through the remainder of the Initial Term.

4.4 Free Rent/Rent Abatement. Landlord shall provide Tenant with one (1) month's free rent as follows: Beginning on the Commencement Date of the Lease, Rent for the first full month of the Lease shall be abated, said abatement equal to Rent in the amount of Four Thousand Eight Hundred Ninety-Six and 45/100 Dollars (\$4,896.45) per month times one (1) month.

4.5 Additional Rent. Commencing with the thirteenth (13th) month of the Term, in addition to Rent pursuant to Section 4.1 of this Lease, Tenant shall pay to Landlord in equal monthly installments any increase, if applicable, in Tenant's Building Percentage Share of Operating Expenses and Taxes above the Base Year, as defined hereafter in Sections 4.5.1 and 4.5.2 of this Lease.

4.5.1 Taxes. Taxes at the level incurred for the calendar base year 2021 (the "Base Year") are covered by the Additional Rent. Tenant shall pay to Landlord, as additional rent, Tenant's "Building Percentage Share" of any increase in Taxes attributable to the Building over the Base Taxes during each year of the Term (prorated for any partial calendar year during the Term). The term "Base Taxes" shall mean those taxes incurred by Landlord during the calendar year specified as the Base Year in the Basic Lease Information. Tenant's Building Percentage Share is equal to the fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which is the Rentable Area of the Building, expressed as a percentage, and is currently 6.57% (2,511 rentable square feet /38,228 rentable square feet).

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

well as foreseen, of any kind and nature for public improvements, services, benefits or any other purpose, which are assessed, based upon the use or occupancy of the Premises, Building, Real Property and/or Project, or levied, confirmed, imposed or become a lien upon the Premises, Building, Real Property and/or Project, or become payable during the Term, and which are attributable to any period within the Term.

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

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

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

(e) Annual Adjustment. Within one hundred twenty (120) days after the close of each calendar year during the Term, or as soon after the one hundred twenty (120) day period as reasonably practicable, Landlord shall deliver to Tenant a statement of the adjustment to the Taxes for the prior calendar year. If, on the basis of the statement, Tenant owes an amount that is less than the estimated payments for the prior calendar year previously made by Tenant, Landlord shall apply the excess to the next payment of Taxes due. If, on the basis of the statement, Tenant owes an amount that is more than the amount of the estimated payments made by Tenant for the prior calendar year, Tenant shall pay the deficiency to Landlord within forty-five (45) days after delivery of the statement. The year-end statement shall be binding upon Tenant unless Tenant notifies Landlord in writing of any objection thereto within thirty (30) days after Tenant's receipt of the year end statement. In addition, if, after the end of any calendar year or any annual adjustment of Taxes for a calendar year, any Taxes are assessed or levied against the Premises, Building, Real Property or Project that are attributable to any period within the Term (for example, supplemental taxes or escaped taxes), Landlord shall notify Tenant of its share of

such additional Taxes and Tenant shall pay such amount to Landlord within forty-five (45) after Landlord's written request therefor.

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

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

4.5.2 Operating Expenses.

(a) Obligation to Pay Operating Expenses. Operating Expenses at the level incurred for the Base Year are covered by the Additional Rent. Commencing with the thirteenth (13th) month of the Term, Tenant shall pay to Landlord as additional rent during the Term, Tenant's Building Percentage Share of any increase in Operating Expenses allocated to the ownership, operation, repair and/or maintenance of the Building over the Base Operating Expenses allocated to the Building; provided that Landlord has the right to allocate any Operating Expenses incurred in connection with the ownership, operation, repair and/or maintenance of the Project to one or more particular buildings within the Project and at such ratios as Landlord reasonably determines based upon the nature of the Operating Expense. The term "Base Operating Expenses" shall mean those Operating Expenses incurred by Landlord during the calendar year specified as the Base Year in the Basic Lease Information. During the initial Lease Term, Operating Expenses in the aggregate shall not increase more than four percent (4%) annually on a cumulative basis, excluding Taxes, insurance and utilities, which shall not be subject to a cap.

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

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

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

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

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

(f) Audit Rights. Tenant shall have the right, after no less than thirty (30) days prior written notice, at Tenant's sole cost and expense, and not more than once during any calendar year, to have Landlord's books and records relating to such Operating Expenses inspected by an accounting firm designated by Tenant and reasonably acceptable to Landlord, for the prior calendar year at reasonable business hours at Landlord's principal place of business. Any such accounting firm designated by Tenant shall not be compensated on a contingency fee basis. The results of any such audit (and any negotiations between the parties related thereto) shall be maintained strictly confidential by Tenant and its accounting firm and shall not be disclosed, published or otherwise disseminated to any other party other than to Tenant's attorneys, to Landlord and its authorized agents or to such other persons as either party may otherwise be legally compelled by valid court order, subpoena or other legal process. Any overbilling discovered in the course of such audit shall be refunded to Tenant within thirty (30) days of Landlord's receipt of a copy of the audit. In the event the overstatement of charges exceeds ten percent (10%) of the sum previously billed to Tenant by Landlord, Landlord shall reimburse Tenant for the reasonable costs incurred by Tenant for such audit.

Article 5

MAINTENANCE

5.1 Maintenance of Building and Premises. Except as otherwise provided in this Lease, Landlord, at its expense, agrees to maintain the Building (including the parking lots, hardscape and landscape) and the Premises, in first class condition appropriate for a building of this type and in this location. This obligation shall include, but not by way of limitation, the maintenance and repair of any air conditioning, heating, ventilating, elevator, sprinkler, sewage, electrical, gas, life safety, water supply or steam system, foundation, superstructure, structural roof, roofing membrane, exterior walls, and other structural members and parts of the Building, all 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. Landlord shall have thirty (30) days after notice from Tenant to perform its obligations under this Section 5.1, except that Landlord shall perform its obligations immediately if the nature of the problem presents a hazard or emergency or substantially interferes with Tenant's use of the Premises. Tenant expressly waives the benefits of any statute, including Civil Code Sections 1941 and 1942, which would afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease due to Landlord's failure to keep the Building in good order, condition and repair; provided that if Landlord fails to commence any maintenance or repair (and thereafter diligently prosecute to completion) within the Premises that is required under this Lease for ten (10) business days after the second written request from Tenant, then Tenant may perform such maintenance or repair work. In such event, Tenant shall receive a credit toward the monthly base rent under this Lease for the actual and reasonable costs of such maintenance and repair work.

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

repair and replacement required within the Premises, Building or Project as a direct result of the abuse or negligence of Tenant, or its customers, agents, employees, assignees, subtenants, licensees or invitees.

Article 6

UTILITIES AND SERVICES

6.1 **Provision of and Payment for Utilities.** Landlord shall provide and pay for electricity, gas, water, sewer, refuse collection, and heating and air conditioning for Tenant's use during normal Building hours of operation (which are 7:00 a.m. to 6:00 p.m., Monday through Friday, excluding County holidays), all in reasonable amounts and not to exceed the capacities of the utility systems serving the Premises making delivery to Tenant. The cost for after-hour HVAC usage shall be charged at an initial rate of \$55.00 per hour and Tenant must give Landlord twenty-four (24) hours' notice of use and use a minimum of two (2) hours.

6.2 **Failure to Furnish Utilities.** Except as hereinafter provided, Landlord shall not be liable for any failure to furnish any of such services or utilities when such failure is caused by strikes, lockouts, other labor troubles or other conditions beyond Landlord's reasonable control (financial inability excepted), and Tenant shall not be entitled to any damages nor shall any such failure relieve Tenant of the obligation to pay Rent, or constitute or be construed as a constructive or other eviction of Tenant. Notwithstanding the foregoing, Rent of any kind provided in this Lease shall be equitably abated in the event Landlord, for whatever reason, is unable to supply any of the Building's sanitary, electrical, heating, air conditioning, water or other systems serving the Premises for a period of twenty-four (24) hours or more, unless the failure to furnish any of such services or utilities is caused by: (a) Tenant, its employees, licensees or invitees; or (b) strike, lockout or other labor troubles; or (c) other conditions beyond Landlord's reasonable control (financial inability excepted). If the failure to furnish any of such services or utilities is caused by one of the above three (3) listed reasons, then there shall be no abatement of Rent for the first thirty (30) days following such failure to furnish and the amount of any abatement thereafter shall be agreed upon by Landlord and Tenant or, in the event Landlord and Tenant are unable to agree on such abatement, the amount shall be determined in an arbitration proceeding (pursuant to the terms of Article 24) according to the extent to which such unavailability interferes with Tenant's normal business operations on the Premises. If Landlord's failure to furnish any such services or utilities to the Premises or to supply any of the Building's sanitary, electrical, heating, air conditioning, water or other systems serving the Premises for any period of time is caused by the negligence or willful act of Landlord, or Landlord's agents or contractors, there shall be an immediate abatement of Rent for the period of such failure or lack of supply, but only to the extent Tenant actually ceases operations in the Premises. In the event of any stoppage or interruption of services, Landlord shall use commercially reasonable efforts to restore said services as soon as possible.

6.3 **Security Services.** Landlord provides security services for the Building as follows: Day security provides two visits/checks per day, Monday through Friday (excluding holidays). Evening security provides three visits/checks per night, seven (7) days per week. Elevator is locked on weekends, and after 7:00pm on weekdays. Tenant shall have the right to install or have installed in the Premises, a card key access system or other security system. Tenant shall repair any damage caused to the Premises or the Building due to the installation and removal of any such security system.

6.4 Janitorial Services. Landlord agrees to provide reasonable bonded 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. 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 without any reduction in rent. Landlord and Tenant each agree, at their respective 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 refuse (collectively "trash"); (b) [intentionally deleted]; (c) to sort and separate trash and recycling into such categories as are provided by law; (d) [intentionally deleted]; and (e) that each party shall pay all costs, expenses, fines, penalties or damages that may be imposed on the other party by reason of its failure to comply with the provisions of this Section 6.4.

Article 7

ALTERATIONS AND IMPROVEMENTS

7.1 Consent Required. Tenant shall not make any alterations, improvements or additions (each, an "Alteration") in, on or about the Premises without Landlord's prior written consent, except that Tenant may make Alterations without Landlord's prior written consent where (i) the reasonably estimated cost of the Alteration and together with the cost of any other Alteration made during the immediately preceding twelve (12) months does not exceed Ten Thousand Dollars (\$10,000), and (ii) such Alterations do not affect or involve the structural integrity, roof membrane, exterior areas, Building systems or water-tight nature of the Premises, Building or Project. In requesting Landlord's consent, Tenant shall, at Tenant's sole cost, submit to Landlord complete drawings and specifications describing the Alteration and the identity of the proposed contractor. Landlord, without any cost to itself, shall cooperate with Tenant in securing building and other permits and authority necessary from time to time for any work permitted under this Lease. Tenant may at any time remove any equipment and trade fixtures installed by or on behalf of Tenant in the Premises. Improvements made by Tenant at any time to the Premises during the term of this Lease shall be and remain the property of Tenant.

7.2 Conditions

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

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

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

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

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

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

Article 8

PARKING

Included in Tenant's rental herein is the right of Tenant's customers and invitees to have the non-exclusive right to use free of charge seven (7) parking spaces in the parking area associated with the Building in those spaces as designated on **Exhibit B**. Landlord acknowledges that Tenant's parking needs may fluctuate, on a daily basis throughout a 24-hour period. In the event Landlord installs a system of charging for parking in the parking area, Landlord shall establish and make available to Tenant no-charge validations issued to Tenant's customers and invitees for the use of such parking to the extent of said parking spaces in the parking area. Landlord reserves the right to grant similar nonexclusive rights to other tenant; to promulgate reasonable rules and regulations relating to the use of the parking area; and to make changes in the parking layout from time to time, provided such changes comply with Laws and Orders and do not adversely affect Tenant's ability to utilize the parking rights set forth in this Article 8. In order to help manage Tenant's parking demand, Landlord may in its sole discretion designate parking areas for the employees, clients and/or customers of Tenant and the other tenants and occupants of the Building and/or project. If Landlord determines that Tenant is using more parking spaces than set forth above in this Article 8, and such excess use results in insufficient parking being available for the other tenants and occupants of the Building or project, Tenant shall adjust its parking usage to comply with the parking allocation set forth in this Article 8.

Article 9

INSURANCE AND INDEMNITY

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

9.2 **Indemnity.**

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

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

Article 10

DESTRUCTION AND UNTENANTABILITY OF PREMISES

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

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

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

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

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

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

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

Article 11

EMINENT DOMAIN

11.1 Appropriation. In the event of any taking of or damage to all or any part of the Building or Premises, including any interest therein or appurtenant thereto, by reason of any exercise of the power

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

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

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

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

11.4.1 General Provisions. Except as provided 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. Tenant shall not be entitled to any ownership of the Building or Project as a result of providing such additional funds, and nor shall Tenant be entitled to any offset, credit, refund or payment as a result of providing such additional funds, the restoration of the Building being the sole consideration Tenant shall receive for providing such additional funds. If Landlord and Tenant are unable to agree on any aspect of such rebuilding, the matter shall be submitted to arbitration in accordance with the provisions of Article 23.

11.5 Amounts Payable by Reason of Termination. If this Lease is terminated pursuant to Section 11.4.2, the entire award (less any amounts separately awarded to Tenant under subsections (1) through (6) below, and less the reasonable expenses of Landlord and Tenant incurred in such appropriation proceedings which shall be paid to Landlord or Tenant, as applicable) made with respect to the appropriation shall be paid to Landlord; provided, however, Tenant and its representative shall have the right to participate in any negotiations with respect to the amount or allocation of such award. Payment from the award shall be made first to the senior mortgage holder on the Building in an amount necessary to repay its security interest and then Tenant shall have the right to make a separate claim in the condemnation proceedings and to share in the aggregate award which is paid by the condemnor or awarded by the court specifically for: (1) the fair market value of the unexpired portion of the Lease Term (including the option to extend the Lease Term pursuant to Section 2.2 as if all such options were fully exercised by Tenant and including Tenant's right to terminate as set forth in Article 2 in excess of the Rent provided for herein, exclusive of any immovable trade fixtures or improvements; plus (2) any severance damages attributable to the unexpired Lease Term; plus (3) the taking of the unamortized or undepreciated value of any leasehold improvements owned by Tenant that Tenant has the right to remove at the end of the Lease Term and that Tenant elects not to remove; plus (4) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if condemnor approves the removal); plus (5) relocation costs under Government Code section 7262, the claim for which Tenant may pursue by separate action independent of this Lease; plus (6) any other amount in addition to the foregoing that does not reduce the amount of the award payable to the Landlord.

11.6 Damages if Lease Not Terminated. In the event of any appropriation of less than all of the

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

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

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

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

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

Article 12

COMPLIANCE WITH LAWS

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

12.2 Compliance with Laws and Orders.

(a) Tenant. Tenant shall, at Tenant's expense, comply promptly with all applicable Laws and Orders in effect during the Term. If, in order to comply with any such Laws and Orders, Tenant

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

(b) Landlord. Landlord, at its expense (subject to Section 4.5.2 of the Lease), shall cause the structural portions of the building, the building systems and the common areas of the Premises to comply with all Laws and Orders (including the Accessibility Improvements) to the extent that (a) such compliance is necessary for Tenant to use the Premises for general office purposes in a normal and customary manner and for Tenant's employees and visitors to have access to and from the Premises, or (b) Landlord's failure to cause such compliance would impose liability upon Tenant under Laws and Orders; provided, however, that Landlord shall not be required to cause or pay for such compliance to the extent that (x) Tenant is required to cause or pay for such compliance under Section 12.2(a) or any other provision hereof, or (y) non-compliance arises under any provision of the Americans with Disabilities Act other than Title III thereof. Notwithstanding the foregoing, Landlord may contest any alleged violation in good faith, including by applying for and obtaining a waiver or deferment of compliance, asserting any defense allowed by Law, and appealing any order or judgment to the extent permitted by Law; provided, however, that after exhausting any rights to contest or appeal, Landlord shall perform any work necessary to comply with any final order or judgment.

In addition, Landlord, at its expense (subject to Section 4.5.2 of the Lease) shall comply with the provisions stated in Exhibit G, attached hereto.

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

12.4 Certified Access Specialist Disclosures. Pursuant to California Civil Code Section 1938, the subject property has not been inspected by a Certified Access Specialist. 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 Certified Access Specialist inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a Certified Access Specialist inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the Certified Access Specialist inspection, the payment of the fee for the Certified Access Specialist inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

Article 13

SURRENDER

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

Article 14

SUBORDINATION

This Lease may, at the option of Landlord, be made subordinate to any first mortgage or first deed of trust now or hereafter placed upon or affecting the real property of which the Premises form a part, and to all renewals, modifications, replacements and extensions thereof; provided that as a condition of such subordination, and only if: (a) such mortgage or deed of trust shall contain a covenant which shall permit the proceeds of all insurance policies covering the Building, improvements, equipment and/or appurtenances thereto, whether such proceeds are to be held by Landlord or the first mortgagee or beneficiary, to be paid and/or made available for repair, replacement and rebuilding as provided in this Lease; and (b) a separate written agreement is entered into by the mortgagee named in any such mortgage, or by the trustee and the beneficiary named in any such deed of trust, and is recorded simultaneously with said mortgage or deed of trust, providing that notwithstanding any default in the mortgage or deed of trust and any foreclosure thereof, or the enforcement by the holder thereof of any rights or remedies, including sale thereunder, or otherwise, this Lease shall be recognized, remain in full force and effect, and the Tenant shall be permitted to remain in quiet and peaceful possession of the Premises throughout the term thereof, and any extension or renewal thereof. Tenant shall, within thirty (30) days after Landlord's request, execute any commercially reasonable subordination, attornment and non-disturbance in recordable form that Landlord reasonably considers necessary to evidence or confirm the subordination or superiority of this Lease to any such encumbrances or underlying leases. Such subordination instrument(s) shall be strictly limited to matters contained in the nondisturbance agreement and estoppel certificate, and no such instruments may increase any of Tenant's obligations or decrease any of Tenant's rights under this Lease. Tenant's failure to execute and deliver such instrument(s) shall constitute a default under this Lease only if Landlord has first delivered the nondisturbance agreement and estoppel certificate required hereunder to Tenant.

Article 15

TRANSFER OF TENANT'S INTEREST

15.1 Assignment and Subletting; Prohibition. Tenant shall not assign, mortgage, pledge or otherwise transfer this Lease, in whole or in part (each hereinafter referred to as an "assignment"), nor sublet or permit occupancy by any party other than Tenant of all or any part of the Premises (each hereinafter referred to as a "sublet" or "subletting"), without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. No assignment or subletting by Tenant shall relieve Tenant of any obligation under this Lease, including Tenant's obligation to pay Rent hereunder. Any purported assignment or subletting contrary to the provisions of this Lease without Landlord's prior written consent shall be void. The consent by Landlord to any assignment or subletting

shall not constitute a waiver of the necessity for obtaining Landlord's consent to any subsequent assignment or subletting. Landlord may consent to any subsequent assignment or subletting, or any amendment to or modification of this Lease with the assignees of Tenant, without notifying Tenant or any successor of Tenant, and without obtaining its or their consent thereto, and such action shall not relieve Tenant or any successor of Tenant of any liability under this Lease. As additional rent hereunder, Tenant shall reimburse Landlord for all reasonable legal fees and other expenses incurred by Landlord in connection with any request by Tenant for consent to an assignment or subletting. Notwithstanding anything stated to the contrary in this Lease, Tenant shall have the right at any time and from time to time with ten business (10) days' notice to Landlord to assign or otherwise transfer all or any part of Tenant's interest in this Lease, or to sublet the Premises, or any part thereof, to any entity that is affiliated with, controlled by or under common control with Tenant, including but not limited to public entities in which a majority of Directors consists of members of the Sonoma County Board of Supervisors, without complying with any other provision of this Lease.

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

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

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

15.5 Withholding Consent. Without limiting other situations in which it may be reasonable for Landlord to withhold its consent to any proposed assignment or sublease, Landlord and Tenant agree that

it shall be reasonable for Landlord to withhold its consent in any one (1) or more of the following situations: (1) in Landlord's reasonable judgment, the proposed subtenant or assignee or the proposed use of the Premises would materially detract from the status of the Building as a first-class office building, generate vehicle or foot traffic, parking or occupancy density materially in excess of the amount customary for the Building or the Project or result in a materially greater use of the elevator, janitorial, security or other Building services (for example, heating, ventilation and air conditioning, trash disposal and sanitary sewer flows) than is customary for the Project; (2) in Landlord's reasonable judgment, the creditworthiness of the proposed subtenant or assignee does not meet the credit standards applied by Landlord in considering other tenants for the lease of space in the Project on comparable terms, or Tenant has failed to provide Landlord with reasonable proof of the creditworthiness of the proposed subtenant or assignee; (3) in Landlord's reasonable judgment, the business history, experience or reputation in the community of the proposed subtenant or assignee does not meet the standards applied by Landlord in considering other tenants for occupancy in the Project; (4) the proposed assignee or subtenant is the United States Post Office; or (5) the proposed subtenant or assignee is a then existing or prospective tenant of the Project. If Landlord fails to elect either of the alternatives within the thirty (30) day period referenced in Section 15.3, it shall be deemed that Landlord has refused its consent to the proposed assignment or sublease.

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

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

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

Article 16

QUIET ENJOYMENT AND TITLE

Landlord covenants and represents that it has full right and power to execute and perform this Lease and to grant the estate demised herein, and covenants that Tenant on paying the Rent herein reserved and

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

Article 17

ENVIRONMENTAL REPRESENTATIONS

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

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

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

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

(d) Petroleum products;

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

(f) Asbestos in any form or condition; and

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

(h) Volatile organic compounds.

Notwithstanding the foregoing, Hazardous Materials shall not include limited quantities of standard

office, building and janitorial supplies reasonably necessary in connection with Tenant's use and operation of the Premises, provided that such materials are used, stored or disposed of in accordance with applicable Hazardous Substance Laws.

17.2 Landlord's Representations and Warranties. Except as disclosed in that certain Environmental Site Assessment issued by AllWest Environmental to SR Stony Point Investors LLC on August 23, 2016 under Project No. 16124.20, a copy of which has been previously provided to Tenant for review, neither Landlord, nor to Landlord's actual knowledge (without duty of inquiry) any third party, has used, manufactured, generated, treated, stored, disposed of, or released any Hazardous Material on, under or about the Real Property or real estate currently owned or controlled by Landlord which is adjacent to the Real Property or transported any Hazardous Material over the Real Property, nor has Landlord or to the Landlord's knowledge (as defined below) any third party installed, used or removed any storage tank on, from or in connection with the Real Property, nor to the Landlord's knowledge (as defined below) are there any storage tanks or wells (whether existing or abandoned) located on, under or about the Real Property. As used in this Lease, the phrases, "the Landlord's knowledge," "Landlord's actual knowledge," and similar phrases mean the actual knowledge of Landlord, without any duty to conduct or undertake any further invasive physical investigation of the Property, but including, without limitation, information gathered as a result of a diligent and thorough search by Landlord of its records and interviews with all relevant current personnel, including, without limitation, property management personnel, and any partners with or shareholders of Landlord.

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

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

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

17.6 Indemnification. Landlord shall indemnify, defend with counsel reasonable and acceptable to Tenant, and hold Tenant fully harmless from any and all liabilities, damages, claims, penalties, fines, settlements, causes of action, cost or expense, including reasonable attorneys' fees, environmental consultant fees and laboratory fees and costs and expenses of investigating and defending any claims or proceedings resulting from or attributable to any of the following to the extent caused by Landlord or its agents, contractors or employees: (a) the presence, disposal, release or threatened release of any

Hazardous Materials that are on, from or affecting the Premises, the Building or the Real Property, including, without limitation, the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (b) any personal injury (including wrongful death), or property damage (real or personal) arising out of or relating to any Hazardous Materials on, from or affecting the Premises, the Building or the Real Property; (c) any lawsuits or administrative action brought or threatened, settlement reached or governmental order relating to any Hazardous Materials on, from or affecting the Premises, the Building or the Real Property; or (d) any violation of any laws applicable to any Hazardous Materials on, from or affecting the Premises, the Building or the Real Property.

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

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

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

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

17.11 Tenant's Covenants. Except for ordinary office supplies and janitorial cleaning materials which in common business practice are customarily and lawfully used, stored and disposed of in small quantities, Tenant shall not use, manufacture, store, release, dispose or transport any Hazardous Materials in, on, under or about the Premises, the Building or the Project without giving prior written notice to Landlord and obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. Tenant shall at its own expense procure, maintain in effect, and comply with all conditions of any and all permits, licenses, and other governmental and regulatory

approvals required in connection with Tenant's generation, use, storage, disposal and transportation of Hazardous Materials. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Tenant shall cause any and all Hazardous Materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant shall not maintain or install in, on, under or about the Premises, the Building or the Project any above or below ground storage tanks, clarifiers or sumps, nor any wells for the monitoring of ground water, soils or subsoils.

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

Article 18

INSPECTION AND ENTRY BY OWNER

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

Article 19

NOTICE

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

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

- (a) When personally delivered to the recipient, notice is effective on delivery.
- (b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.
- (c) When mailed by certified mail with return receipt requested, notice is effective two (2) days following mailing.
- (d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery.

(e) When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice, notice is effective on transmission as long as (1) a duplicate copy of the notice is promptly given by certified mail, return receipt requested, or by overnight delivery or (2) the receiving party delivers a written confirmation of receipt. Subject to the foregoing requirements, any notice given by telex or fax shall be considered to have been received on the next business day if it is transmitted after 5 p.m. (recipient's time) or on a non-business day.

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

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

“Landlord”

SR STONY POINT DE LLC

In c/o BASIN STREET PROPERTIES

Attn: Scott Stranzl, Vice President, Leasing

316 California Avenue, Suite 403

Reno, NV 89509

Fax No. (775) 954-2917

Scott@basin-street.com

With a copy to:

BASIN STREET PROPERTIES

Attn: Stephanie Burlingame, Operations & Property Management

1383 N. McDowell Blvd., Suite 220

Petaluma, California 94954

Fax No. (707) 795-6283.

Stephanie@basin-street.com

“Tenant”

COUNTY OF SONOMA

Facilities Development & Management

Attn: Real Estate Manager

2300 County Center Drive, Suite A220

Santa Rosa, California 95403

With a copy to:

COUNTY OF SONOMA

IOLERO

Attn: Karlene Navarro, Director

3333 Mendocino Avenue, Suite 240

Santa Rosa, California 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 (and to the holder of any first mortgage, deed of trust or ground lease covering the Premises whose name and address shall have been previously-furnished to Tenant in writing), specifying wherein Landlord has failed to perform such obligations, or such shorter period if specified in this Lease. If the default cannot reasonably be cured within thirty (30) days, Landlord shall not be in default of this Lease if Landlord or the holder of any such mortgage, deed of trust or ground lease commences to cure the default within the thirty (30) day period and diligently and in good faith prosecutes such cure to completion.

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

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

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

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

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

(d) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease to be observed or performed by Tenant, excluding the matters described in (a), (b) and (c) above, where such failure shall continue for a period of thirty (30) days after written notice is given by Landlord to Tenant; provided, however, that if the nature of Tenant's default is

such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty(30) day period and thereafter diligently prosecutes such cure to completion. Any notice required to be given by Landlord under this Lease shall be in lieu of, and not in addition to, any notice required under Section 1161 of the California Civil Code of Procedure.

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

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

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

(c) Terminate. Landlord may terminate the tenancy. Landlord may Terminate Tenant's rights to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including, without limitation, the following: (A) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (B) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that is proved could have been reasonably avoided; plus (C) the worth, at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that is proved could be reasonably avoided; plus (D) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease; plus (E) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State law. In addition, Landlord shall be entitled to recover from Tenant the unamortized portion of any tenant improvement allowance, free rent or other allowance provided by Landlord to Tenant and any brokerage commission or finder's fee paid or incurred by Landlord in connection with this Lease (amortized with interest at the Interest Rate on a straight line-basis over the original term of this Lease). Upon any such termination of Tenant's possessory interest in and to the Premises, Tenant (and at Landlord's sole election, Tenant's sublessee(s) shall no longer have any interest in the Premises, and Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. The worth, at the time of the award of the amounts referred to in subparagraphs (A) and (B) above is computed by allowing interest at the maximum rate an individual is permitted by law to charge. The worth at the time of award of the amount referred to in subparagraph (C) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

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

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

Article 21

ESTOPPEL CERTIFICATES/FINANCIAL STATEMENTS

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

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

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

Article 22

SIGNAGE

Upon the commencement of 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 the County of Sonoma Independent Office of Law Enforcement

Review & Oversight as an occupant of the Building; and (b) Building standard main entry door signage. The cost of the signage and lettering shall be Landlord's responsibility.

Article 23

BROKERAGE

Neither party has had any contact or dealings regarding the Premises or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the Lease contemplated herein, except for Landlord's broker, **Cushman & Wakefield**, and Tenant's broker, **Kevin Doran, Keegan & Coppin Company, Inc.**, respectively, 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 24

DISPUTE RESOLUTION

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

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

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

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

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

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

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

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

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

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

Article 25

ATTORNEY FEES AND COSTS

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

Article 26

MISCELLANEOUS

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

26.2 Counting Days. Days shall be counted by excluding the first day and including the last day. If the last day is a Saturday, Sunday, or a legal holiday as described in Government Code Sections 6700-6701, it shall be excluded. Any act required by this Lease to be performed by a certain day shall be timely

performed if completed before 5 p.m. local time on that date. If the day for performance of any obligation under this Lease is a Saturday, Sunday, or a legal holiday, the time for performance of that obligation shall be extended to 5 p.m. local time on the first following date that is not a Saturday, Sunday, or a legal holiday.

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

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

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

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

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

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

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

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

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

be deemed to include the neuter or feminine gender of such pronoun. "Landlord" whenever used includes all grantors of the term, who shall be held bound jointly and severally hereby.

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

[SIGNATURE PAGE FOLLOWS]

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

“LANDLORD”:

SR STONY POINT DE LLC a Delaware limited liability company

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

By: _____
Matthew T. White, Manager

“TENANT”:

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

By: _____
Caroline Judy, Director
General Services Department

The General Services Director is authorized to execute this Lease, pursuant to the Sonoma County Board of Supervisors’ action dated _____, 2021.

APPROVED AS TO FORM FOR TENANT:

Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

Karlene Navarro, Director
Independent Office of Law Enforcement
Review and Outreach

Keith Lew, Deputy Director
General Services Department

CERTIFICATE OF INSURANCE ON FILE WITH DEPARTMENT:

Reviewed by: _____

Date: _____, 2021

EXHIBIT A

PREMISES

EXHIBIT B

SITE PLAN

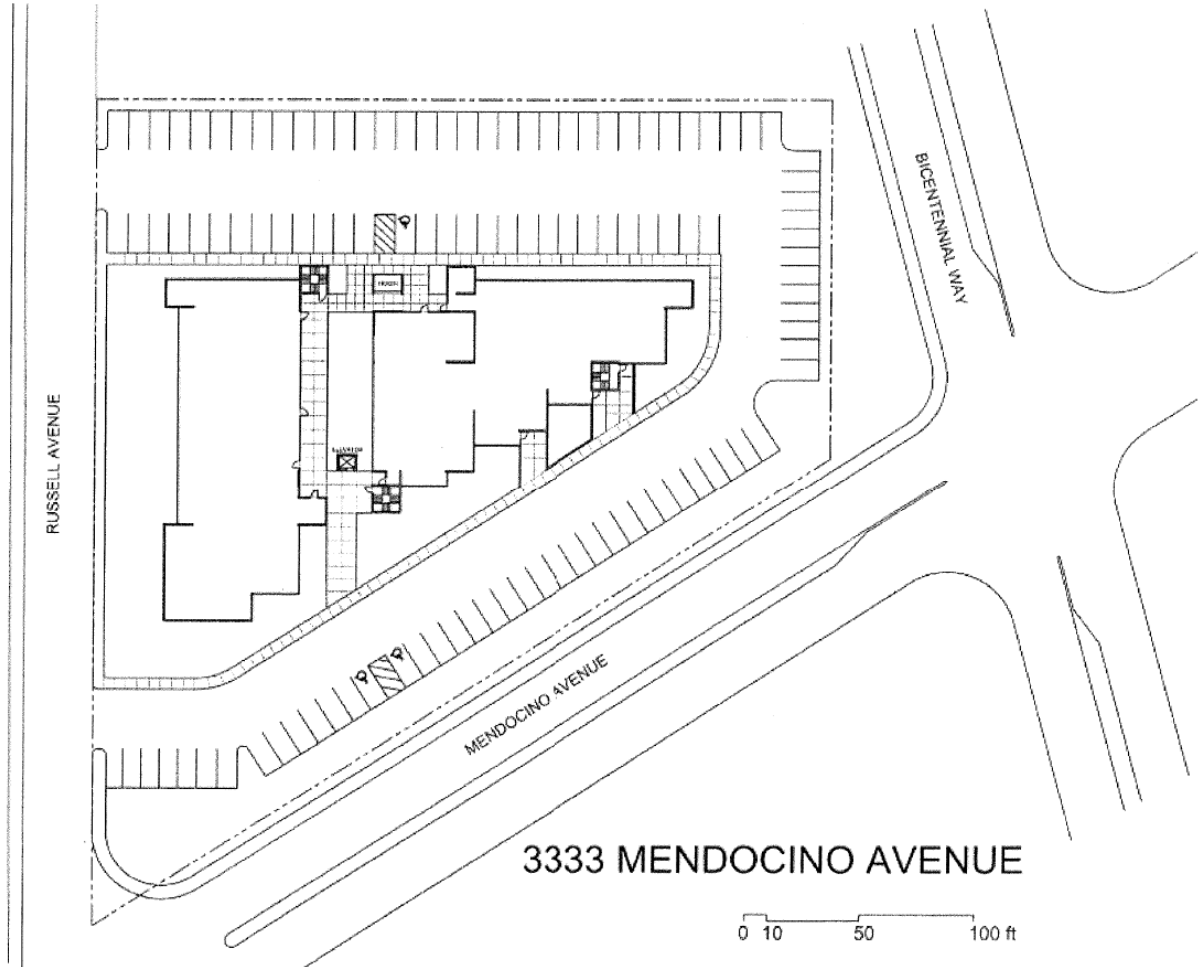


EXHIBIT C

Rules and Regulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable rules and regulations as in Landlord's reasonable judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, and for the preservation of good order therein, as well as for the convenience of other tenants of the Project; provided, however, that Landlord first notifies Tenant of any such changed, rescinded or further Rules and Regulations. Landlord shall not be responsible to Tenant or to any other person for the nonobservance or violation of these Rules and Regulations by any other tenant or person. Tenant shall be deemed to have read these rules and Regulations and to have agreed to abide by them as a condition to its occupancy of the space herein leased, and Tenant shall abide by any additional Rules and Regulations that are ordered or requested by Landlord or by any governmental authority; provided, however, that Landlord first notifies Tenant of any such additional Rules and Regulations.

Exhibit D

INSURANCE REQUIREMENTS

Section I: Insurance Required to be Maintained by Landlord

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

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

1. Workers Compensation and Employers Liability Insurance

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

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

2. General Liability Insurance

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

deductible or self-insured retention exceeds \$25,000 it must be approved in advance by Tenant. Landlord is responsible for any deductible or self-insured retention and shall fund it upon Tenant's written request, regardless of whether Landlord has a claim against the insurance or is named as a party in any action involving the Tenant.

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

3. **Property Insurance for Building**

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

4. **Rental Value Insurance**

- a. The insurance shall cover loss of rents resulting from an insured cause of loss under a "special form" or "all risks" policy.
- b. The period of insurance shall be for a minimum of 24 months.

- c. The limit shall be one hundred fifty percent (150%) of the annual rents payable by all tenants occupying the building.
- d. Required Evidence of Insurance: Certificate of Property Insurance or Evidence of Commercial Property Insurance

5. Reserved

6. Standards for Insurance Companies

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

7. Documentation

- a. The Certificate of Insurance must include the following reference: **County of Sonoma leased premises located at 3333 Mendocino Avenue, Suite 240, Santa Rosa, California.**
- b. All required Evidence of Insurance shall be submitted prior to the execution of this Lease. Landlord agrees to maintain current Evidence of Insurance on file with Tenant for the required period of insurance.
- c. The name and address for Additional Insured endorsements and Certificates of Insurance is: **County of Sonoma, its Officers, Agents and Employees**, in care of the General Services Department, Facilities Development & Management, Attn: Deputy Director, 2300 County Center Drive, Suite A220, Santa Rosa, **California** 95403.
- d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- e. Landlord shall provide immediate written notice if: (1) any of the required insurance policies is terminated; or (2) the limits of any of the required policies are reduced.
- f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

8. Policy Obligations

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

9. Material Breach

If Landlord fails to maintain insurance, which is required pursuant to this Lease, it shall be deemed a material breach of this Lease. Tenant may give notice to Landlord to reinstate or acquire the affected insurance. Should Landlord fail to reinstate or acquire the affected insurance within ten (10) days of Tenant's notice to reinstate or acquire such insurance, Tenant may either terminate this Lease, reinstate or acquire the affected insurance, and Landlord shall reimburse Tenant for the necessary cost at Tenant's option.

Section II: Insurance Required to be Maintained by Tenant

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

1. General Liability Insurance

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

2. Automobile Insurance

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

3. Workers Compensation Insurance

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

4. Property Insurance

- a. "Special Form" property insurance (or its equivalent if "Special Form" property insurance is not available), including vandalism and malicious mischief, boiler and machinery comprehensive form, if applicable, and endorsement for earthquake sprinkler damage, each covering damage to or loss of (i) all office furniture, trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property in the Premises installed by, for, or at the expense of Tenant, including electronic data processing equipment, and (ii) any leasehold improvements in the Premises, whenever and by whomever installed or paid for, including any Leasehold Improvements installed pursuant to the Leasehold Improvement Agreement and any Alteration (defined in ARTICLE 7), whether pursuant to this Lease or pursuant to any prior lease or other agreement to which Tenant was a party (the "Tenant-Insured Improvements"). Electronic data Processing Equipment, media and extra expense shall be covered for perils insured against in the so-called "Electronic Data Processing Equipment Form". If the property of Tenant's invitees is to be kept in the Premises, warehouse's legal liability or bailee customers insurance for the full replacement cost of such property.
- b. The foregoing insurance shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by Landlord with respect to the Tenant-Insured Improvements.

- c. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Landlord.
- d. Required Evidence of Insurance: Certificate of Insurance or Letter of Self-Insurance.

5. General

Tenant's commercial general liability insurance policy shall be endorsed to provide that (i) it may not be canceled or altered in such a manner as to adversely affect the coverage afforded thereby without thirty (30) days' prior written notice to Landlord, (ii) Landlord is designated as an additional insured, and (iii) such insurance is primary with respect to Landlord and that any other insurance maintained by Landlord is excess and noncontributing with such insurance. If, in the opinion of Landlord's lender or in the commercially reasonable opinion of Landlord's insurance adviser, the specified amounts of coverage are no longer adequate, such coverage shall, within thirty (30) days' written notice to Tenant, be appropriately adjusted. Prior to the commencement of the Term, Tenant shall deliver to Landlord a certificate thereof to Landlord for retention by it with endorsements. If Tenant fails to obtain such insurance or to furnish Landlord any such duplicate policy or certificate as herein required, Landlord may, at its election, without notice to Tenant and without any obligation to do so, procure and maintain such coverage and Tenant shall reimburse Landlord on demand as additional rent for any premium so paid by Landlord.

6. Documentation

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

EXHIBIT E

TENANT ESTOPPEL CERTIFICATE

Date: _____, 20____.

Attention: _____
and

Attention: _____

RE: Lease dated _____ ("Lease") between _____, a _____
("Tenant") and _____, a _____ ("Landlord");

Leased Premises: _____, comprised of _____ rentable
square feet ("Leased Premises")

Ladies and Gentlemen:

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

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

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

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

4. Current base monthly rent under the Lease is \$_____, which has been paid

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

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

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

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

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

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

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

Very truly yours,

"Tenant"

a _____

By: _____

Name: _____

Title: _____

Exhibit F

[Acknowledgement of Commencement Date]

LANDLORD and TENANT hereby acknowledge that the Commencement Date of that certain Lease dated _____, 2021, for premises located at **3333 Mendocino Avenue, Suite 240, Santa Rosa, California**, occurred on _____, 2021.

ACKNOWLEDGED BY LANDLORD:

SR STONY POINT DE LLC, a Delaware limited liability company

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

By: _____
Matthew T. White, Manager

ACKNOWLEDGED BY TENANT:

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

By: _____

Exhibit G

Covid-19 Related Requirements. Landlord shall maintain Premises systems and tenant, contractor, and guest protocols and best practices to best ensure compliance with all applicable local, state, and federal laws, regulations, and guidances related to the Covid-19 pandemic, including social distancing, masking, capacity restriction, and air quality/safety requirements. Without limiting the foregoing, Landlord shall:

1. Ensure that for all indoor locations, regular evaluations are conducted and reasonable (and required, if applicable) measures are implemented for maximizing outside air allowance/ventilation, air exchange, and increased filtration efficiency, as compatible with existing HVAC systems and reasonable modifications and/or adjustments thereto;
2. To the fullest extent feasible and consistent with industry best standards and applicable laws, ensure that the epidemic air standards and recommendations of the American Society of Heating, Refrigerating, and Air- Conditioning Engineers are met with regard to the Premises and common areas of the Property (available at: <https://www.ashrae.org/file%20library/technical%20resources/covid-19/core-recommendations-for-reducing-airborne-infectious-aerosol-exposure.pdf>) .
3. Ensure filtering of indoor building air by using highest-efficiency filters as feasible, including Minimum Efficiency Reporting Value (MERV)-13 mechanical filters and HEPA-filtration units if possible.
4. Ensure compliance with applicable requirements and industry best standards by all Landlord officers, agents, contractors, and subcontractors accessing the Premises as otherwise allowed under this Lease.

--End of Lease--