AGENDA
BOARD OF SUPERVISORS
SONOMA COUNTY
575 ADMINISTRATION DRIVE, ROOM 102A
SANTA ROSA, CA 95403

TUESDAY **NOVEMBER 7, 2017** **8:30 A.M.**

Susan Gorin	First District	Sheryl Bratton	County Administrator
David Rabbitt	Second District	Bruce Goldstein	County Counsel
Shirlee Zane	Third District		
James Gore	Fourth District		
Lynda Hopkins	Fifth District		

This is a simultaneous meeting of the Board of Supervisors of Sonoma County, the Board of Directors of the Sonoma County Water Agency, the Board of Commissioners of the Community Development Commission, the Board of Directors of the Sonoma County Agricultural Preservation and Open Space District, the Sonoma County Public Finance Authority, and as the governing board of all special districts having business on the agenda to be heard this date. Each of the foregoing entities is a separate and distinct legal entity.

The Board welcomes you to attend its meetings which are regularly scheduled each Tuesday at 8:30 a.m. Your interest is encouraged and appreciated.

AGENDAS AND MATERIALS: Agendas and most supporting materials are available on the Board's website at http://www.sonoma-county.org/board/. Due to legal, copyright, privacy or policy considerations, not all materials are posted online. Materials that are not posted are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at 575 Administration Drive, Room 100A, Santa Rosa, CA.

SUPPLEMENTAL MATERIALS: Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the Board of Supervisors office at 575 Administration Drive, Room 100A, Santa Rosa, CA, during normal business hours.

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Clerk of the Board at (707) 565-2241 or bos@sonoma-county.org as soon as possible to ensure arrangements for accommodation.

Public Transit Access to the County Administration Center:
Sonoma County Transit: Rt. 20, 30, 44, 48, 60, 62
Santa Rosa CityBus: Rt. 14
Golden Gate Transit: Rt. 80
For transit information call (707) 576-RIDE or 1-800-345-RIDE or visit or http://www.sctransit.com/

APPROVAL OF THE CONSENT CALENDAR

The Consent Calendar includes routine financial and administrative actions that are usually approved by a single majority vote. There will be no discussion on these items prior to voting on the motion unless Board Members request specific items be discussed and/or removed from the Consent Calendar. There will an opportunity for the public to comment on the consent calendar prior to it being voted upon.

PUBLIC COMMENT

Any member of the public may address the Board on a matter listed on the agenda. Commenters are requested to fill out a Speaker Card and to come forward to the podium when recognized by the Board Chair. Please state your name and limit your comments to the agenda item under discussion. Available time for comments is determined by the Board Chair based on agenda scheduling demands and total number of speakers.

8:30 A.M. CALL TO ORDER

PLEDGE OF ALLEGIANCE

I. APPROVAL OF THE AGENDA

(Items may be added or withdrawn from the agenda consistent with State law)

II. CONSENT CALENDAR

SONOMA COUNTY OFFICE OF EDUCATION

1. Sonoma County Williams Act Settlement Annual Report of Findings:
The Board of Supervisors is requested to accept the Sonoma County Superintendent of Schools Report on Williams Lawsuit Settlement findings for Fiscal Year 2017-2018.

AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT

(Directors: Gorin, Rabbitt, Zane, Gore, Hopkins)

2. Forever Forestville Conservation Easement Amendment:
Adopt a resolution:
A) Making certain findings in support of amending the Forever Forestville Conservation Easement to add a provision allowing for the placement of public utilities and conveyance of related easements subject to District approval; and
B) Authorizing the Board President to execute the First Amendment to Conservation Easement Agreement.
(Fifth District)

COUNTY ADMINISTRATOR/FIRE AND EMERGENCY SERVICES

3. Extension of Proclamation of Local Emergency Due to Sonoma Complex Fire:
Adopt a Resolution Extending the Proclamation of Local Emergency Issued on September 9, 2017, Due to the Damage Arising from the Complex Fires and the Impending Onset of the Rainy Season.

COUNTY ADMINISTRATOR/HEALTH SERVICES/COUNTY COUNSEL

4. Resolution Extending the Joint Proclamation of Local Health Emergency Issued by County Health Officer and County Environmental Health & Safety Officer:
Adopt a Resolution Extending the Joint Proclamation of Local Health Emergency Issued by County Health Officer and County Environmental Health & Safety Officer to Ensure Safe Removal of Debris Caused by the Complex Fire.

GENERAL SERVICES/REGIONAL PARKS/TRANSPORTATION AND PUBLIC WORKS
AND
AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT/SONOMA COUNTY WATER AGENCY / RUSSIAN RIVER COUNTY SANITATION DISTRICT/OCCIDENTAL COUNTY SANITATION DISTRICT/SOUTH PARK COUNTY SANITATION DISTRICT

(Directors: Gorin, Rabbitt, Zane, Gore, Hopkins)

AND
SONOMA VALLEY COUNTY SANITATION DISTRICT

(Directors: Gorin, Rabbitt, Zane, Gore, Hopkins)

5. Concurrent Resolution Making Findings of a Continuing Need to Perform Emergency Work to Abate and Stabilize Dangerous Conditions Resulting From the Sonoma Complex Fires:
Board of Supervisors and the respective Boards of Directors Adopt a Concurrent Resolution:
   A) Making findings that there is a continuing emergency need to stabilize dangerous conditions resulting from the Sonoma Complex Fires; and
   B) Extending the suspension of the requirements for competitive bidding; and
   C) Authorizing the County Directors of General Services, Regional Parks, and Transportation & Public Works, and the General Managers of the Sonoma County Agricultural Preservation and Open Space District and the Sonoma County Water Agency, to execute contracts necessary to abate and stabilize dangerous conditions resulting from the Sonoma Complex Fires; and
   D) Making an exemption determination under the California Environmental Quality Act; and
   E) Ratifying any emergency contracts entered into by Director of General Services, Director of Regional Parks, Director of Transportation and Public Works, or the General Managers of the Sonoma County Agricultural Preservation and Open Space District and the Sonoma County Water Agency relating to these issues.

   (4/5th Vote Required)

GENERAL SERVICES

6. Adopt a resolution under Government Code section 25502.7 delegating authority to Purchasing Agent, or General Services Director as delegated by Purchasing Agent, to engage independent contractors pursuant to local emergency declaration.
Adopt a resolution:
   A) Authorizing Purchasing Agent, or General Services Director as delegated by the Purchasing Agent to engage independent contractors to perform services related to the Sonoma Complex Fire for the County or County officers, with or without the furnishing of material, when the annual aggregate cost does not exceed $150,000.
   B) Establishing rules and regulations to effectuate this emergency contracting, including informal bidding procedures.

HUMAN RESOURCES

7. Human Resources Department Reorganization:
Approve Human Resources Department organizational change concepts and recommendations which will improve operations so the Department can better support the County's departments and special districts in their objectives to serve the community.

HUMAN SERVICES

8. Valley of the Moon Children's Center Trauma-Informed Care Sustainability Project:
Authorize the Human Services Department Director to execute an agreement with the International Trauma Center for $123,000 to provide comprehensive training and coaching on Trauma-Informed Care concepts to build sustainable practices with the Valley of the Moon Children's Center staff during the period of November 13, 2017 through October 31, 2018.

REGIONAL PARKS

9. Regional Parks Day Use Fee Waiver to Honor Veterans
Approve waiver of day use fees throughout Sonoma County Regional Parks system for eligible military personnel and dependents for Veterans Day weekend, starting on Friday, November 10, 2017 through Monday, November 13, 2017.

APPOINTMENTS/ REAPPOINTMENTS

10. Appoint Richard Ogg to the Bodega Bay Public Utility District Office #2 Board of Directors for a four year term beginning on December 1, 2017 and ending December 1, 2021. (Fifth District)

11. Appointment and Reappointments to the Sonoma County Workforce Investment Board:
A) Approve the appointment of Ananda Sweet and David Wayte to the Sonoma County Workforce Investment Board for a one-year term beginning November 7, 2017 and ending November 7, 2018.
B) Approve the re-appointment of Yale Abrams, Ed Barr, Judy Coffey, Kristina Holloway, Roy Hurd, Stephen Jackson, Bill Nordskog, Lynn Stauffer, Steve Stobel, and Pedro Toledo to the Sonoma County Workforce Investment Board for a two-year term beginning November 7, 2017 and ending November 7, 2019.
(Human Services)

PRESENTATIONS/GOLD RESOLUTIONS

PRESENTATION ON A DIFFERENT DATE

12. Adopt a resolution honoring November 11, 2017 as "Veterans Day" in Sonoma County. (Human Services Department)

13. Adopt a resolution designating the month of November 2017 as Adoption Awareness Month in Sonoma County. (Human Services Department)

III. BOARD MEMBER REPORTS ON ASSIGNED BOARDS, COUNCILS, COMMISSIONS OR OTHER ATTENDED MEETINGS

IV. REGULAR CALENDAR

COUNTY ADMINISTRATOR

14. Fire Recovery Update:
Receive Update on Fire Recovery Efforts and Consider Next Steps.

GENERAL SERVICES/HEALTH SERVICES

15. Consolidation of Behavioral Health Services at The Lakes complex in southwest Santa Rosa to Improve Service Delivery and Increase Efficiencies (Consider leases for 2235 Challenger Way, 2255 Challenger Way, and 2227 Capricorn Way, Santa Rosa)
   A) Authorize the Board Clerk to publish notices, declaring the Board's intention to execute leases with SR Lakes Waterfall DE, LLC and Redbird SR Lakes Waterfall DE, LLC, for the following leases, each with an initial term of 10 years, with one, 5-year option to extend the term:
      1) 9,647 sq. ft. of office space, located at 2235 Challenger Way, Santa Rosa, for an initial rental rate of $17,365 per month ($208,375 per year)($1.80 per sq. ft.).
      2) 7,116 sq. ft. of office space, located at 2255 Challenger Way, Santa Rosa, for an initial rental rate of $12,809 per month ($153,706 per year)($1.80 per sq. ft.).
      3) 21,721 sq. ft. of office space, located at 2227 Capricorn Way, Santa Rosa, for an initial rental rate of $39,098 per month ($469,174 per year)($1.80 per sq. ft.).
   B) Adopt a resolution authorizing budgetary adjustments to the Fiscal Year 2017-2018 adopted budget to allocate General Fund Contingency of $1,006,338 and $400,000 from Department of Health Services Fund Balance to Capital Projects to fund one-time relocation of Behavioral Health facilities from the Chanate Campus. (4/5 vote required)
   C) Authorize the General Services Director to execute a letter-agreement whereby the Landlord will prepare architectural construction drawings and apply for building permits prior to the potential execution of the proposed leases and approval by the Board. (4/5th Vote Required)

PERMIT AND RESOURCE MANAGEMENT DEPARTMENT

16. Emergency and Immediate Housing Needs Created by the Sonoma Complex Fire; Temporary Residential Use of Recreational Vehicles on Agricultural Lands and Lands Under Land Conservation Act Contracts:
   A) Adopt a Resolution Modifying the Sonoma County Uniform Rules for Agricultural Preserves and Farmland Security Zones to Allow Additional Use and Rental of Recreational Vehicles and Residential Accessory Structures for Temporary Disaster Housing on Land Under Williamson Act Contracts;
   B) Adopt an Urgency Ordinance to Similarly Revise Chapter 40 of the Sonoma County Code to:
      1) Allow Residential Use of Recreational Vehicles on Agricultural Lands for Temporary Disaster Housing; and
      2) Make Minor Changes to Allow Temporary Residential Use of Recreational Vehicles by Displaced Renters As Well As Property Owners.

   (4/5 Vote Required)

17. **PUBLIC COMMENT ON CLOSED SESSION ITEMS**

V. CLOSED SESSION CALENDAR

18. The Board of Supervisors will consider the following in closed session: Conference with Legal Counsel – Possible initiation of litigation pursuant to Government Code Section 54956.9(d)(4). 1 Case.

19. The Board of Supervisors will consider the following in closed session: Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). 1 Case.

20. The Board of Supervisors will consider the following in closed session: Conference with Legal Counsel – Existing Litigation – Roberto Ardon vs. County of Sonoma Workers' Compensation Appeals Board Nos. ADJ8376697. (Government Code Section 54956.9(d)(1).)

21. The Board of Supervisors and the Board of Directors of the Sonoma County Water Agency will consider the following in closed session: Conference with Legal Counsel – Existing Litigation – Potter Valley Hydroelectric Project, FERC Project No. 77. (Government Code Section 54956.9(d)(1).)

22. The Board of Commissioners of the Community Development Commission will consider the following in the closed session: Conference with Real Property Negotiator - Govt. Code §54956.8. Property: 2150 West College, Santa Rosa, CA; APN 010-320-029. For County: Margaret Van Vliet, Executive Director Sonoma County Community Development Commission. Under Negotiation: Terms and conditions of the proposed sale.

VI. REGULAR AFTERNOON CALENDAR

23. **RECONVENE FROM CLOSED SESSION**

24. **REPORT ON CLOSED SESSION**

25. **PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE BOARD AND ON BOARD MEMBER REPORTS**

(Any member of the public may address the Board on a matter not listed on the agenda as long as the subject matter is within the jurisdiction of the Board. Commenters are requested to fill out a Speaker Card and to come forward to the podium when recognized by the Board Chair. Please state your name and limit your comments to matters within the Board's jurisdiction. Available time for comments is determined by the Board Chair based on agenda scheduling demands and total number of speakers. When this item is scheduled, the Board generally will hear public comments for up to twenty minutes. Available time for comments is determined by the Board Chair based on agenda scheduling demands and total number of speakers. Any additional non-agendized item speakers will be heard following consideration of the agendized matters. While members of the public are welcome to address the Board, under the Brown Act open meeting laws, Board members may not deliberate or take action on items not on the agenda.)

26. Permit and Resource Management Department: Review and possible action on the following:
Acts and Determinations of Planning Commission/Board of Zoning Adjustments
Acts and Determinations of Project Review and Advisory Committee
Acts and Determinations of Design Review Committee
Acts and Determinations of Landmarks Commission
Administrative Determinations of the Director of Permit and Resource Management

(All materials related to these actions and determinations can be reviewed at:
http://www.sonoma-county.org/prmd/b-c/index.htm)

27. **ADJOURNMENT**

<u>NOTE</u>: The next Board meeting will be a Special Joint Sonoma County and Santa Rosa City Meeting held on November 7, 2017 at 4 p.m. at the City of Santa Rosa Utilities Field Operations Building, 35 Stony Point Road, Santa Rosa, CA 95401.

The next Regular Board Meeting will be held on November 14, 2017 at 8:30 a.m.

<u>Upcoming Hearings</u> (All dates are tentative until each agenda is finalized)
Permit and Resource Management: December 5, 2017 2:20 P.M. - Appeal of the Board of Zoning Adjustments decision to deny a Use Permit for a telecommunications facility. UPE17-0006

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 1
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): Sonoma County Office of Education

Staff Name and Phone Number:
Steven Herrington, PhD – (707) 524-2620

Supervisorial District(s):
All

Title: Sonoma County Williams Act Settlement Annual Report of Findings

Recommended Actions:

The Board of Supervisors is requested to accept the Sonoma County Superintendent of Schools Report on Williams Lawsuit Settlement findings for Fiscal Year 2017-2018.

Executive Summary:

In August 2004, the Governor facilitated a settlement of the Williams lawsuit with specific legislation (CA Education Code Section 1240) designed to identify and correct deficiencies, which may be impediments to student academic success. This legislation stemmed from a lawsuit by the American Civil Liberties Union (ACLU) that the State of California failed to provide poor and underprivileged students with equal educational opportunities. Specific elements in the suit included inadequate school facilities, insufficient educational materials, and a lack of fully credentialed teachers.

In essence, the settlement required schools to provide sufficient education material for English, language arts, math and social sciences. It also required that schools are healthy and safe. Schools must also provide accurate School Accountability Report Cards related to instructional materials and facilities maintenance.

Pursuant to the Williams Settlement, the County Superintendent of Schools is required to report to the Board of Supervisors the results of findings related to those elements or conditions of Sonoma County schools. The County Superintendent will also provide the status of the new state accountability system for school districts. Attached is the report summarizing the June 2017 audit and visitation findings of the first four weeks of the 2017-2018 school year.

Discussion:

Sonoma County Office of Education Superintendent Steve Harrington will be presenting the report. The Board is requested to accept the report.

Prior Board Actions:	
Strategic Plan Alignment	Goal 3: Invest in the Future
Validating the presence of sufficient, current, standards based instructional materials in all Sonoma County school districts ensures young students in the community have necessary materials to enhance educational opportunities.	

Fiscal Summary

Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

No fiscal impact for this item.

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:
Sonoma County Williams Act Settlement Annual Report of Findings
Related Items "On File" with the Clerk of the Board:
None.

Board of Education
October 05, 2017 3:00 PM
Board Room
5340 Skylane Boulevard
Santa Rosa, CA 95403

Agenda Item: **Williams Annual Report**

Speaker: Jennie Snyder

Rationale: This data is from the August and September 2017 audits as required by Ed Code 1240(c)(2)(B), pursuant to the Williams Settlement. The California Education Code Section 1240(c)(2)(B) requires that the county superintendent, or his/her designee, shall annually submit a County report, at a regularly scheduled board meeting, to the governing board of each school district under his/her jurisdiction, the county board of education of his/her county, and the board of supervisors of his/her county describing the state of the schools in the county that are ranked in deciles 1 to 3, inclusive, of the 2009 base Annual Performance Index (API), pursuant to Ed Code Section 52056. An annual report summarizing the visitation findings of the first four weeks of the school year 2017-18 is presented for review, and will also be sent to the Board of Supervisors for an upcoming meeting.

Recommended Motion: The Board is asked to review the presented reports.

Quick Summary / Abstract: This data is from the August and September 2017 audits as required by Ed Code 1240(c)(2)(B), pursuant to the Williams Settlement. The California Education Code Section 1240(c)(2)(B) requires that the county superintendent, or his/her designee, shall annually submit a County report, at a regularly scheduled board meeting, to the governing board of each school district under his/her jurisdiction, the county board of education of his/her county, and the board of supervisors of his/her county describing the state of the schools in the county that are ranked in deciles 1 to 3, inclusive, of the 2009 base Annual Performance Index (API), pursuant to Ed Code Section 52056. An annual report summarizing the visitation findings of the first four weeks of the school year 2017-18 is presented for review, and will also be sent to the Board of Supervisors for an upcoming meeting.

Attachments:
2017-18 Williams Packet

Sonoma County
Office of Education

5340 Skylane Boulevard
Santa Rosa, CA 95403-8246
(707) 524-2600 ■ www.scoe.org

September 25, 2017

Sonoma County Board of Supervisors
575 Administration Drive, Room 100A
Santa Rosa, CA 95403

Sonoma County Board of Supervisors:

Enclosed please find the Annual Report of Findings Pursuant to Williams Lawsuit Settlement for the fiscal year 2017-18. There were a total of twenty-two schools monitored.

Under Education Code Section 1240, each year the County Superintendent of Schools must report to the Board of Supervisors the results of findings regarding inadequate school facilities, school accountability report cards and teacher qualifications.

Please let me know if I can be further assistance.

Sincerely,

Jennie Snyder, Ed.D.
Deputy Superintendent, Instructional Services
Sonoma County Office of Education
Phone: (707) 524-2786
Email: jsnyder@scoe.org

Steven D. Herrington, Ph.D. ■ Superintendent of Schools
Board of Education ■ Gina Cuclis, Herman G. Hernandez, Peter Kostas, Andrew Leonard, Lisa Wittke Schaffner

Sonoma County
Office of Education

5340 Skylane Boulevard
Santa Rosa, CA 95403-8246
(707) 524-2600 ■ www.scoe.org

Annual Reporting of Findings
Pursuant to Williams Lawsuit Settlement
Annual Report for Fiscal Year 2017-18

Findings of Visits and Reviews:

Instructional Materials:

Visitation of twenty-three schools during August and September 2017, validated the presence of sufficient, current, standards based instructional materials in all twenty-three districts visited. Sonoma County districts are to be commended for their efforts to ensure that students have sufficient materials for use in class and at home.

Facilities Maintenance:

There were no findings at the twenty-three sites that qualified as one of the "eight emergency repair situations that poses an emergency or urgent threat to the health or safety of students or staff" as identified under Williams legislation.

Note: To date, emergency funding is still not available but districts have been encouraged to add their names to the list of districts looking for this funding so that when it does become available they are already in the pool.

School Accountability Report Card/Teacher Qualifications

The SARC for all twenty-three schools will be received and reviewed in March 2018. We found 0 teachers have "misassignments" for the (2016-17) school year. Review of credentials will occur in May 2018.

Valenzuela:

Documentation reviews were not conducted during this audit. The SRCS district has opted to exercise flexibility.

Quality of Education Act (QEIA)

There were no school sites monitored during the 2017 Williams Visitation.

Steven D. Herrington, Ph.D. ■ Superintendent of Schools
Board of Education ■ Gina Cuclis, Herman G. Hernandez, Peter Kostas, Andrew Leonard, Lisa Wittke Schaffner

Williams Lawsuit Schools 2017-18 Sonoma County

Report to the Sonoma County Board of Education and the County Board of Supervisors

District	School	Current	Level	Sufficient Instructional Materials	In Good Repair No Extreme Deficiencies	Received SARCs	2016-17 Teacher Mis-assignments	Used Instructional Material Funds Appropriately	Unanswered complaints in relation to the Uniform Complaint Procedure	Base
Bellevue Union School District	Bellevue Elementary	2	Elementary	yes	yes	yes	none	yes	0	2009
Bellevue Union School District	Kawana School	1	Elementary	yes	yes	yes	none	yes	0	2009
Bellevue Union School District	Taylor Mountain Elementary	2	Elementary	yes	yes	yes	none	yes	0	2009
Cloverdale Unified School District	Jefferson Elementary	3	Elementary	yes	yes	yes	none	yes	0	2009
Cotati-Rohnert Park Unified	John Reed Elementary	3	Elementary	yes	yes	yes	none	yes	0	2009
Cotati-Rohnert Park Unified	Thomas Page Elementary	3	Elementary	yes	yes	yes	none	yes	0	2009
Healdsburg Unified	Healdsburg Elem. HES Campus (K-3)	2	Elementary	yes	yes	yes	none	yes	0	2009
Healdsburg Unified	Fitch Mountain Campus (4-5)	2	Elementary	yes	yes	yes	none	yes	0	2009
Petaluma City School District	McKinley School	2	Elementary	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Albert F. Biella Elementary	3	Elementary	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Brook Hill Elementary	3	Elementary	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Comstock Middle School	3	Middle School	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Cook (Lawrence) Middle School	1	Middle School	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Elsie Allen High	2	High School	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Lincoln (Abraham) School	2	Elementary	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Monroe (James) School	3	Elementary	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Steele Lane School	2	Elementary	yes	yes	yes	none	yes	0	2009
Santa Rosa City School District	Piner High	3	High School	yes	yes	yes	none	yes	0	2009
Sonoma Valley Unified SD	El Verano School	2	Elementary	yes	yes	yes	none	yes	0	2009
Sonoma Valley Unified SD	Flowery School	1	Elementary	yes	yes	yes	none	yes	0	2009
Sonoma Valley Unified SD	Sassarini Elementary	3	Elementary	yes	yes	yes	none	yes	0	2009
Sonoma Valley Unified SD	Altimira Middle	3	Middle School	yes	yes	yes	none	yes	0	2009
Sonoma Valley Unified SD	Dunbar Elementary	2	Elementary	yes	yes	yes	none	yes	0	2009

Sonoma County
Office of Education

5340 Skylane Boulevard
Santa Rosa, CA 95403-8246
(707) 524-2600 ■ www.scoe.org

October 27, 2017

Sonoma County Board of Supervisors
575 Administration Drive
Room 100 A
Santa Rosa, CA 95403

Dear County Board of Supervisors,

Please find enclosed the Sonoma County Office of Education's 2017 Williams Legislation annual report.

The report is being submitted in written form due to the difficulty aligning schedules to be with you in person while SCOE officials and government agencies address wildfire recovery efforts in schools. We are working very hard to return students to school and a sense of normalcy.

Future Williams Legislation reports will be delivered personally going forward and I appreciate your flexibility to review this matter in written form this year.

Please contact me should you have any comments or questions on this matter.

Sincerely,

Steve

Steven D. Herrington, Ph.D.
Superintendent of Schools

Steven D. Herrington, Ph.D. ■ Superintendent of Schools
Board of Education ■ Gina Cuclis, Herman G. Hernandez, Peter Kostas, Andrew Leonard, Lisa Wittke Schaffner

Sonoma County
Office of Education

5340 Skylane Boulevard
Santa Rosa, CA 95403-8246
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Annual Reporting of Findings
Pursuant to Williams Lawsuit Settlement
Annual Report for Fiscal Year 2017-18

Findings of Visits and Reviews:

Instructional Materials:

Visitation of twenty-two schools during August and September 2017, validated the presence of sufficient, current, standards based instructional materials in all twenty-two districts visited. Sonoma County districts are to be commended for their efforts to ensure that students have sufficient materials for use in class and at home.

Valenzuela:

Documentation reviews were not conducted during this audit. The SRCS district has opted to exercise flexibility.

Steven D. Herrington, Ph.D. ■ Superintendent of Schools
Board of Education ■ Gina Cuclis, Herman G. Hernandez, Peter Kostas, Andrew Leonard, Lisa Wittke Schaffner

& Williams Settlement Report State of Sonoma Co. Schools

Steven D. Herrington, Ph.D.
Sonoma County Superintendent of Schools

Steven D. Herrington, Ph.D.

Sonoma County Superintendent of Schools

Sonoma County Office of Education

About the Williams Lawsuit

Class action lawsuit filed in 2000

Schools must provide students with equal access to **instructional materials, safe facilities, and qualified teachers**

County superintendent must visit lowest-performing schools annually to assess conditions

Reports to Board of Supervisors on state of the schools

Sonoma County
Office of Education

Five Goals

1. Monitor & review **teacher assignments**
2. Verify that school has provided **accurate data**
3. Verify student access to **instructional materials**
4. Review **quarterly reports** on complaints
5. Identify any **unsafe facility conditions**

Sonoma County
Office of Education

2017 Williams Report

- ✓ SCOE visited **23 schools** in **7 school districts** in August and September.
- ✓ **All Sonoma County schools** in performance deciles 1-3 **met the requirements of the law**.

Sonoma County
Office of Education

Districts Visited

1. Bellevue Union
2. Cloverdale Unified
3. Cotati-Rohnert Park Unified
4. Healdsburg Unified
5. Petaluma City Schools
6. Santa Rosa City Schools
7. Sonoma Valley Unified

Sonoma County
Office of Education

Report Details

Schools to be **commended** for their efforts

No facility conditions threatened the health or safety of students or staff

No improper teacher assignments found

School Accountability report cards/teacher qualifications from 2017-18 will be **reviewed in March 2017**

No sites monitored under Quality of Education Investment Act

Sonoma County
Office of Education

The California School Dashboard

An introduction

Sonoma County
Office of Education

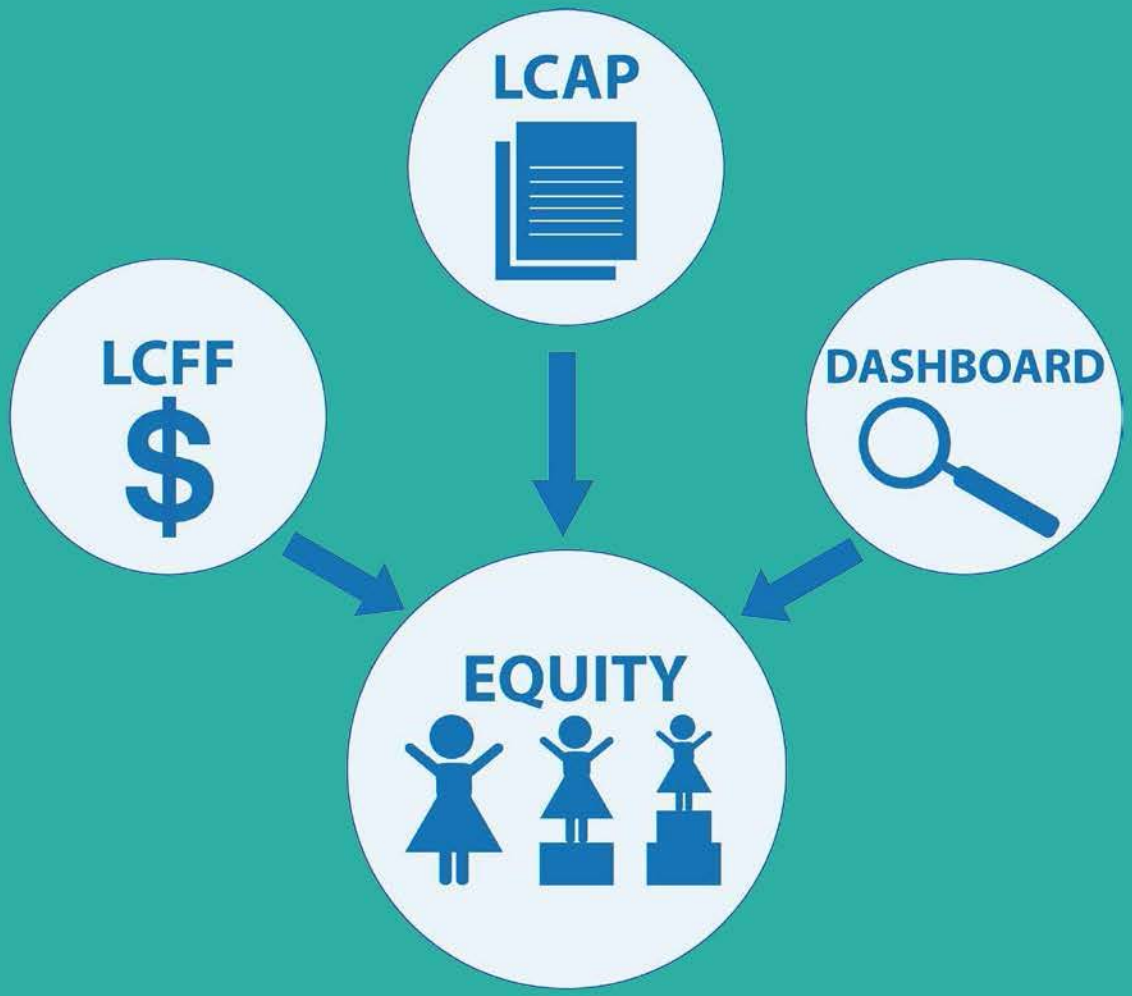
A new tool for tracking school and district progress

caschooldashboard.org

Sonoma County
Office of Education

The California Way

Shifts in CA education that transform school finance, accountability, and assessment; focus on equity; and raise the bar for student learning



Sonoma County
Office of Education

Benefits of the Dashboard

Multiple accountability measures paint more complete picture of school success

Focus on equity by measuring progress of various student groups

Promotes growth–continuous improvement

Sonoma County
Office of Education

Challenges of the Dashboard

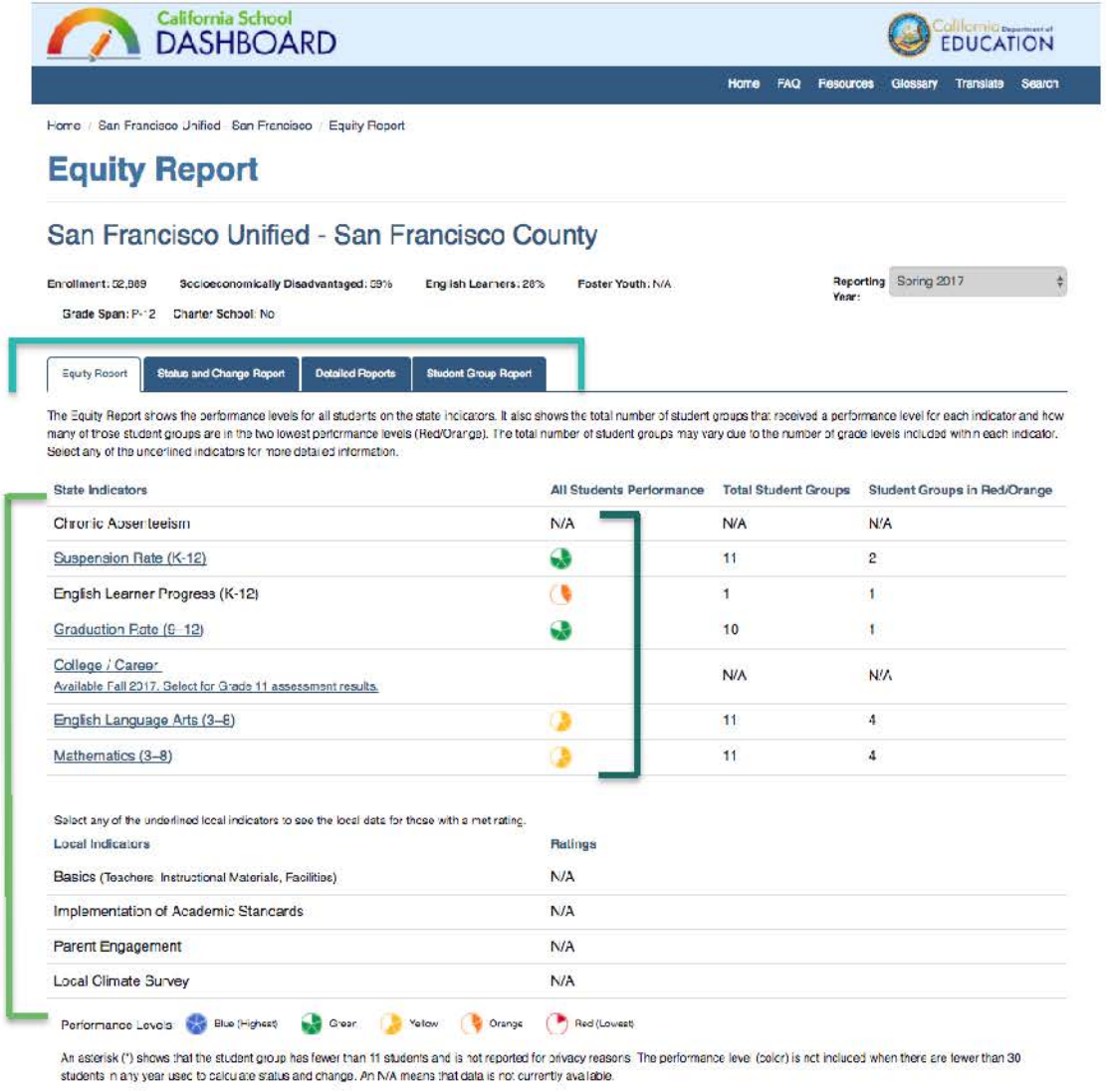
Mix of hard and soft measurements—difficult to rate or rank schools from top to bottom for real estate or school choice purposes

More complex data, more information for parents to understand

Sonoma County
Office of Education

Key Features

1. 10 indicators of school success
2. Color-coded performance levels
3. Custom reports with different levels of detail



California School DASHBOARD

California Department of EDUCATION

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Home / San Francisco Unified - San Francisco / Equity Report

Equity Report

San Francisco Unified - San Francisco County

Enrollment: 52,969 Socioeconomically Disadvantaged: 59% English Learners: 28% Foster Youth: N/A

Grade Span: PK-12 Charter School: No

Reporting Year: Spring 2017

Equity Report | Status and Change Report | Detailed Reports | Student Group Report

The Equity Report shows the performance levels for all students on the state indicators. It also shows the total number of student groups that received a performance level for each indicator and how many of those student groups are in the two lowest performance levels (Red/Orange). The total number of student groups may vary due to the number of grade levels included within each indicator. Select any of the underlined indicators for more detailed information.

State Indicators	All Students Performance	Total Student Groups	Student Groups in Red/Orange
Chronic Absenteeism	N/A	N/A	N/A
Suspension Rate (K-12)		11	2
English Learner Progress (K-12)		1	1
Graduation Rate (9–12)		10	1
College / Career Available Fall 2017. Select for Grade 11 assessment results.		N/A	N/A
English Language Arts (3–8)		11	4
Mathematics (3–8)		11	4

Select any of the underlined local indicators to see the local data for those with a met rating.

Local Indicators	Ratings
Basics (Teachers, Instructional Materials, Facilities)	N/A
Implementation of Academic Standards	N/A
Parent Engagement	N/A
Local Climate Survey	N/A

Performance Levels: Blue (Highest) Green Yellow Orange Red (Lowest)

An asterisk (*) shows that the student group has fewer than 11 students and is not reported for privacy reasons. The performance level (color) is not included when there are fewer than 30 students in any year used to calculate status and change. An N/A means that data is not currently available.

Sonoma County Office of Education

10 Indicators of School Success

State Indicators

allow comparisons across schools and district—gathered at state level

1. High school graduation rate
2. Academic performance
3. Suspension rate
4. English learner progress
5. College/career readiness
6. Chronic absenteeism

Local Indicators

"soft measures" gathered by schools and county offices

1. Basic conditions
2. Implementation of academic standards
3. School climate surveys
4. Parent involvement and engagement

Color-Coded Performance Levels

Schools/districts receive a performance level for each state indicator. The performance level is based on how current performance compares to past performance (change/ improvement over time).

Sonoma County
Office of Education

Custom Reports

Equity Report | Status and Change Report | Detailed Reports | Student Group Report

Equity	• Default report • Shows overall performance of all students • Shows how many student groups are doing poorly
Status/Change	• Breaks down scores by current performance (status) and change over time (change)
Detailed	• Detailed info on state AND local indicators
Student Group	• Compares overall student performance with individual student groups

Sonoma County
Office of Education

Considerations for Decision-Makers

- Schools and districts use Dashboard data to inform their Local Control and Accountability Plans (LCAPs)
- Poor Dashboard scores (red) will trigger additional assistance for district
- County offices monitor LCAPs and support districts in continuous improvement efforts
- Data = opportunity for community conversation

Sonoma County
Office of Education

Questions?

Sonoma County
Office of Education

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 2
(This Section for use by Clerk of the Board Only.)

To: Board of Directors of the Sonoma County Agricultural Preservation & Open Space District

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): Agricultural Preservation & Open Space District

Staff Name and Phone Number:
Jacob Newell, 565-7357

Supervisorial District(s):
5

Title: Forever Forestville Conservation Easement Amendment

Recommended Actions:

Adopt a resolution (1) making certain findings in support of amending the Forever Forestville Conservation Easement to add a provision allowing for the placement of public utilities and conveyance of related easements subject to District approval; and (2) authorizing the Board President to execute the First Amendment to Conservation Easement Agreement.

Executive Summary:

The Sonoma County Agricultural Preservation and Open Space District holds a Conservation Easement over a 4.23-acre property in downtown Forestville acquired by the Forestville Planning Association via the District's Matching Grant Program. The Forestville Planning Association is currently developing a town square as well as a trailhead for the West County Regional Trail on the property. Forestville Planning Association wishes to convey a utility easement to the Forestville Water District for the beneficial use of the community of Forestville in connection with its attempts to obtain access to reclaimed water for use on the Property.

The Conservation Easement does not permit this use. However, the District has previously determined that such use on other District-protected properties surrounded by urban uses and protected through the Matching Grant Program is appropriate, provided that such installation does not impact the conservation purposes of the respective easement. Therefore, the Sonoma County Agricultural Preservation and Open Space District is requesting Board approval to amend the Conservation Easement to add a provision allowing the installation and maintenance of underground conduits for new or existing offsite public utility purposes, and the conveyance of associated easements, subject to prior written District approval.

Discussion:

<u>Background</u>

In 2013, the Sonoma County Agricultural Preservation and Open Space District ("District") provided $400,500 through its Matching Grant Program to Forestville Planning Association for the acquisition of a 4.23-acre property ("Property") in downtown Forestville for the purposes of developing a town square gathering place and trails, while also supporting natural resource protection. As a condition of the Matching Grant Agreement, Forestville Planning Association conveyed a conservation easement ("Easement") over the Property to the District. The Easement's Conservation Values are defined as: Scenic and Open Space Resources; Natural Resources; and Recreational and Educational Resources.

Forestville Planning Association is in process of completing its park development plan for the Property, which includes a town square with kiosk, stage, assembly structure, and restroom, as well as a trailhead for the County's West County Regional Trail. The District conditionally approved the park development plan in April 2017 and the Forestville Planning Association is currently working to obtain required permits.

During discussions regarding the District's approval of the park development plan, the Forestville Planning Association inquired about its ability to convey a utility easement to the Forestville Water District for the beneficial use of the community of Forestville in connection with its attempts to obtain access to reclaimed water for use on the Property.

The Easement limits the installation of utilities to those directly required for permitted uses of the Property and that are reasonably scaled to serve only those uses. Therefore, the District is currently unable to approve the installation of any utility lines on the Property that serve offsite purposes.

Previously, the District has determined that installation of certain public utilities on District-protected properties that are surrounded by urban uses and protected through the Matching Grant Program is appropriate, provided that such installation does not impact the conservation purposes of the respective easement. Several other District conservation easements in urban areas acquired through the Matching Grant Program do allow for the conveyance of public utility easements, subject to District approval. However, the District had not yet incorporated this provision into its conservation easement boilerplate at the time the Forever Forestville Conservation Easement was drafted. Therefore, staff considers the lack of this provision to be a drafting error.

<u>Proposed Amendment</u>

District staff recommends that, in order to bring the Easement into compliance with intent of the parties and to maintain the consistency of the Easement with other urban conservation easements acquired through the Matching Grant Program, the Easement be amended to allow the installation and maintenance of underground conduits on the Property for new or existing off-site public utility purposes, subject to prior written District approval, so long as the following conditions are met:

1) Such installation has no significant adverse impacts on the Conservation Values as set forth in the Easement;
2) Any such installation is installed and maintained in the least intrusive manner feasible; and
3) Any damage done to the Property or Conservation Values caused by the installation or maintenance of such conduits is repaired promptly.

All other provisions in the Easement remain in full force and effect.

Recommendation

For the reasons above, the General Manager recommends that the Board adopt the attached resolution establishing that the Amendment is consistent with the adopted amendment policy of the District and authorizing the President of the Board to execute the Amendment.

This action is not subject to CEQA because it does not constitute the approval of a project. Any proposed project for the placement of improvements upon the Property subsequent to the amendment of the Easement would be subject to review and approval by the County of Sonoma at that time.

Prior Board Actions:

October 22, 2013: Board of Directors approves $400,500 grant to Forestville Planning Association, determining consistency with General Plan and Expenditure Plan, and authorizing execution of Matching Grant Agreement, Conservation Easement, and Recreation Conservation Covenant. (Resolution No. 13-0425)

Strategic Plan Alignment	Goal 2: Economic and Environmental Stewardship

Approving the Amendment will allow for the installation of public utility conduits to serve the community of Forestville, subject to District approval, while protecting the Conservation Values protected by the Easement.

Fiscal Summary			
Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses	5,000	0	0
Additional Appropriation Requested	0		
Total Expenditures	**5,000**		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	5,000		
Use of Fund Balance			
Contingencies			
Total Sources	**5,000**		

Narrative Explanation of Fiscal Impacts:

Costs include staff time and County Counsel time spent developing amendment language, coordinating with Forestville Planning Association, and preparing Board of Directors Agenda Item. All costs are included in the current appropriations.

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

1. Forever Forestville Conservation Easement Amendment
2. Resolution

Related Items "On File" with the Clerk of the Board:

1. Forever Forestville Conservation Easement Baseline Documentation (including executed Matching Grant Agreement and recorded Conservation Easement as attachments)

RECORDING REQUEST BY AND
RETURN TO:

Sonoma County Agricultural
Preservation and Open Space District
575 Administration Drive, Room 102A
Santa Rosa, CA 95403

FIRST AMENDMENT TO DEED AND AGREEMENT BY AND BETWEEN THE FORESTVILLE PLANNING ASSOCIATION AND THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT CONVEYING A CONSERVATION EASEMENT AND ASSIGNING DEVELOPMENT RIGHTS

The Forestville Planning Association (hereinafter "GRANTOR"), a California 501(c)(3) non-profit corporation, and the Sonoma County Agricultural Preservation and Open Space District, a public agency formed pursuant to the provisions of Public Resources Code section 5500 et seq. (hereinafter "DISTRICT"), agree as follows:

RECITALS

A. GRANTOR is the owner in fee simple of certain property located in Sonoma County and more particularly described in Exhibit A to Document Number 2013110043 in the Official Records of Sonoma County, recorded November 15, 2013 (hereinafter the "Property").

B. Pursuant to the terms of a funding agreement between the GRANTOR and DISTRICT (collectively hereinafter the "Parties") entered into in conformity with DISTRICTS "Matching Grant Program," GRANTOR conveyed to DISTRICT a conservation easement interest in the Property by an instrument entitled "DEED AND AGREEMENT BY AND BETWEEN THE FORESTVILLE PLANNING ASSOCIATION AND THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT CONVEYING A CONSERVATION EASEMENT AND ASSIGNING DEVELOPMENT RIGHTS," recorded as Document Number 2013110043 in the Official Records of Sonoma County on November 15, 2013 (the "Easement").

C. Under the Matching Grant Program, DISTRICT generally allows grant partners to place or allow the placement of public utilities and related easements upon Matching Grant Program properties located in urban areas, provided that such do not harm conservation interests. However, as a result of an oversight, the Easement prohibits the placement of such utilities on

the Property. In order to rectify this oversight, the Parties enter into this First Amendment to the Easement (the "First Amendment").

AMENDMENT

1. Added Provision. Subsection 5.4.6.3 is hereby added to the Easement, and reads as follows:

"5.4.6.3 In addition, subject to prior written approval of DISTRICT, GRANTOR may install and maintain or permit the installation and maintenance of underground conduits on the Property for water, sanitation, gas, electricity, or other similar utilities for new or existing offsite public utility purposes, provided that: (1) such installation has no significant adverse impacts on the Conservation Values as set forth in this Easement; (2) any such installation is installed and maintained in the least intrusive manner feasible; and (3) any damage done to the Property or Conservation Values caused by the installation or maintenance of such conduits is repaired promptly. GRANTOR may convey an easement pursuant to Section 5.7 of this Easement as necessary to authorize the installation and maintenance of such conduits, upon approval of the DISTRICT as set forth hereinabove and in Section 5.7."

2. Unmodified Provisions. No portions of the Easement not expressly modified by this First Amendment shall be modified hereby. Each and every provision of the Easement not modified hereby shall remain in full force and effect.

3. Authorization of Signatories. By their signatures below, the undersigned represent and warrant that they are authorized to execute this First Amendment on behalf of the party on behalf of whom they have executed below.

IN WITNESS WHEREOF, GRANTOR and DISTRICT have executed this First Amendment this _____ day of _____, 2017.

GRANTOR:
FORESTVILLE PLANNING ASSOCIATION

[redacted]

By: Elizabeth Naegle
President of Forestville Planning Association

DISTRICT:
SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT

_____

By: Shirlee Zane
President of the Board of Directors

ACKNOWLEDGMENT

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

State of California
County of _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____ **(Seal)**

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

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California)

County of Sonoma)

On August 2017 before me, Carrie Ann Johnson, (here insert name and title of the officer)

personally appeared Elizabeth Ann Naegle,

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

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

CARRIE ANN JOHNSON
COMM. #2117747
Notary Public - California
Sonoma County
My Comm. Expires June 29, 2019

NRO1 NRO1

WITNESS my hand and official seal.

Signature [redacted]

(Seal)

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of 1st Amendment to DA / Conveying a CE,

containing 3 pages, and dated N/A.

The signer(s) capacity or authority is/are as:

- ☐ Individual(s)
- ☐ Attorney-in-Fact
- ☒ Corporate Officer(s) Elizabeth Ann Naegle, President of FPA (Title(s))
- ☐ Guardian/Conservator
- ☐ Partner - Limited/General
- ☐ Trustee(s)
- ☐ Other:

representing: (Name(s) of Person(s) or Entity(ies) Signer is Representing)

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
☒ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # 5 Entry # 8

Notary contact: 707 565 7360

Other

☐ Additional Signer(s) ☒ Signer(s) Thumbprint(s)

☐

© Copyright 2007-2014 Notary Rotary, Inc. PO Box 41400, Des Moines, IA 50311-0507. All Rights Reserved. Item Number 101772. Please contact your Authorized Reseller to purchase copies of this form.

Item Number: _____

Date: November 7, 2017 Resolution Number: _____

☐ 4/5 Vote Required

Resolution of the Board of Directors of the Sonoma County Agricultural Preservation and Open Space District, County of Sonoma, State Of California, Making Certain Findings In Support Of Amending the Forever Forestville Easement to Add A Provision Allowing for the Placement of Public Utilities and Conveyance of Related Easements Subject to District Approval; and Authorizing the Board President to Execute the First Amendment to Conservation Easement Agreement.

Whereas, in October 2013, the Forestville Planning Association ("FPA") and the Sonoma County Agricultural Preservation and Open Space District ("District") entered into a "Deed and Agreement By and Between the Forestville Planning Association and the Sonoma County Agricultural Preservation and Open Space District Conveying a Conservation Easement and Assigning Development Rights" ("Easement") as a condition of funds provided by the District through its Matching Grant Program to assist FPA in acquiring the Forever Forestville property ("Property"); and

Whereas, FPA desires the ability to convey utility easements to serve offsite purposes for the benefit of the community of Forestville; and

Whereas, the Easement limits utilities to those "directly required for permitted uses on the Property and...reasonably scaled to serve only those uses"; and

Whereas, District considers the installation of certain public utilities on conservation easements properties acquired through the Matching Grant Program that are within urbanized communities to be appropriate, provided that such installation does not impact the conservation purposes of the conservation easement; and

Whereas, staff has determined that the failure of the Easement to allow installation of public utilities easements for off-site purposes was the result of an error; and

Whereas, District is amenable to entering into an agreement to amend the Easement (the "Amendment") to allow for such public utilities easements; and

Whereas, the District's Stewardship Manual requires the Board to make certain findings prior to approving any easement amendment.

Now, Therefore, Be It Resolved that this Board of Directors hereby finds and determines that the forgoing recitations are true and correct.

Be It Further Resolved that the Board makes all findings required for approval of an easement amendment as set forth in the Stewardship Manual except for that finding 7e which states "the amendment does not reconvey any interest in land that has been expressly extinguished by the conservation easement."

Be It Further Resolved that the Board finds that finding 7e does not apply to the Amendment because the lack of this provision in the Easement was a drafting oversight, and the parties did not intend to extinguish FPA's right to approve public utilities easements of the nature described in the Amendment.

Be It Further Resolved that the President is authorized and directed to execute the Amendment to the Easement on behalf of the District and the certificate of acceptance required by Government Code section 27281 regarding same. The President is further authorized to take all other actions reasonably necessary to cause the Amendment to be executed and recorded.

Supervisors:

Gorin: Rabbitt: Gore: Hopkins: Zane:

Ayes: Noes: Absent: Abstain:

So Ordered.

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 3
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): County Administrator
Fire & Emergency Services

Staff Name and Phone Number:

Sheryl Bratton, 565-2241
Chris Helgren, 565-1152

Supervisorial District(s):

All

Title: Extend Proclamation of Local Emergency Due to Sonoma Complex Fire

Recommended Actions:

Adopt a Resolution Amending Resolution No. 17-389 and Extending the Proclamation of Local Emergency Issued on October 9, 2017, for another 30 Days Due to Damage Arising from the Complex Fire and the Impending Onset of the Rainy Season.

Executive Summary:

This item requests the Board of Supervisors adopt a resolution that: (i) modifies Resolution No. 17-389 to comply with Federal Assistance requirements, and (ii) approves a 30-day extension of the October 9, 2017 Proclamation of a local emergency in the Sonoma County Operational Area due to the effects of the Complex Fire. The Complex Fire began on Sunday, October 9, 2017, causing extreme property damage and health and safety concerns. The County Administrator proclaimed the Existence of a Local Emergency on October 9, 2017, and the Board of Supervisors adopted Resolution No. 17-0389 ratifying that proclamation on October 10, 2017. The fires left a large debris field in their wake. The removal of debris from a wildfire disaster creates unique concerns due to the potential presence of hazardous materials and the large scale of the incident and will require significant resources to remove. The official start of the rainy season in Sonoma County is November 1, and the first storm of the season has already dropped approximately one inch of rain on the fire burned areas. As long as the fire debris remains on the ground, it poses an imminent and extensive threat to public health and safety, the environment (including creating serious concerns for water quality and supply due to the presence of hazardous materials and the damage to sewer service laterals), public infrastructure, and undamaged property. As required by Government Code section 8630, the Board must review the proclamation of local emergency every 30 days and determine if there is a need for continuing the local emergency.

Discussion:

The Complex Fire began on Sunday, October 9, 2017. In response, the Emergency Operations Center (EOC) was activated at approximately 12:00 a.m. on Monday, October 9, 2017, to assist with managing the impacts. In the early morning hours on Monday, the County issued advisory evacuation notices to various impacted areas of Sonoma County. Shelter was made available at various locations throughout the County, and first responders have been actively engaged in multiple areas throughout the County since the complex fires' advance into the County.

The County Administrator/Director of Emergency Services issued a Proclamation of Existence of Local Emergency in Sonoma County Operational Area in the early morning hours of Monday, October 9, 2017, as soon as reports of quickly-moving fires and health and safety concerns arrived. Later that day, the County Administrator supplemented that Proclamation and requested state and federal assistance. The Board of Supervisors ratified the County Administrator's Proclamation of the Existence of a Local Emergency on October 10, 2017. California Government Code section 8630 of Article 14, Local Emergency, of Chapter 7 of the Emergency Services Act requires that the County review the need for continuing the local emergency at least once every 30 days until the governing body terminates the local emergency.

The scope of disaster caused by the fast-moving fire and widespread scale of the destruction caused the Governor of the State of California to proclaim a State of Emergency (declaring eligibility for State assistance) and caused the President of the United States to declare a major disaster for the State of California, making the Complex Fires eligible for Federal assistance.

While the fires have been fully contained, the clean-up efforts are just beginning. The Sonoma Complex Fires resulted in the most devastating wildfires in the history of the State of California. In Sonoma County alone, the fires caused the death of at least 23 people, charred 110,720 acres, destroyed 6,950 structures (including 5,091 housing structures), and displaced more than 100,000 Sonoma County residents. Damage assessments are ongoing, and the number of lives lost and property damage is expected to rise.

The Sonoma Complex Fires left a large debris field in their wake. The removal of debris from wild fires creates unique removal concerns due to the potential presence of hazardous materials and the large scale of the incident and poses a threat to public health and safety. The rainy season in Sonoma County officially began on November 1, and the first storm of the season has already dropped approximately one inch of rain on the fire burned areas. The National Oceanic and Atmospheric Administration is forecasting another wet winter for the North Bay region. As long as the fire debris remains on the ground, it poses an imminent and extensive threat to: public health and safety, the environment (including local water quality and supply due to the presence of hazardous materials), public infrastructure, and undamaged property.

Finally, when the initial proclamation of local emergency was issued, the Sonoma Complex Fire was only a state and local emergency. The waiver of permit fees contained in the proclamation and expressly ratified by Resolution No. 17-0389 are permissible under applicable state laws. With the President's declaration of a major disaster, the disaster is now eligible for federal assistance. The Federal regulations governing that assistance do not permit such a fee waiver. Accordingly, there is a need to amend Resolution 17-0389 to rescind the waiver of certain permit fees. Taking this action will not prohibit the Board from waiving permit fees for uninsured property owners whose property was damaged or destroyed by the Sonoma Complex

Fires; nor would it prohibit the Board from considering individual hardship waivers on a case-by-case basis if requests are submitted.

Staff recommend that the Board adopt the attached Resolution (i) finding that the severity and pervasiveness of the Sonoma Complex Fires disaster poses an ongoing and imminent threat to public safety and undamaged property that warrants the need to extend the local emergency as authorized by Government Code section 8630 and (ii) approving a 30-day extension of the Proclamation of local emergency. Staff further recommend that the Board amend Resolution 17-0389 to rescind the waiver of certain permit fees because the disaster relief and recovery for the Sonoma Complex Fires is now subject to certain Federal regulations.

Prior Board Actions:

October 10, 2017: Board adopted Resolution No. 17-0389 ratifying the County Administrator's proclamation of the existence of a local emergency with the Sonoma County Operation Area.

Strategic Plan Alignment Goal 1: Safe, Healthy, and Caring Community

Fiscal Summary

Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Staffing Impacts			
Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)
Narrative Explanation of Staffing Impacts (If Required):			
Attachments:			
Attachment A: Resolution Ratifying CAO's Prior Action			
Related Items "On File" with the Clerk of the Board:			

County of Sonoma
State of California

Resolution No.

575 Administration Drive
Santa Rosa, California

Date: 11/07/2017

RESOLUTION OF BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, MODIFYING RESOLUTION NO. 17-0389 TO COMPLY WITH FEDERAL ASSISTANCE REQUIREMENTS AND DECLARING THE NEED FOR CONTINUING THE LOCAL EMERGENCY PURSUANT TO GOVERNMENT CODE SECTION 8630 DUE TO THE SONOMA COMPLEX FIRES

WHEREAS, California Government Code section 8630 and Section 10.5, Chapter 10 of the Sonoma County Code, empowers the County Administrator to proclaim the existence of a local emergency when the county is affected or likely to be affected by a public calamity is subject to ratification by the Board of Supervisors at the earliest practicable time; and

WHEREAS, conditions of extreme peril to the safety of persons and property arose within the County caused by threat of the existence of multiple fires, referred to as the Sonoma Complex Fire, commencing on or about midnight on the 9th day of October, 2017, at which time the Board of Supervisors of the County of Sonoma was not in session; and

WHEREAS, the County Administrator of the County of Sonoma did proclaim the existence of a local emergency within the Sonoma County Operational Area on the 9th day of October, 2017 and then made another proclamation with a request that the Governor of the State of California make available California Disaster Act Assistance and seek all available forms of disaster assistance and relief programs, including a request for a Presidential Declaration of a Major Disaster; and

WHEREAS, the scope of disaster caused by the fast-moving and widespread scope of the destruction of the fire, including loss of many homes and evacuation of thousands of people, has caused the Governor of the State of California to proclaim a State of Emergency and declare eligibility for Fire Management Assistance Grant and other relief programs; and

WHEREAS, the Federal Government made a Presidential Declaration of the existence of a major disaster for the State of California (FEMA-4344-DR), dated October 10, 2017, and related determinations and amendments; and

WHEREAS, on October 10, 2017, the Board of Supervisors of the County of Sonoma adopted Resolution No. 17-0389 ratifying the County Administrator's Proclamations of the existence of a local emergency relating to the Sonoma Complex Fires; and

WHEREAS, California Government Code section 8630 of Article 14, Local Emergency, of Chapter 7 of the Emergency Services Act requires that the County review the need for continuing the local emergency at least once every 30 days until the governing body terminates the local emergency; and

WHEREAS, the Sonoma Complex Fires resulted in the most devastating wildfires in the history of the State of California, causing the death of at least 23 people, charring 110,720 acres, destroying 6,950 structures (including 5,091 housing structures), and displacing thousands of Sonoma County residents; and

WHEREAS, damage assessments are ongoing and the number of lives lost and property damage may continue to rise; and

WHEREAS, the Sonoma Complex Fires left a large debris field in their wake, creating unique removal concerns due to the potential presence of hazardous materials and the large scale of the incident; and

WHEREAS, the official start of the rainy season in Sonoma County is November 1, and the first storm of the season has already dropped approximately one inch of rain on the fire burned areas; and

WHEREAS, as long as the fire debris remains on the ground, it poses an imminent and extensive threat to public health and safety, the environment (including creating serious concerns for water quality and supply due to the presence of hazardous materials and the damage to sewer service laterals), public infrastructure, and undamaged property; and

WHEREAS, due to the severity and pervasiveness of the Sonoma Complex Fires disaster, there is an ongoing and imminent threat to public safety and undamaged property that support the need to continue the local emergency; and

WHEREAS, when the initial proclamation of local emergency was issued, the Sonoma Complex Fire was only a local and state emergency; and

WHEREAS, because the disaster relief and recovery for the Sonoma Complex Fires is now subject to certain Federal regulations, there is a need to amend Resolution 17-0389 to rescind the waiver of certain permit fees;

NOW, THEREFORE, IT IS HEREBY DECLARED that the Board of Supervisors hereby finds there is an ongoing and imminent threat to public safety and undamaged property that warrant the need to extend the local emergency as authorized by Government Code section 8630; and

IT IS FURTHER PROCLAIMED AND ORDERED that Resolution No. 17-0389 is amended to rescind the waiver of permit fees for repair and reconstruction for already permitted fire damaged structures only, from the Sonoma Complex Fires; and

IT IS FURTHER PROCLAIMED AND ORDERED that, except to the extent Resolution No. 17-0389 is specifically amended or supplemented by this Resolution, the local emergency ratified by Resolution No. 17-0389 is and shall continue to be in full force and effect as originally proclaimed the County Administrator on October 9, 2017, and nothing contained herein shall be construed to modify, invalidate, or otherwise affect any provision of said Proclamation of local emergency.

PASSED AND ADOPTED by the Board this 7th day of November, 2017.

SUPERVISORS:

Gorin Rabbitt Gore Hopkins Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 4
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): County Administrator
County Counsel
Health Services

Staff Name and Phone Number:

Sheryl Bratton, 565-2241
Bruce Goldstein, 565-2421
Dr. Karen Milman, 565-8695
Christine Sosko, 565-6565

Supervisorial District(s):

All

Title: Resolution Extending the Joint Proclamation of Local Health Emergency Issued by County Health Officer and County Environmental Health & Safety Officer

Recommended Actions:

Adopt a Resolution Extending the Joint Proclamation of Local Health Emergency Issued by County Health Officer and County Environmental Health & Safety Officer to Ensure Safe Removal of Debris Caused by the Complex Fire.

Executive Summary:

This item requests the Board of Supervisors adopt a resolution extending the joint proclamation of local health emergency issued by the County Health Officer and County Environmental Health & Safety Officer in the Sonoma County Operational Area to ensure safe removal of the fire-related debris from multiple complex fires that began on Sunday, October 9, 2017, causing extreme property damage and health and safety concerns. The County Administrator proclaimed the Existence of a Local Emergency on October 9, 2017, and the Board of Supervisors adopted Resolution No. 17-0389 ratifying that proclamation on October 10, 2017. The Complex Fire has continued to ravage Sonoma County leaving a large debris field in its wake. The removal of debris from a wildfire disaster creates unique concerns due to the potential presence of hazardous materials and the large scale of the incident. On October 12, 2017, the County Health Officer and County Environmental Health & Safety Officer jointly proclaimed the existence of a local health emergency. The Board adopted Resolution No. 17-0391 ratifying the joint proclamation of local health emergency on October 17, 2017, and subsequently adopted Resolution No. 17-0425 on October 24, 2017, extending the proclamation of local health emergency. As required by Health and Safety Code section 101080, the Board must review the proclamation of local health

emergency at least every 14 days and determine if there is a need for continuing the local health emergency.

Discussion:

The complex fires began on Sunday, October 9, 2017. In response, the Emergency Operations Center (EOC) was activated at approximately 12:00 a.m. on Monday, October 9, 2017, to assist with managing the impacts. In the early morning hours on Monday, the County issued advisory evacuation notices to various impacted areas of Sonoma County. Shelter was made available at various locations throughout the County, and first responders have been actively engaged in multiple areas throughout the County since the complex fires' advance into the County.

The County Administrator/Director of Emergency Services issued a Proclamation of Existence of Local Emergency in Sonoma County Operational Area in the early morning hours of Monday, October 9, 2017, as soon as reports of quickly-moving fires and health and safety concerns arrived. Later that day, the County Administrator supplemented that Proclamation and requested state and federal assistance. The Board of Supervisors ratified the County Administrator's Proclamation of the Existence of a Local Emergency on October 10, 2017.

The scope of the disaster caused by the fast-moving and widespread destruction of the fire, including loss of hundreds of homes and the evacuation of thousands of people, caused the Governor of the State of California to proclaim a State of Emergency and declare eligibility for Fire Management Assistance Grant and other relief programs. Further, the President of the United States declared the existence of a major disaster in the State of California and ordered Federal aid to supplement State and local recovery efforts in the areas affected by wildfires, including the Complex Fire in Sonoma County.

The removal of debris from a wildfire disaster creates unique concerns due to the potential presence of hazardous materials and the large scale of the incident. Debris from large-scale incidents such as the Complex Fire include building materials, sediment (sand/gravel), vegetative or organic matter (trees, plants, etc.), vehicles, electronics, clothing, and other personal property. Some of this debris may contain potentially hazardous substances that require special handling for disposal to properly protect environmental health. Debris from a catastrophic incident like the Complex Fire should be cleaned up, transported, and disposed of in a manner that protects the public health and conforms to local, state, and federal requirements.

Based on the risk to public health posed by the fire debris, the Health Officer and the Director of Environmental Health and Safety for the County of Sonoma jointly proclaimed the existence of a local health emergency pursuant to the authority conferred on them by Health & Safety Code section 101080. The Board of Supervisors ratified the County Health Officer's and the Director of Environmental Health and Safety's Joint Proclamation of the Existence of a Local Health Emergency ("Joint Proclamation") on October 17, 2017. The Health & Safety Code requires the Board of Supervisors review the Joint Proclamation every 14 days and determine if there is a need to continue the local health emergency. The Board is obligated to terminate the local health emergency at the earliest possible date that conditions warrant the termination.

The volume of fire debris that must be removed continues to pose extensive public health and environmental risks. Because of its hazardous nature, ash and fire debris cannot be taken to County landfills, and it is illegal to dispose of ash and debris along road sides or on public or private lands. Debris from a wildfire disaster also creates serious concerns for water quality and supply due to the presence of hazardous materials and the damage to sewer service laterals. Subsequent to the Boards action ratifying the Joint Proclamation, the County Health Officer issued an emergency order prohibiting the endangerment of the public health and safety through the unsafe removal, transport, and disposal of fire debris. The Sonoma County Health Officer's order provides that no ash or debris may be removed prior to an inspection and requiring County authorization for ash removal.

The fire debris continues to pose an immediate risk to public health, safety, and the environment if harmful chemicals or waste enter the wastewater collection systems. The onset of the rainy season will compound those risks. The rainy season in Sonoma County officially began on November 1, and the first storm of the season has already dropped approximately one inch of rain on the fire burned areas. The National Oceanic and Atmospheric Administration is forecasting another wet winter for the North Bay region. As long as the fire debris remains on the ground, it poses an imminent and extensive threat to public health and safety, the environment (including local water quality and supply due to the presence of hazardous materials), public infrastructure, and undamaged property.

Staff recommends that the Board extend the County Health Officer's/County Environmental Health & Safety Officer's Joint Proclamation of local health emergency in order to ensure that the debris is removed and disposed of in a manner that protects the public health and safety. The Board must review and renew this emergency proclamation again in 14 days and every 14 days thereafter until the Board determines that conditions warrant the termination. When conditions improve, staff will request the Board formally terminate the emergency.

Prior Board Actions:

October 31, 2017: Board adopted Resolution No. 17-0425 extending the County Health Officer's/County Environmental Health & Safety Officer's Joint Proclamation of the existence of a local health emergency with the Sonoma County Operation Area
October 17, 2017: Board adopted Resolution No. 17-0391 ratifying the County Health Officer's/County Environmental Health & Safety Officer's Joint Proclamation of the existence of a local health emergency with the Sonoma County Operation Area
October 10, 2017: Board adopted Resolution No. 17-0389 ratifying the County Administrator's proclamation of the existence of a local emergency with the Sonoma County Operation Area.

Strategic Plan Alignment Goal 1: Safe, Healthy, and Caring Community

Issuing a proclamation of local health emergency helps to ensure the safety of the community by alerting residents to the current emergency, helping to advise that residents heed warnings and notifications, and facilitating additional aid. Resolving to waive permit fees and to consider other regulatory waivers will facilitate recovery. Invoking Disaster Leave provisions will ensure that impacted employees are able to dedicate time and effort to personal and community disaster recovery.

Fiscal Summary			
Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

Attachment A: Resolution Extending Proclamation of Local Health Emergency
Attachment B: Proclamation of Existence of a Local Health Emergency by County Health Officer and County Environmental Health & Safety Officer
Attachment C: Emergency Order of the Sonoma County Health Officer Prohibiting The Unsafe Removal, Transport, and Disposal of Fire Debris

Related Items "On File" with the Clerk of the Board:

County of Sonoma
State of California

Resolution No.

575 Administration Drive
Santa Rosa, California

Date: 11/07/2017

RESOLUTION OF BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, MODIFYING RESOLUTION NO. 17-0389 TO COMPLY WITH FEDERAL ASSISTANCE REQUIREMENTS AND DECLARING THE NEED FOR CONTINUING THE LOCAL EMERGENCY PURSUANT TO GOVERNMENT CODE SECTION 8630 DUE TO THE SONOMA COMPLEX FIRES

WHEREAS, California Government Code section 8630 and Section 10.5, Chapter 10 of the Sonoma County Code, empowers the County Administrator to proclaim the existence of a local emergency when the county is affected or likely to be affected by a public calamity is subject to ratification by the Board of Supervisors at the earliest practicable time; and

WHEREAS, conditions of extreme peril to the safety of persons and property arose within the County caused by threat of the existence of multiple fires, referred to as the Sonoma Complex Fire, commencing on or about midnight on the 9th day of October, 2017, at which time the Board of Supervisors of the County of Sonoma was not in session; and

WHEREAS, the County Administrator of the County of Sonoma did proclaim the existence of a local emergency within the Sonoma County Operational Area on the 9th day of October, 2017 and then made another proclamation with a request that the Governor of the State of California make available California Disaster Act Assistance and seek all available forms of disaster assistance and relief programs, including a request for a Presidential Declaration of a Major Disaster; and

WHEREAS, the scope of disaster caused by the fast-moving and widespread scope of the destruction of the fire, including loss of many homes and evacuation of thousands of people, has caused the Governor of the State of California to proclaim a State of Emergency and declare eligibility for Fire Management Assistance Grant and other relief programs; and

WHEREAS, the Federal Government made a Presidential Declaration of the existence of a major disaster for the State of California (FEMA-4344-DR), dated October 10, 2017, and related determinations and amendments; and

WHEREAS, on October 10, 2017, the Board of Supervisors of the County of Sonoma adopted Resolution No. 17-0389 ratifying the County Administrator's Proclamations of the existence of a local emergency relating to the Sonoma Complex Fires; and

WHEREAS, California Government Code section 8630 of Article 14, Local Emergency, of Chapter 7 of the Emergency Services Act requires that the County review the need for continuing the local emergency at least once every 30 days until the governing body terminates the local emergency; and

WHEREAS, the Sonoma Complex Fires resulted in the most devastating wildfires in the history of the State of California, causing the death of at least 23 people, charring 110,720 acres, destroying 6,950 structures (including 5,091 housing structures), and displacing thousands of Sonoma County residents; and

WHEREAS, damage assessments are ongoing and the number of lives lost and property damage may continue to rise; and

WHEREAS, the Sonoma Complex Fires left a large debris field in their wake, creating unique removal concerns due to the potential presence of hazardous materials and the large scale of the incident; and

WHEREAS, the official start of the rainy season in Sonoma County is November 1, and the first storm of the season has already dropped approximately one inch of rain on the fire burned areas; and

WHEREAS, as long as the fire debris remains on the ground, it poses an imminent and extensive threat to public health and safety, the environment (including creating serious concerns for water quality and supply due to the presence of hazardous materials and the damage to sewer service laterals), public infrastructure, and undamaged property; and

WHEREAS, due to the severity and pervasiveness of the Sonoma Complex Fires disaster, there is an ongoing and imminent threat to public safety and undamaged property that support the need to continue the local emergency; and

WHEREAS, when the initial proclamation of local emergency was issued, the Sonoma Complex Fire was only a local and state emergency; and

WHEREAS, because the disaster relief and recovery for the Sonoma Complex Fires is now subject to certain Federal regulations, there is a need to amend Resolution 17-0389 to rescind the waiver of certain permit fees;

NOW, THEREFORE, IT IS HEREBY DECLARED that the Board of Supervisors hereby finds there is an ongoing and imminent threat to public safety and undamaged property that warrant the need to extend the local emergency as authorized by Government Code section 8630; and

IT IS FURTHER PROCLAIMED AND ORDERED that Resolution No. 17-0389 is amended to rescind the waiver of permit fees for repair and reconstruction for already permitted fire damaged structures only, from the Sonoma Complex Fires; and

IT IS FURTHER PROCLAIMED AND ORDERED that, except to the extent Resolution No. 17-0389 is specifically amended or supplemented by this Resolution, the local emergency ratified by Resolution No. 17-0389 is and shall continue to be in full force and effect as originally proclaimed the County Administrator on October 9, 2017, and nothing contained herein shall be construed to modify, invalidate, or otherwise affect any provision of said Proclamation of local emergency.

PASSED AND ADOPTED by the Board this 7th day of November, 2017.

SUPERVISORS:

Gorin Rabbitt Gore Hopkins Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

JOINT PROCLAMATION OF A LOCAL HEALTH EMERGENCY BY COUNTY OF SONOMA ENVIRONMENTAL HEALTH & SAFETY OFFICER AND COUNTY OF SONOMA HEALTH OFFICER

In the Matter of	)
Proclaiming the Existence of	)
"A Local Health Emergency"	)

WHEREAS, California Government Code section 8630 and Section 10.5, Chapter 10 of the Sonoma County Code, empower the County Administrator to proclaim the existence of a local emergency when the County is affected or likely to be affected by a public calamity, subject to ratification by the Board of Supervisors at the earliest practicable time; and

WHEREAS, conditions of extreme peril to the safety of persons and property arose within the County caused by threat of the existence of multiple fires, referred to as the Sonoma Complex Fire, commencing on or about midnight on the 9th day of October, 2017, at which time the Board of Supervisors of the County of Sonoma was not in session; and

WHEREAS, the County Administrator of the County of Sonoma did proclaim the existence of a local emergency within the Sonoma County Operational Area on the 9th day of October, 2017, and then made another proclamation with a request that the Governor of the State of California make available California Disaster Act Assistance and seek all available forms of disaster assistance and relief programs, including a request for a Presidential Declaration of a Major Disaster; and

WHEREAS, on October 10, 2011, the Board of Supervisors adopted Resolution No. 17-0389 ratifying the County Administrator's proclamation of the existence of a local emergency with the Sonoma County Operation Area and requested that the Governor of the State of California make available California Disaster Act Assistance and seek all available forms of disaster assistance and relief programs, including a request for a Presidential Declaration of a Major Disaster; and

WHEREAS, the scope of disaster caused by the fast-moving and widespread scope of the destruction of the fire, including loss of many homes and evacuation of thousands of people, has caused the Governor of the State of California to proclaim a State of Emergency on October 9, 2017, and declare eligibility for Fire Management Assistance Grant and other relief programs; and

WHEREAS, on October 10, 2017, President Donald J. Trump declared the existence of a major disaster in the State of California and ordered Federal aid to supplement State and local recovery efforts in the areas affected by wildfires, including the Sonoma Complex Fire, beginning on October 8, 2017, and continuing; and

WHEREAS, Health and Safety Code section 101075 confers upon the local Health Officer or the local Director of Environmental Health of political subdivisions of the state emergency powers necessary to protect public health and safety; and

WHEREAS, pursuant to Health and Safety Code section 101080, the Health Officer and the Director of Environmental Health and Safety for the County of Sonoma are authorized to proclaim the existence of a local health emergency when this County or any area of the county is affected or likely to be affected such a public health threat while the Board of Supervisors is not in

session, subject to ratification by the Board of Supervisors within seven days, and subject to reaffirmation every 14 days thereafter until such local health emergency is terminated; and

WHEREAS, the Health Officer and the Director of Environmental Health and Safety for the County of Sonoma hereby find that:

(a) The Sonoma Fire Complex has created certain hazardous waste conditions in the County in the form of contaminated debris from household hazardous waste/materials and structural debris resulting from the destruction of thousands of structures; and

(b) The hazardous waste debris poses a substantial present or potential hazard to human health and the environment unless immediately addressed and managed; and

(c) There is an imminent and proximate threat of infectious or communicable disease and/or non-communicable biologic agents due to accumulations of perishable foods and other organic materials that normally require refrigeration but have been left to spoil due to lack of electricity and also due to potential contamination or destruction of residential and commercial water supply in the burned areas; and

(d) The Board of Supervisors of the County of Sonoma is not in session and cannot immediately be called into session; and

(e) These threats to public health necessitate the proclamation of the existence of a local health emergency.

NOW, THEREFORE, IT IS PROCLAIMED that a local health emergency now exists in the burned areas of the County, including those areas within the incorporated limits of several of the County's cities, due to hazardous waste in the form of contaminated debris from hazardous waste/materials and structural debris from the ongoing Sonoma Fire Complex and due to contamination of residential food and water supply; and

IT IS FURTHER PROCLAIMED AND ORDERED that during the existence of the local emergency the powers, functions, and duties of the County Health Officer and the Director of Environmental Health and Safety shall be those prescribed by State law, including the provisions of Sections 101040 and 101085 of the Health and Safety Code, and by ordinances, resolutions, and approved plans of the County of Sonoma in order to mitigate the effects of the local emergency.

THIS ORDER MAY BE SIGNED IN COUNTERPARTS.

SIGNED AND SUBSCRIBED at _____a.m. this 12th day of October, 2017.

Karen Milman, MD
Sonoma County Health Officer

Christine Sosko
Sonoma County Environmental Health & Safety Director

EMERGENCY ORDER OF THE SONOMA COUNTY HEALTH OFFICER PROHIBITING THE ENDANGERMENT OF THE COMMUNITY THROUGH THE UNSAFE REMOVAL, TRANSPORT, AND DISPOSAL OF FIRE DEBRIS

WHEREAS the potential for widespread toxic exposures and threats to public health and the environment exists in the aftermath of a major wildfire disaster. Debris and ash from residential structure fires contain hazardous substances and the health effects of hazardous substances releases after a wildfire are well-documented.

WHEREAS the combustion of building materials such as siding, roofing tiles, and insulation result in dangerous ash that may contain asbestos, heavy metals, and other hazardous materials. Household hazardous waste such as paint, gasoline, cleaning products, pesticides, compressed gas cylinders, and chemicals may have been stored in homes, garages, or sheds that may have burned in the fire, also producing hazardous materials.

WHEREAS exposure to hazardous substances may lead to acute and chronic health effects, and may cause long-term public health and environmental impacts. Uncontrolled hazardous materials and debris pose significant threats to public health through inhalation of dust particles and contamination of drinking water supplies. Improper handling can expose workers to toxic materials, and improper transport and disposal of fire debris can spread hazardous substances throughout the community.

WHEREAS areas that have been closed to reentry by residents and the public for safety reasons will be opened in the near future.

WHEREAS the California Office of Emergency Services is establishing a voluntary Fire Debris Clearance Program to ensure the safe removal, transport, and disposal hazardous fire debris.

WHEREAS property owners that do not participate in the Fire Debris Clearance Program must conduct their private debris removal, transport, and disposal in a manner that does not endanger the community and that complies with all legal requirements.

WHEREAS, the Sonoma County Health Officer finds that:

a. The Sonoma Complex Fire has created hazardous waste conditions in Sonoma County in the form of contaminated debris from household hazardous waste/materials and structural debris resulting from the destruction of thousands of structures.

b. This hazardous waste debris poses a substantial present or potential hazard to human health and the environment unless its removal and disposal is performed in a manner that will protect the public health and safety.

WHEREAS, the Sonoma County Board of Supervisors has proclaimed that the Sonoma Complex Fire has resulted in a local emergency.

WHEREAS Health and Safety Code section 101040 authorizes the Health Officer to require protective measures in the context of a local emergency.

NOW THEREFORE, the Sonoma County Health Officer **ORDERS** that:

1. No removal of fire debris from the Sonoma Complex Fire shall occur from residential sites without a hazardous materials inspection conducted either by the U.S. Environmental Protection Agency or California Department of Toxic Substance Control. The term "removal of fire debris" as used in this order includes all cleanup of fire debris, but it does not include the removal of personal property from residential sites.

2. Pending the enactment of additional requirements to address the Sonoma Complex Fire disaster clean up, no debris bins shall be provided to property owners for the purposes of the removal of fire debris without the authorization of the County of Sonoma.

3. Pending the enactment of additional requirements to address the Sonoma Complex Fire disaster clean up, property owners that choose to opt out of the Fire Debris Clearance Program must register and obtain the permission of the County of Sonoma before beginning the removal of fire debris.

4. This order applies in the incorporated and unincorporated areas of Sonoma County impacted by the Sonoma Complex Fire.

SIGNED AND SUBSCRIBED AT 08:40 a.m. this 23rd day of October 2017.

Karen Milman, MD, MPH
Sonoma County Health Officer

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number:
(This Section for use by Clerk of the Board Only.)

To: Sonoma County Board of Supervisors, Board of Directors of the Sonoma County Agricultural Preservation and Open Space District, Board of Directors of the Sonoma County Water Agency, Board of Directors of the Russian River County Sanitation District, Board of Directors of the Occidental County Sanitation District, Board of Directors of the Sonoma Valley County Sanitation District, and Board of Directors of the South Park County Sanitation District

Board Agenda Date:	November 7, 2017	**Vote Requirement:**	4/5

Department or Agency Name(s): General Services, Regional Parks, Transportation and Public Works, Sonoma County Agricultural Preservation and Open Space District, Sonoma County Water Agency, Russian River County Sanitation District Property, Occidental County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District

Staff Name and Phone Number:	**Supervisorial District(s):**
Caroline Judy, 565-8058 Bert Whitaker, 565-3064 Johannes Hoevertsz, 565-3585 Bill Keene, 565-7348 Michael Thompson, 547-1911	All

Title: Concurrent Resolution Making Findings of a Continuing Need to Perform Emergency Work to Abate and Stabilize Dangerous Conditions Resulting From the Sonoma Complex Fires.

Recommended Actions:

Board of Supervisors and the respective Boards of Directors Adopt a Concurrent Resolution:

1) Making findings that there is a continuing emergency need to stabilize dangerous conditions resulting from the Sonoma Complex Fires; and
2) Extending the suspension of the requirements for competitive bidding; and
3) Authorizing the County Directors of General Services, Regional Parks, and Transportation & Public Works, and the General Managers of the Sonoma County Agricultural Preservation and Open Space District and the Sonoma County Water Agency, to execute contracts necessary to abate and stabilize dangerous conditions resulting from the Sonoma Complex Fires; and
4) Making an exemption determination under the California Environmental Quality Act; and
5) Ratifying any emergency contracts entered into by Director of General Services, Director of Regional Parks, Director of Transportation and Public Works, or the General Managers of the Sonoma County Agricultural Preservation and Open Space District and the Sonoma County Water

Agency relating to these issues. [4/5ths vote required]

Executive Summary:

This joint item requests the Board of Supervisors and Boards of Directors for the Sonoma County Agricultural Preservation and Open Space District ("District"), Sonoma County Water Agency, Russian River County Sanitation District, Occidental County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District (collectively "Water Agency") adopt a concurrent resolution finding and declaring a continuing emergency need to abate and stabilize dangerous conditions resulting from the Sonoma Complex Fires; extending the suspension of the requirements for competitive bidding; authorizing the Director of General Services, the Director of Regional Parks, the Director of Transportation and Public Works, the General Manager of Sonoma County Agricultural Preservation and Open Space District Property, and the General Manager of the Sonoma County Water Agency to execute contracts as necessary to abate and stabilize dangerous conditions resulting from the Sonoma Complex Fires; making an exemption determination under the California Environmental Quality Act ("CEQA") due to damages arising from multiple complex fires that began on Sunday, October 8, 2017, causing extreme property damage and health and safety concerns; and ratifying emergency contracts entered into by Director of General Services, Director of Regional Parks, Director of Transportation and Public Works, General Manager of the District and General Manager of the Water Agency related to these issues.

Discussion:

The Sonoma Complex Fires began on Sunday, October 8, 2017. In response, the Emergency Operations Center (EOC) was activated at approximately 12:00 a.m. on Monday, October 9, 2017, to assist with managing the impacts. The County Administrator/Director of Emergency Services issued a Proclamation of Existence of Local Emergency in Sonoma County Operational Area in the early morning hours of Monday, October 9, 2017, as soon as reports of quickly-moving fires and health and safety concerns arrived. Later that day, the County Administrator supplemented that Proclamation and requested state and federal assistance. The Board of Supervisors, the Board of Directors of the Sonoma County Agricultural Preservation and Open Space District, and the Board of Directors of the Sonoma County Water Agency ratified the Proclamation on October 10, 2017, to continue the local emergency.

As a result of the Sonoma Complex Fires, dangerous conditions have arisen on numerous properties owned or maintained by the County, the District, and the Water Agency that were sudden and unexpected, and pose a clear and imminent danger requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. These dangerous conditions include, but are not limited to, the following:

There is an immediate and continuing need for the removal of dangerous conditions on County property, District Property, and property owned or operated by the Sonoma County Water Agency, including but not limited to the removal of compromised trees. The purpose is to protect first responders, staff and the public from falling limbs and collapsing trunks. Additionally, critical access will be maintained to areas still affected by fires ensuring that first responders have as many access points to attack fires and protect property as possible. This operation exceeds the capacity of County, District and/or Water Agency forces and would pull staff from conducting necessary ongoing emergency

operations.

Fire damaged hillsides and slopes are unstable due to a loss of brush and tree cover which would normally prevent erosion and slides. There is an urgent need for action to remove compromised trees and stabilize those areas before the winter rains to stabilize the slopes. One stabilization process, the hydroseeding process, can cover a large area rapidly and is a process that allows plants to germinate quickly, providing some relief from this danger. The scope of this work would extend to all fire affected areas of the unincorporated county and would emphasize areas where upslope fire damage makes slides a particular risk to people, structures, and infrastructure such as roads and utilities. The County, District and Water Agency do not have the capacity and/or expertise to deliver these safety measures and would normally issue a notice inviting bids to hire a contractor. The normal contracting process takes two to three months from a minimum advertising period through assessing bids and awarding and executing contracts. This delay would mean that it would not be possible to perform necessary work to critical areas prior to the onset of wet, winter weather.

Additionally, the Water Agency operates and manages several sanitation districts or zones within the County of Sonoma, including the Russian River County Sanitation District Property, Occidental County Sanitation District, Sonoma Valley County Sanitation District, South Park County Sanitation District, Airport/Larkfield/Wikiup Sanitation Zone, Geyserville Sanitation Zone, Penngrove Sanitation Zone and Sean Ranch Sanitation Zone. As a result of the Sonoma Complex fires, there is an immediate risk to safety and public health if hazardous waste enters the sanitation systems because it could disrupt the sanitation plants and/or pass through the sanitation system and be disbursed into county watersheds. Therefore, there is an urgent need to plug sewer laterals on private property to prevent any hazardous waste from entering the system. The normal contracting process takes two to three months from a minimum advertising period through assessing bids and awarding and executing contracts. This delay would mean that it would not be possible to perform necessary preventative measures to protect public health and safety in a timely manner.

General Services has an immediate need due to the Sonoma Complex Fires to install utilities and appurtenances necessary for the installation of FEMA trailers, and the Vista Clinic that provides medical services mostly to low income, Medi-Cal and uninsured populations within the County of Sonoma, to assist in the recovery process.

While the fires have been contained, the clean-up efforts have just begun. The County, the District, and the Water Agency have made significant strides in their efforts to remove compromised trees and dangerous conditions from public property. Despite this progress, there remains a continuing and immediate need to take additional action to abate dangerous conditions on County, District, and Water Agency properties and to stabilize denuded hillsides, embankments, and fire burned areas caused by the Sonoma Complex Fires in order to protect public safety and preserve County, District, and Water Agency property from debris flows anticipated with the imminent onset of a rainstorm forecast to strike Sonoma County by Thursday, November 2, 2017. The purpose is to protect staff and the public from uncontrolled debris flow and mudslides. Additionally, critical access will be maintained to areas still impacted by the fires ensuring that that residents and the debris removal teams have as many access points to remove the debris caused by the Complex Fires and protect property as possible. This operation exceeds the capacity of County forces and would pull staff from conducting necessary ongoing

recovery operations.

The normal contracting process takes two to three months from a minimum advertising period through assessing bids and awarding and executing contracts. This delay would mean that it would not be possible to provide the necessary public services needed to protect public health and safety in a timely manner.

Public Contract Code section 22050 authorizes the County, the District, and the Water Agency to enter into contracts for public projects as may be necessary to mitigate emergency conditions without giving notice for bids. Additionally, pursuant to Public Contract Code Section 22035, this emergency work may proceed without adopting plans or specifications. If approved, this item will be brought back to the Board every 14 days thereafter to determine [by 4/5 vote] if there is a need to continue the action without competitive bidding. The Boards are obligated to terminate the waiver of the bid process at the earliest possible date that conditions warrant so that the remainder of the work may be completed under the bid process.

Staff recommend making a finding in the resolution that the requirements of CEQA do not apply because the emergency work is exempt because the emergency described above came about in a "sudden and unexpected manner" and poses an "imminent danger, demanding immediate action to prevent or mitigate" loss of life and property as those phrases are used in the definition of the word "emergency" contained in section 15359 of the California Administrative Code and as the word "emergency" is used in sections 210801(b)(2) and (b)(4) of the Public Resources Code; however the Director of General Services, Director of Regional Parks, Director of Transportation and Public Works, General Manager of the District and General Manager of the Water Agency shall, to the extent they deems feasible in their sole discretion, take steps to mitigate any apparent and significant environmental impacts of the work authorized herein.

Staff recommends ratifying any contracts for the removal/stabilization of dangerous conditions, or related emergency issues described herein, entered into by Director of General Services, Director of Regional Parks, Director of Transportation and Public Works, General Manager of the District and General Manager of the Water Agency subsequent to the drafting this report to the date of this Board action.

Prior Board Actions:

10/31/17: The Board of Supervisors adopted Resolution No. 17-0427 extending the delegation of emergency contracting authority to the Director of Transportation and Public Works
10/24/17: The Board of Supervisors and the Boards of Directors of the Sonoma County Agricultural Preservation and Open Space District, the Sonoma County Water Agency, the Russian River County Sanitation District, the Occidental County Sanitation District, the Sonoma Valley County Sanitation District, and the South Park County Sanitation District adopted Resolution No. 17-0415
10/17/17: The Board of Supervisors adopted Resolution No. 17-0392 delegating emergency contracting authority to the Director of Transportation and Public Works.

Strategic Plan Alignment	Goal 1: Safe, Healthy, and Caring Community

Adopting a resolution waiving competitive bidding due to the local emergency helps to ensure the safety of the community by removing and/or stabilizing dangerous conditions that pose a safety threat to the public and ensuring the continued provision of essential public services.

Fiscal Summary

Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

Attachment A: Resolution Suspending Competitive Bidding Due to Local Emergency

Related Items “On File” with the Clerk of the Board:

County of Sonoma
State of California

Resolution No.

575 Administration Drive
Santa Rosa, California

Date: 11/07/2017

CONCURRENT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, THE BOARD OF DIRECTORS OF THE SONOMA COUNTY AGRICULTURAL AND OPEN SPACE DISTRICT, THE BOARD OF DIRECTORS OF THE SONOMA COUNTY WATER AGENCY, THE BOARD OF DIRECTORS OF THE RUSSIAN RIVER COUNTY SANITATION DISTRICT, THE BOARD OF DIRECTORS OF THE SOUTH PARK COUNTY SANITATION DISTRICT, THE BOARD OF DIRECTORS OF THE OCCIDENTAL COUNTY SANITATION DISTRICT, AND THE BOARD OF DIRECTORS OF THE SONOMA VALLEY COUNTY SANITATION DISTRICT FINDING AND DECLARING A CONTINUING EMERGENCY NEED TO ABATE AND STABILIZE DANGEROUS CONDITIONS ON AND ADJACENT TO PUBLIC PROPERTY, EXTENDING THE SUSPENSION OF THE REQUIREMENT OF COMPETITIVE BIDDING, DELEGATING AUTHORITY TO EXECUTE CONTRACTS FOR THE WORK, RATIFYING ANY CONTRACTS MADE BY THE COUNTY DIRECTORS OF GENERAL SERVICES, REGIONAL PARKS, AND/OR TRANSPORTATION AND PUBLIC WORKS, AND/OR THE GENERAL MANAGERS OF THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT OR THE SONOMA COUNTY WATER AGENCY, AND MAKING A DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (4/5THS VOTE REQUIRED)

WHEREAS, conditions of extreme peril to the safety of persons and property arose within the County of Sonoma caused by threat of the existence of multiple fires, referred to as the Sonoma Complex Fires, commencing on or about midnight on the 8th day of October, 2017, at which time the Board of Supervisors, and the Board of Directors for the Sonoma County Agricultural and Open Space District ("District"), the Board of Directors for the Sonoma County Water Agency, the Board of Directors of the Russian River County Sanitation District, the Board of Directors of the South Park County Sanitation District, the Board of Directors of the Occidental County Sanitation District, and the Board of Directors of the Sonoma Valley County Sanitation District (collectively "Water Agency") were not in session; and

WHEREAS, the County Administrator of the County of Sonoma did proclaim the existence of a local emergency within the Sonoma County Operational Area on the 9th day of October, 2017 and then made another proclamation with a request that the Governor of the State of California make available California Disaster Act Assistance and seek all available forms of disaster assistance and relief programs, including a request for a Presidential Declaration of a Major Disaster; and

WHEREAS, on October 10, 2017, the Sonoma County Board of Supervisors, Board of Directors of the District, and the Board of Directors of the Sonoma County Water Agency ratified the Proclamation, to continue the local emergency, make available to the County/Operational Area state and local mutual aid, and allow for any state emergency funding if it is made available; and

WHEREAS, the scope of disaster caused by the fast-moving and widespread scope of the destruction of the fire, including loss of many homes and evacuation of thousands of people, has caused the Governor of the State of California to proclaim a State of Emergency and declare eligibility for Fire Management Assistance Grant and other relief programs and the President of the United States to approve a Major Disaster Declaration making federal funding available; and

WHEREAS, as a result of the Sonoma Complex Fires, dangerous conditions have arisen on numerous properties owned or maintained by the County, the District and the Water Agency that were sudden and unexpected, and pose a clear and imminent danger requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services; and

WHEREAS, many County, District, and Water Agency owned or maintained properties have been damaged by the fires, including hillsides and slopes that are unstable due to a loss of brush and tree cover which would normally prevent erosion and slides, and there is an urgent need for action to stabilize those areas before the winter rains; and

WHEREAS, the County has an immediate need due to the Sonoma Complex Fires to install utilities and appurtenances necessary for the installation of FEMA trailers, and the Vista Clinic that provides medical services mostly to low income, Medi-Cal and uninsured populations within the County of Sonoma, to provide essential public services and assist in the recovery process; and

WHEREAS, the Water Agency operates and manages several sanitation districts or zones within the County of Sonoma, including the Russian River County Sanitation District Property, Occidental County Sanitation District, Sonoma Valley County Sanitation District, South Park County Sanitation District, Airport/Larkfield/Wikiup Sanitation Zone, Geyserville Sanitation Zone, Penngrove Sanitation Zone and Sean Ranch Sanitation Zone. As a result of the Sonoma Complex Fires, there is an immediate risk to safety and public health if hazardous waste enters the sanitation systems because it could disrupt the sanitation plants and/or pass through the sanitation systems and be disbursed into county watersheds. Therefore, there is an urgent need to plug sewer laterals on private property to prevent any hazardous waste from entering the systems; and

WHEREAS, the dangerous conditions that have arisen require the immediate abatement and removal of these comprised trees and other dangerous conditions to protect to protect public safety and preserve County, District, and Water Agency property from debris flows anticipated with the imminent onset of the rainy season; and

WHEREAS, the official start of the rainy season in Sonoma County is November 1, and the first storm of the season has already dropped approximately one inch of rain on the fire burned areas; and

Whereas, as long as these dangerous conditions remain on or adjacent to County, District, and Water Agency property, they pose an imminent and extensive threat to public health and safety, the environment (including creating serious concerns for water quality and supply due to the presence of hazardous materials and the damage to sewer service laterals), public infrastructure, and undamaged property; and

WHEREAS, the County, the District, and the Water Agency do not have the capacity and/or expertise to deliver these safety measures and would normally issue a notice inviting bids to hire a contractor; and

WHEREAS, the normal contracting process takes two to three months from a minimum advertising period through assessing bids and awarding and executing contracts; and

WHEREAS, this delay would mean that it would not be possible remove and stabilize the dangerous conditions or provide the necessary public services needed to protect public health and safety in a timely manner; and

WHEREAS, these Boards find, based upon substantial evidence, that the emergency will not permit a delay resulting from a formal competitive solicitation for bids and this action is necessary to respond to an emergency;

NOW, THEREFORE, BE IT RESOLVED that these Boards hereby concurrently find, declare, determine and order as follows:

1. *Correctness of Recitations*. That the foregoing recitations are true and correct and incorporated herein. Substantial evidence exists that the emergency created by the Sonoma Complex Fires will not permit a delay resulting from competitive solicitation of binds. This action is necessary to respond to the emergency; and

2. *Delegation of Authority.* That the Directors of General Services, Regional Parks, and Transportation and Public Works, and the General Managers of the District and Water Agency, with the assistance of County Counsel, are authorized to enter into contracts with contractors and to take such other action as they deems reasonable and necessary to immediately remove and stabilize dangerous conditions on and along property owned or maintained by the County, District or Water Agency to protect the public health and safety, and to protect property owned or maintained Sonoma County Water Agency property and to install the necessary utilities needed to provide essential public services; provided that the authority hereby delegated is limited to the incurring of obligation in an amount not to exceed $100,000 per contract for the Director of General Services and the Director of Regional Parks, an amount not to exceed $45,000 per contract for the General Manager of the District, and in an amount not to exceed $750,000 per contract for the General Manager of the Water Agency; and

3. *Suspension of Competitive Bidding*. That the requirements of public bidding contained in the Public Contract Code, should such requirements have been applicable absent an emergency, are suspended because of the existence of the dangerous conditions in and along numerous properties owned or maintained by the County, District or Water Agency which could constitute a great public calamity and the immediate need to undertake work to remove the dangerous conditions and stabilize the property, or to install utilities needed to provide essential public services, but that this suspension shall be limited to work deemed reasonable and necessary by the Directors of General Services and Regional Parks, and the General Managers of the District and Water Agency to protect property and to provide continuity of public services; and

4. *Directors' and General Managers' duty to Coordinate and Report*. That the Directors of General Services, Regional Parks, and Transportation & Public Works, and the General Managers of the District and Water Agency, are directed, while carrying out the authority delegated by this resolution, to:

    a. Coordinate their activities as they deem necessary with the staff of the County of Sonoma, District and/or Water Agency and other affected and interested public regulatory agencies and public utilities; and

    b. Report to these Boards on actions taken pursuant to this resolution and other matters related to this emergency every 14 days; and

    c. To inspect, observe and prepare a post work report;

5. *Determination of CEQA Exemption*. That the requirements of CEQA do not apply because the emergency work is exempt because the emergency described above came about in a "sudden and unexpected manner" and poses an "imminent danger, demanding immediate action to prevent or mitigate" loss of life and property as those phrases are used in the definition of the word "emergency" contained in section 15359 of the California Administrative Code and as the word "emergency" is used in sections 210801(b)(2) and (b)(4) of the Public Resources Code; however the Directors of General Services and Regional Parks, and the General Managers of the District and Water Agency shall, to the extent they deem feasible in their sole discretion, take steps to mitigate any apparent and significant environmental impacts of the work authorized herein.

6. *Notice of CEQA Exemption*. This resolution shall constitute a notice of exemption from the requirements of the California Environmental Quality Act;

7. *Ratification of Prior Actions.* All acts by the Director of General Services, the Director of regional Parks, the Director of transportation & Public Works, the General Manager of the Sonoma County Agricultural Preservation and Open Space District, and the General Manager of the Sonoma County Water Agency pursuant to the Proclamation of Local Emergency for the Sonoma Complex Fires are also hereby ratified.

PASSED AND ADOPTED by these Boards this 7th day of November, 2017.

BOARD OF SUPERVISORS:

Gorin Rabbitt Gore Hopkins Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

BOARD OF DIRECTORS OF THE SONOMA COUNTY AGRICULTURAL AND OPEN SPACE DISTRICT:

Gorin Rabbitt Gore Hopkins Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

BOARD OF DIRECTORS OF THE SONOMA COUNTY WATER AGENCY:

Gorin Rabbitt Gore Hopkins Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

BOARD OF DIRECTORS OF THE RUSSIAN RIVER COUNTY SANITATION DISTRICT:

Gorin Rabbitt Gore Hopkins Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

BOARD OF DIRECTORS OF THE SOUTH PARK COUNTY SANITATION DISTRICT:

Gorin Rabbitt Gore Hopkins Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

BOARD OF DIRECTORS OF THE OCCIDENTAL COUNTY SANITATION DISTRICT:

Gorin Rabbitt Gore Hopkins Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

BOARD OF DIRECTORS OF THE SONOMA VALLEY COUNTY SANITATION

Gorin Hundley Zane

Ayes_____ Noes_____ Absent_____ Abstain_____

SO ORDERED

Resolution No. _____

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number:
(This Section for use by Clerk of the Board Only.)

To: Sonoma County Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): General Services Department

Staff Name and Phone Number:
Linda Rodecap: 707-565-2010

Supervisorial District(s):
All

Title: Adopt a resolution under Government Code section 25502.7 delegating authority to Purchasing Agent, or General Services Director as delegated by Purchasing Agent, to engage independent contractors pursuant to local emergency declaration.

Recommended Actions:

Adopt a resolution:

A) Authorizing Purchasing Agent, or General Services Director as delegated by the Purchasing Agent to engage independent contractors to perform services related to the Sonoma Complex Fire for the County or County officers, with or without the furnishing of material, when the annual aggregate cost does not exceed $150,000.
B) Establishing rules and regulations to effectuate this emergency contracting, including informal bidding procedures.

Executive Summary:

This item requests the Board of Supervisors adopt a Resolution directing the Purchasing Agent, or the General Services Director as delegated by the Purchasing Agent, to enter service agreements, up to $150,000 to perform services related to the Sonoma Complex Fire, and, if necessary under the emergency circumstances, to use such informal purchasing and bidding procedures that will secure the lowest competitive price consistent with operational needs, and that follow state and Federal requirements.

Discussion:

On Sunday, October 8, 2017, the County of Sonoma experienced a series of wildfires spanning the County from Geyserville in the north to the City of Sonoma in the south. The County Administrator/Director of Emergency Services issued a Proclamation of Existence of Local Emergency in Sonoma County Operational Area in the early morning hours of Monday, October 9, 2017. Later that day, the County Administrator supplemented that Proclamation and requested state and federal assistance. The Board of Supervisors ratified the Proclamation on October 10, 2017, to continue the

local emergency, make available to the County/Operational Area state and local mutual aid, and allow for any state emergency funding if it is made available.

Whenever a Board of Supervisors has proclaimed a local emergency, Government Code 25502.7 allows the Board to direct the Purchasing Agent to engage independent contractors to perform services related to the local emergency for the county and county officers, within the amounts the Board may establish. Section 25502.7 further allows the Board to establish rules and regulations to effectuate this contracting authority, including provisions for informal bidding procedures.

In order for our purchasing department to keep ahead of the urgent needs arising out of this emergency, the General Services Department is asking your Board to provide this contracting authority to the Purchasing Agent, or the General Services Director as delegated by the Purchasing Agent, for contracts not exceeding an annual aggregate cost of $150,000, and to authorize such designees to utilize informal purchasing and bidding procedures as necessitated by the emergency circumstances. The informal procedures will be those which will secure the lowest competitive price consistent with operational needs and meet the State and Federal contracting requirements.

The normal contracting process takes two to three months from a minimum advertising period through assessing proposals and awarding and executing contracts. Approval of this resolution will allow the Purchasing Agent to determine whether the emergency circumstances render current purchasing and bidding requirements infeasible, and, if so, to utilize more streamlined procedures.

Prior Board Actions:

October 17, 2017: Receive an Update on Firefighting and Disaster Relief Efforts Related to Declaration of Emergency for the Complex Fire and take appropriate actions

October 10, 2017: Resolution to Ratify County Administrator's Proclamation of the Existence of A Local Emergency for Existence of Multiple Fires and Request for State and Federal Assistance

Strategic Plan Alignment	Goal 1: Safe, Healthy, and Caring Community

Fiscal Summary			
Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

County staff time and expenses associated with this action are being tracked as part of the overall Sonoma County Complex Fire response and recovery efforts.

Staffing Impacts			
Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

Attachment 1: Resolution Directing the Purchasing Agent, or General Services Director as Delegated by Purchasing Agent, to Engage Independent Contractors Pursuant to Local Emergency Declaration

Related Items "On File" with the Clerk of the Board:

County of Sonoma
State of California

Item Number: _____

Date: November 7, 2017 Resolution Number: _____

☐ 4/5 Vote Required

Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Directing Purchasing Agent, or General Services Director as Delegated by Purchasing Agent, to Engage Independent Contractors Pursuant to Local Emergency Declaration.

Whereas, conditions of extreme peril to the safety of persons and property arose within the County caused by threat of the existence of multiple fires, referred to as the Sonoma Complex Fire, commencing on or about midnight on the 8th day of October, 2017, at which time the Board of Supervisors of the County of Sonoma was not in session; and

Whereas, pursuant to Government Code Section 8630, the County Administrator of the County of Sonoma did proclaim the existence of a local emergency within the Sonoma County Operational Area on the 9th day of October, 2017 and then made another proclamation with a request that the Governor of the State of California make available California Disaster Act Assistance and seek all available forms of disaster assistance and relief programs, including a request for a Presidential Declaration of a Major Disaster; and

Whereas, on October 10, 2017, this Board ratified the Proclamation, as required by Government Code Section 8630, to continue the local emergency, make available to the County/Operational Area state and local mutual aid, and allow for any state emergency funding if it is made available; and

Whereas, this Board will review the need for continuing the local emergency at least once every 30 days until this Board terminates the local emergency; and

Whereas, the scope of disaster caused by the fast-moving and widespread scope of the destruction of the fire, including loss of many homes and evacuation of thousands of people, has caused the Governor of the State of California to proclaim a State of Emergency and declare eligibility for Fire Management Assistance Grant and other relief programs; and

Whereas, the multiple fires have also resulted in a Presidential Declaration of Major Disaster and eligibility for Federal Emergency Management Agency (FEMA) relief; and

Whereas, Government Code Section 25502.7 allows the Board of Supervisors, whenever it has proclaimed a local emergency pursuant to Government Code Section 8630, to direct the Purchasing Agent to engage independent contractors to perform services related to the local emergency for the county and officers thereof, with or without the furnishing of materials, within the amounts the Board of Supervisors may establish; and

Whereas, Government Code Section 25502.7 further allows the Board of Supervisors to establish rules and regulations to effectuate the purpose of the section, which must include provisions for informal bidding procedures to the extent that such procedures are feasible under emergency circumstances.

Now, Therefore, Be It Resolved that this Board of Supervisors hereby finds, declares, determines and orders as follows:

1. The foregoing recitations are true and correct and incorporated herein.

2. Pursuant to Government Code Section 25502.7, the Board of Supervisors authorizes the Purchasing Agent, or the General Services Director as delegated by the Purchasing Agent, to engage independent contractors to perform services related to the Sonoma Complex Fire for the County or County officers, with or without the furnishing of material, when the annual aggregate cost does not exceed $150,000.

3. To the extent feasible under the emergency circumstances created by the Sonoma Complex Fire, the Purchasing Agent will comply with the applicable purchasing procedures provided in Sonoma County Code Chapter 2, Article V, and with the applicable procurement policies of the Purchasing Agent. If necessary under the emergency circumstances created by the Sonoma Complex Fire, the Purchasing Agent shall use such methods and informal procedures which, in the judgment of the Purchasing Agent, will secure the lowest competitive price consistent with operational needs.

4. This authorization shall be operative for the entire period of the declared emergency related to the Sonoma Complex Fire.

PASSED AND ADOPTED by the Board this 7th day of November, 2017, by the following vote:

Supervisors:

Gorin: Rabbitt: Gore: Hopkins: Zane:

Ayes: Noes: Absent: Abstain:

So Ordered.

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 7
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors of the County of Sonoma

Board Agenda Date: November 7 2017

Vote Requirement: Majority

Department or Agency Name(s): Human Resources

Staff Name and Phone Number:
Christina Cramer, 565-2988

Supervisorial District(s):
All

Title: Human Resources Department Reorganization

Recommended Actions:

Approve Human Resources Department organizational change concepts and recommendations which will improve operations so the Department can better support the County's departments and special districts in their objectives to serve the community.

Executive Summary:

County Administrative Policy currently requires certain types of departmental organizational changes be approved by the Board of Supervisors. Human Resources has not evaluated its organizational structure since 2006. This item presents recommended organizational concepts which include a deputy director executive management structure, improved supervisory capacity in the benefits unit, and consolidation of two functional units in the Risk Division. For a variety of reasons, including more effective service delivery, the Human Resources Director believes these changes will improve many aspects of department operations. This item only presents the organizational change concepts and future classification and allocation changes would be forthcoming in order to fully implement the organization changes. The organizational changes will not increase the department's position allocations or the adopted FY 17-18 budget.

Discussion:

County Administrative Policy 4-5 requires departments to obtain Board approval on certain types of departmental organizational changes. Consistent with this policy, this report seeks Board of Supervisor approval on Human Resources Department's recommended organizational changes. This item only discusses the concepts and recommendations. Actual job classification changes and position allocation changes will be addressed in a future Board report once the staff work to effectuate the changes are completed. Therefore, future recommended actions will be necessary to implement this report's recommended changes. It is important to note that the department's overall allocations will not increase

and no additional funding in the adopted FY 17-18 budget is anticipated to implement these recommendations.

County of Sonoma's Human Resources Department administers programs and provides a wide variety of human resources, employee relations, and risk management services to County departments and special agencies/districts. Currently the department consists of 64 full-time employees (FTE). Examples of program and service areas include: recruitment, classification and compensation, equal employment and American with Disabilities Act (ADA) Titles II and VII, employee and labor relations, workforce development, employee and retiree health and welfare benefits, occupational health and safety, liability and loss prevention, disability management and workers compensation, and Human Resources Information Systems. The Human Resources Director serves as Secretary to the Civil Service Commission, and also oversees the staff support to the Commissions on Human Rights and Status of Women.

Human Resources plays a critical role in providing the administrative and management infrastructure in support of the County's human capital who are vital to ensuring the County's successful operations and ability to provide essential services to the Community. Additionally, the department interfaces regularly with the public to promote the County as an employer of choice. The Human Resources Director believes organizational changes are necessary to maximize the effectiveness of all services the department delivers to their clients and the public.

In 2006, the size and scope of Human Resources doubled with the move of the Risk Management functions from the General Services Department to the Human Resources Department. Human Resources has not evaluated its organizational structure since this organizational shift took place in 2006. Recent vacancies in key management positions provides the opportunity to evaluate the department's organizational structure.

Organizational challenges:

- Human Resources has a complex fiscal operation due to financial reporting requirements involving the various internal services funds and administration of rates; these special funds are related to risk and benefits services, and the majority of the department's budget is the Risk Division. While the fiscal function reports to the Assistant Director of Human Resources, this position does not oversee risk or benefits service areas, nor does this position have the capacity to oversee these areas.
- The Benefits unit reports to the County's Risk Manager. This structure dates back to the time when Risk was in the General Services Department and this structure was likely determined because benefits was seen as "insurance". However, the strategic role of benefits and the programs they administer has grown substantially over the years. Traditionally, employee benefits programs are considered to be a human resources responsibility. Risk Manager's typically oversee self-insurance programs including liability and workers compensation claim administration, tort litigation, and leave programs related to occupational and non-occupational illness or injury, and occupational health and safety. The Risk Manager's responsibilities and span of control is too broad overseeing benefits and is inconsistent with comparable County Risk Manager positions.
- The scope of responsibilities between the Risk Manager and the Assistant Director are similar, yet the job classifications are dissimilar.

- The Benefits Unit has grown substantially as the total number of County benefit programs and regulatory requirements have expanded and evolved. This unit administers programs that serve over 7,000 active employees and retirees; over 10,000 including eligible dependents. The unit receives day-to-day supervision from the unit manager, and the day-to-day operations are a significant workload. This dynamic does not allow the unit manager to strategically manage this unit and the current supervisory span-of-control needs to be addressed. Additionally, Benefits is a specialized area within large organizations and is typically managed by a position that requires significant benefits expertise. The current classification used for the County's benefits manager is a broad, risk management class (Risk Management Analyst III). Benefits administration is considered to be more of a human resources related function, requiring a specific set of skills and experience.
- The Department is in the process of launching an important initiative to bring more awareness of diversity and inclusion to the entire organization in an effort to create a more diverse workforce. This is a large endeavor given the current staffing level and some functional areas need to be moved to try to create the needed staffing to support this initiative.

As a result of these challenges, the organizational objectives include the following:

- Achieve more appropriate management and supervisory spans of control
- Identify more appropriate alignment and reporting structures of functional units
- Achieve a balanced executive management structure
- Maximize staff capabilities
- Update job classifications and/or determine appropriate job classes

While Human Resources has the expertise to review and make recommendations on organizational structure and appropriate use of job classifications, it is generally a good practice for the Human Resources Department to collaborate with consultants when evaluating itself as a department to ensure recommendations are objective. The recommendations herein are a result of a collaborative analysis with a consultant with expertise in public sector HR management from Public Management Group. Future classification changes will be a collaborative analysis with Ralph Anderson and Associates.

Recommendations:

In summary, the major recommendations are as follows:

- Create two deputy director positions, which results in an executive management team consisting of the Director, two Deputy Directors and the Employee Relations Officer. One deputy oversees Risk Management, Benefits, and Fiscal/Administrative units, the second Deputy oversees recruitment and classification, HRMS, workforce development, equal employment, ADA Title II, employee and community engagement. The Employee Relations Manager will continue to oversee labor and employee relations.
- Move the Benefits Unit from the Risk Manager to a Deputy Director
- Establish a first line supervisory position in the benefits unit by reclassifying one existing analyst position to a supervisory position, and reclassify the benefits unit manager to a benefits specific position.

- Consolidate the Insurance functional unit with the Liability function unit
- Consolidate the employee engagement, volunteer, and commission unit with the equal employment/ADA unit

Attachments A and B provide an anticipated before/after organization chart.

As noted earlier, classification studies will be completed in order to fully implement these changes. Through temporary promotions and interim reporting relationships, the department is essentially operating, albeit temporarily, based on these recommendations.

The following table demonstrates anticipated position changes that would be brought forth in a future consent item when the classification work has been completed. No employees will be negatively impacted by these allocation changes. These organizational changes are anticipated to be cost neutral.

Add	**Delete**
2.0 Deputy Director	1.0 Assistant Director of Human Resources
1.0 Employee Benefits Manager	1.0 Risk Management Analyst III
1.0 Superivsing HR Analyst	1.0 Risk Analyst II/III
	1.0 Risk Analyst III
4.0	4.0

The Human Resources Director and an external consultant concur these recommended changes will improve the efficiency and services of the risk and benefits units, and will create a strong and equitable executive management structure. The overarching objective is to maintain service levels, and ensure employees are appropriately classified to maintain employee engagement and morale. Completing the reorganization will assist in achieving these objectives.

Prior Board Actions:

June 15, 2017: Board adopted the Human Resource Department FY 17/18 budget and position allocation list.

Strategic Plan Alignment Goal 1: Safe, Healthy, and Caring Community

Ensuring the County's Human Resources Department is operating effectively is in the best interest of the community as the Department provides essential services to all County departments who, in turn, provide services to the public.

Fiscal Summary			
Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

There are no fiscal impacts as a result of this report's recommendations because this report does not change any position allocations. When the classification and allocation changes are completed, there will be a future Board recommendation to adopt the allocation changes; however, the changes are not expected to increase the department's overall position allocation list or the department's adopted FY 17-18 budget. The reorganization is expected to be cost neutral.

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

No staffing or allocation changes at this time. Allocation and classification changes will be brought forward when classification studies are completed. No layoffs or negative impacts to staff are anticipated.

Attachments:

Attachment A – Current Organizational Chart; Attachment B – Conceptual Organizational Chart

Related Items "On File" with the Clerk of the Board:

none

Dotted Connecting Line = Indirect Reporting Relationship

Total FTE: 64

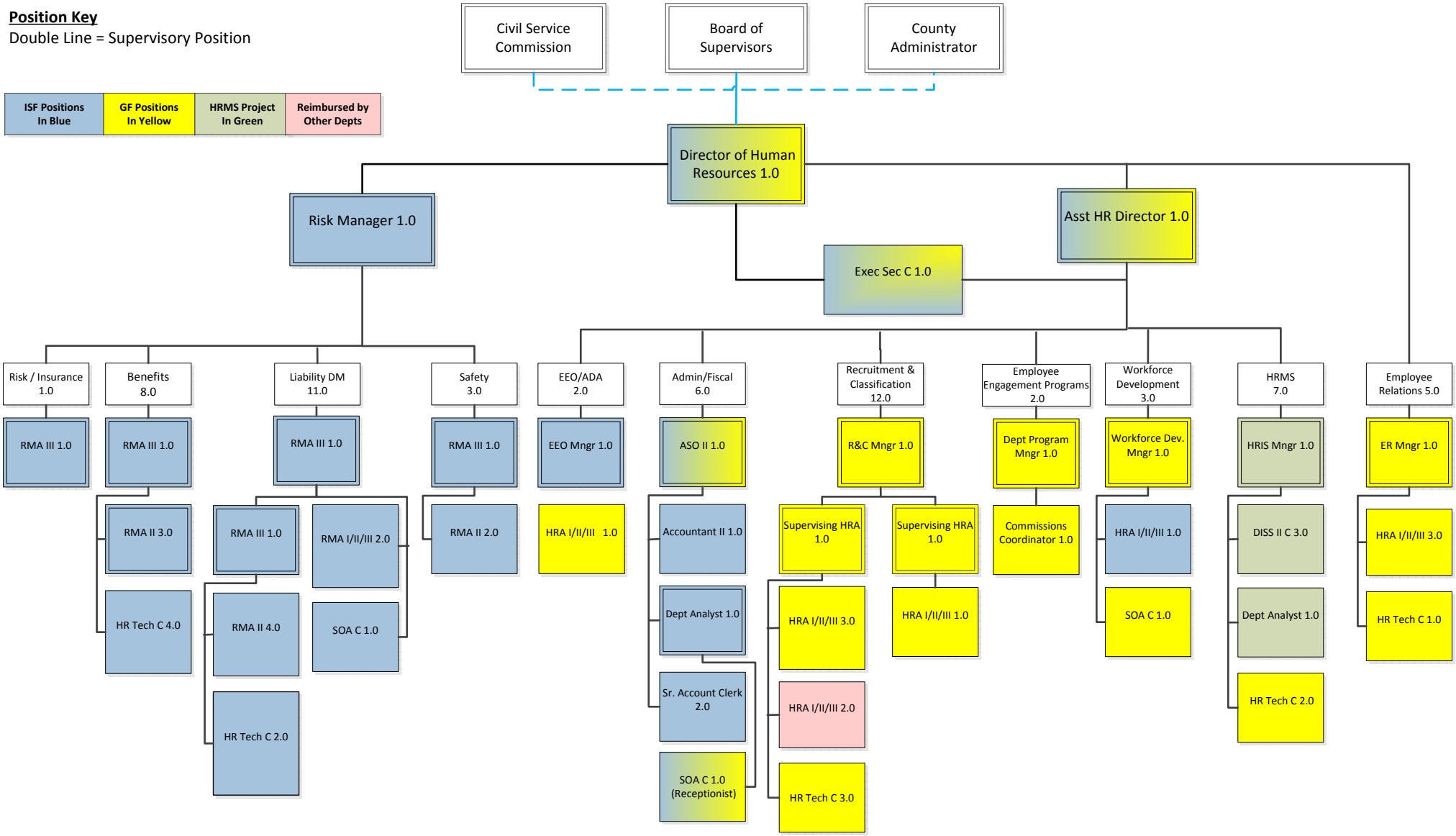
Position Key

Double Line = Supervisory Position

Human Resources Org Chart

Current – FY 17/18 Final Adopted Budget

ATTACHMENT A



Reconciled with Position Control Report

revised 10/5/17

Human Resources Org Chart

FY 17-18 Proposed Org Structure

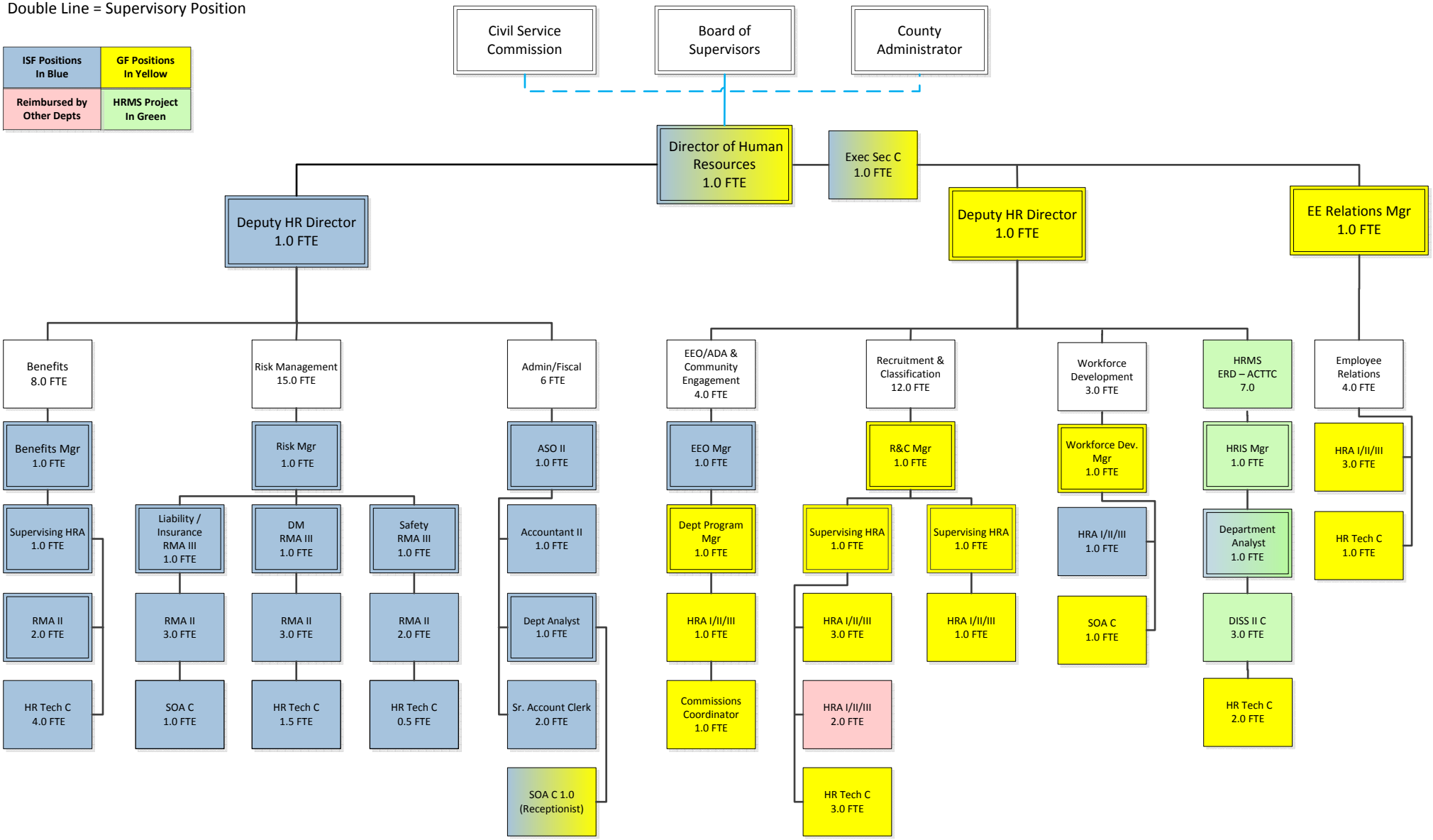
ATTACHMENT B

Dotted Connecting Line
Indirect Reporting Relationship

Total FTE: 64

Position Key
Double Line = Supervisory Position

ISF Positions In Blue	GF Positions In Yellow
Reimbursed by Other Depts	HRMS Project In Green



revised 10/4/17

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 8
(This Section for use by Clerk of the Board Only.)

To: Sonoma County Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): Human Services Department

Staff Name and Phone Number:

Nick Honey – (707) 565-4343
Briana Downey – (707) 565-4348

Supervisorial District(s):

All

Title: Valley of the Moon Children's Center Trauma-Informed Care Sustainability Project

Recommended Actions:

Authorize the Human Services Department Director to execute an agreement with the International Trauma Center for $123,000 to provide comprehensive training and coaching on Trauma-Informed Care concepts to build sustainable practices with the Valley of the Moon Children's Center staff during the period of November 13, 2017 through October 31, 2018.

Executive Summary:

Trauma-informed care is a core component required of all California county-run shelters as part of the Continuum of Care Reform regulatory requirements. The County's trauma-informed care program ensures all parties involved recognize and respond to the varying impact of traumatic stress on children, caregivers, families, and staff. This item authorizes the execution of a contract for training and coaching services with the International Trauma Center to provide comprehensive training and coaching on Trauma-Informed Care concepts to build sustainable practices with the staff at Valley of the Moon Children's Center. Training and coaching will embed Trauma-Informed care concepts into daily programmatic practice for youth that come into the Center for emergency care. Funding has been received from the Valley of the Moon Children's Foundation for this contract.

Discussion:

The Human Services Department is implementing changes based on Continuum of Care Reform (Assembly Bill 403). AB 403 puts Continuum of Care Reform into California law with the goal of returning children back home or to a less restrictive, family-based setting as soon as possible. Additionally, AB 403 creates faster paths to permanency resulting in shorter durations of involvement in the child welfare and juvenile justice systems and reducing the use of group home (congregate care) placement settings. Continuum of Care Reform intends for all children to live with a committed, permanent, and nurturing family.

AB 403 specifically directs County-run Shelters to provide comprehensive medical, developmental, and

behavioral health assessments for children during their 10-day stay. This includes the requirement to provide trauma-informed care services and interventions, crisis intervention services, ensure that care is provided by trauma-informed trained and qualified staff, and that the Shelter makes referrals and coordinates with service providers to meet identified medical, developmental, or behavioral health needs of the child identified upon admission. A trauma-informed program is one in which all parties involved recognize and respond to the varying impact of traumatic stress on children, caregivers, families, and staff. The program infuses this knowledge, awareness, and skills into the organizational culture, policies, and practices, using the best available science, to facilitate and support resiliency and recovery.

Given this focus, it is essential to have a robust training program for Valley of the Moon staff. In October 2016, Valley of the Moon Children's Center began working with the International Trauma Center to deliver an intensive training series for all staff based on trauma-informed care concepts and principles. Staff engaged in foundational training to understand the neurobiological impacts of trauma, trauma triggers & behaviors, secondary traumatic stress effects, resiliency factors and psychological first aid. Additional training focused on De-Escalation Mindset & Co-Regulation approaches, Best Practices for a 10-Day Shelter, and trauma sensitive kinesthetic activities.

In June 2017, the International Trauma Center proposed an expanded training program to create and sustain capacity for Valley of the Moon Children's Center staff to integrate Trauma-Informed Care training concepts into daily practice. The International Trauma Center is an internationally recognized organization for its expertise in developing trauma-informed programming, curriculum and training. Due to the expertise of the International Trauma Center, the Sonoma County Purchasing agent has approved a Single Source Procurement Waiver for this contract.

Prior Board Actions:

9/20/16: The Board of Supervisors approved the Human Services Department's Continuum of Care Reform initiatives.

Strategic Plan Alignment Goal 1: Safe, Healthy, and Caring Community

Approval of this contract will allow the Human Services Department, Family, Youth and Children's Division to build a sustainable training program focused on trauma-informed care concepts and practices at the Valley of the Moon Children's Center.

Fiscal Summary			
Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses	$123,000	0	0
Additional Appropriation Requested	0		
Total Expenditures	**$123,000**		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	$123,000		
Use of Fund Balance			
Contingencies			
Total Sources	**$123,000**		

Narrative Explanation of Fiscal Impacts:

$123,000 in funding has been provided by the Valley of the Moon Children's Foundation for the International Trauma Center to provide services as described in the contract.

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Contract with International Trauma Center

Related Items "On File" with the Clerk of the Board:

None

International Trauma Center, LLC
Agreement to Provide
TRAINING SERVICES
Funding Amount: $123,000.00
Term: **11/13/2017 to 10/31/2018**
Agreement Number: FYC-ITC-TRAIN-1718

AGREEMENT FOR PROVISION OF SERVICES

This agreement ("Agreement"), dated as of November 13, 2017 (“Effective Date”) is by and between the County of Sonoma, a political subdivision of the State of California (hereinafter "County"), and International Trauma Center, LLC, a Massachusetts Limited Liability Company, (hereinafter "Contractor").

RECITALS

WHEREAS, Contractor represents that it is duly qualified by reason of training, experience, organization, and staffing to provide the services contemplated by this Agreement and is experienced in trauma informed care education, training and coaching and related services; and

WHEREAS, in the judgment of the Board of Supervisors and the Human Services Department, it is necessary and desirable to employ the services of Contractor for Trauma Informed Care Services;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

1. Scope of Services.

1.1. Contract Documents. The following documents, if checked, and the provisions set forth therein are attached hereto and incorporated herein, and shall be dutifully performed according to the terms of this agreement:

☒ **Exhibit A: Scope of Work**	☒ **Exhibit B: Fiscal Provisions/Budget**	☒ **Exhibit C: Insurance Requirements**
☐ Exhibit D: Assurance of Compliance	☐ Exhibit E: Federal Requirements	☐ Exhibit F: Professional Licensure / Certification
☐ Exhibit G: Media Communications	☐ Exhibit H: Accessibility	☐ Exhibit I: Data System Requirements
☐ Exhibit J: Adverse Actions / Complaint Procedures		

1.2. Contractor's Specified Services. Contractor shall perform the services described in "Exhibit A: Scope of Work" (hereinafter "Exhibit A"), attached hereto and incorporated herein by this reference, and within the times or by the dates provided for in Exhibit A and pursuant to Article 7, Prosecution of Work. In the event of a conflict between the body of this Agreement and Exhibit A, the provisions in the body of this Agreement shall control.

1.3. Cooperation With County. Contractor shall cooperate with County and County staff in the performance of all work hereunder.

1.4. Performance Standard. Contractor shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Contractor's profession. County has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby agrees to provide all services under this Agreement in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by County shall not operate as a waiver or release. If County determines that any of Contractor's work is not in accordance with such level of competency and standard of care, County, in its sole discretion, shall have the right to do any or all of the following: (a) require Contractor to meet with County to review the quality of the work and resolve matters of concern; (b) require Contractor to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 4; or (d) pursue any and all other remedies at law or in equity.

1.5. Assigned Personnel.

1.5.1. Contractor shall assign only competent personnel to perform work hereunder. In the event that at any time County, in its sole discretion, desires the removal of any person or persons assigned by Contractor to perform work hereunder, Contractor shall remove such person or persons immediately upon receiving written notice from County.

1.5.2. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by County to be key personnel whose services were a material inducement to County to enter into this Agreement, and without whose services County would not have entered into this Agreement. Contractor shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of County.

1.5.3. In the event that any of Contractor's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Contractor's control, Contractor shall be responsible for timely provision of adequately qualified replacements.

2. Payment.

For all services and incidental costs required hereunder, Contractor shall be paid on a fee for service basis in accordance with the budget set forth in "Exhibit B: Fiscal Provisions/Budget" (hereinafter "Exhibit B"), attached hereto and incorporated herein by this reference. Contractor shall be paid an amount not to exceed One Hundred Twenty

Three Thousand Dollars ($123,000.00), without the prior written approval of County. Expenses not expressly authorized by the Agreement shall not be reimbursed.

Unless otherwise noted in this agreement, payments shall be made within the normal course of county business after presentation of an invoice in a form approved by the County for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by the County.

2.1. Overpayment. If County overpays Contractor for any reason, Contractor agrees to return the amount of such overpayment to County at County's option, permit County to offset the amount of such overpayment against future payments owed to Contractor under this Agreement or any other agreement.

2.2. Pursuant to California Revenue and Taxation code (R&TC) Section 18662, the County shall withhold seven percent of the income paid to Contractor for services performed within the State of California under this agreement, for payment and reporting to the California Franchise Tax Board, if Contractor does not qualify as: (1) a corporation with its principal place of business in California, (2) an LLC or Partnership with a permanent place of business in California, (3) a corporation/LLC or Partnership qualified to do business in California by the Secretary of State, or (4) an individual with a permanent residence in the State of California.

2.2.1. If Contractor does not qualify, County requires that a completed and signed Form 587 be provided by the Contractor in order for payments to be made. If Contractor is qualified, then the County requires a completed Form 590. Forms 587 and 590 remain valid for the duration of the Agreement provided there is no material change in facts. By signing either form, the contractor agrees to promptly notify the County of any changes in the facts. Forms should be sent to the County pursuant to Article 12. To reduce the amount withheld, Contractor has the option to provide County with either a full or partial waiver from the State of California.

3. Term of Agreement.

The term of this Agreement shall be from 11/13/2017 to 10/31/2018 unless terminated earlier in accordance with the provisions of Article 4 below.

4. Termination.

4.1. Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, County shall have the right, in its sole discretion, to terminate this Agreement by giving five (5) days written notice to Contractor.

4.2. Termination for Cause. Notwithstanding any other provision of this Agreement, should Contractor fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, County may immediately terminate this Agreement by giving Contractor written notice of such termination, stating the reason for termination.

4.3. Change in Funding. Contractor understands and agrees that County shall have the right to terminate this Agreement immediately upon written notice to Contractor in the event that (1) any state or federal agency or other funder reduces, withholds or terminates funding which the County anticipated using to pay Contractor for services provided under this Agreement or (2) County has exhausted all funds legally available for payments due under this Agreement.

4.4. Delivery of Work Product and Final Payment Upon Termination. In the event of termination, Contractor, within 14 days following the date of termination, shall deliver to County all materials and work product subject to Article 9.18 (Ownership and Disclosure of Work Product) and shall submit to County an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.

4.5. Payment Upon Termination. Upon termination of this Agreement by County, Contractor shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total payment specified in the Agreement as the services satisfactorily rendered hereunder by Contractor bear to the total services otherwise required to be performed for such total payment; provided, however, that if services which have been satisfactorily rendered are to be paid on a per-hour or per-day basis, Contractor shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to the termination times the applicable hourly or daily rate; and further provided, however, that if County terminates the Agreement for cause pursuant to Article 4.2, County shall deduct from such amount the amount of damage, if any, sustained by County by virtue of the breach of the Agreement by Contractor.

4.6. Authority to Terminate. The Board of Supervisors has the authority to terminate this Agreement on behalf of the County. In addition, the Purchasing Agent or the Director of the Human Services Department, in consultation with County Counsel, shall have the authority to terminate this Agreement on behalf of the County.

5. Indemnification.

Contractor agrees to accept all responsibility for loss or damage to any person or entity, including County, and to indemnify, hold harmless, and release County, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Contractor, that arise out of, pertain to, or relate to Contractor's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Contractor agrees to provide a complete defense for any claim or action brought against County based upon a claim relating to such Contractor's or its agents', employees, contractors, subcontractors, or invitees performance or obligations under this Agreement. Contractor's obligations under this Section apply whether or not there is concurrent negligence on County's part, but to the extent required by law, excluding liability due to County's conduct. County shall have the right to select its legal counsel at Contractor's expense, subject to Contractor's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

6. Insurance.

With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in "Exhibit C: Insurance Requirements" (hereinafter "Exhibit C"), which is attached hereto and incorporated herein by this reference.

7. Prosecution of Work.

The execution of this Agreement shall constitute Contractor's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Contractor's performance of this Agreement shall be extended by a number of days equal to the number of days Contractor has been delayed.

8. Extra or Changed Work.

Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes, which do not increase the amount paid under the Agreement, and which do not significantly change the scope of work or significantly lengthen time schedules may be executed by the Department Head in a form approved by County Counsel. The Board of Supervisors/Purchasing Agent must authorize all other extra or changed work. The parties expressly recognize that, pursuant to Sonoma County Code Section 1-11, County personnel are without authorization to order extra or changed work or waive Agreement requirements. Failure of Contractor to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Contractor shall be entitled to no compensation whatsoever for the performance of such work. Contractor further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of the County.

9. Representations of Contractor.

9.1. Standard of Care. County has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by County shall not operate as a waiver or release.

9.2. Status of Contractor. The parties intend that Contractor, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Contractor is not to be considered an agent or employee of County and is not entitled to participate in any pension plan, worker’s compensation plan, insurance, bonus, or similar benefits County provides its employees. In the event County exercises its right to terminate this Agreement pursuant to Article 4, above, Contractor expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

9.3. Subcontractors. No performance of this Agreement or any portion thereof, may be assigned or subcontracted without the express written consent of the County. Any attempt by the Contractor to assign or subcontract any performance of this Agreement without the express written consent of the County shall be invalid and shall constitute a breach of this Agreement.

9.3.1. In the event the Contractor is allowed to subcontract, the County shall look to the Contractor for results of its subcontracts. The Contractor agrees to be

responsible for all the subcontractor's acts and omissions to the same extent as if the subcontractors were employees of the Contractor. No subcontracts shall alter in any way any legal responsibility of the Contractor to the County. Whenever the Contractor is authorized to subcontract or assign, the terms of this Agreement shall prevail over those of any such subcontract or assignment.

9.4. No Suspension or Debarment. Contractor warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Contractor also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration. If the Contractor becomes debarred, Contractor has the obligation to inform the County.

9.5. Taxes. Contractor agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Contractor agrees to indemnify and hold County harmless from any liability which it may incur to the United States or to the State of California as a consequence of Contractor's failure to pay, when due, all such taxes and obligations. In case County is audited for compliance regarding any withholding or other applicable taxes, Contractor agrees to furnish County with proof of payment of taxes on these earnings.

9.6. Records Maintenance. Contractor shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to County for inspection at any reasonable time. Contractor shall maintain such records for a period of four (4) years following completion of work hereunder.

9.6.1. Contractor shall, during normal business hours and as often as any agent of the county, state, or federal government may deem necessary, make available for examination and/or duplication all of its records with respect to all matters covered by this Agreement. Contractor acknowledges that the above-named entities shall have the right to observe, monitor, evaluate, audit, examine, and investigate all activities of Contractor and its subcontractors associated with this Agreement.

9.6.2. In compliance with 29 CFR 95.53 and 45 CFR 74.53: Retention and Access Requirements for Records, Contractor shall retain all records pertinent to this Agreement, including financial, statistical, property, and participant records and supporting documentation for a period of four (4) years from the date of final payment of this Agreement. If, at the end of four years, there is ongoing litigation or an outstanding audit involving those records, Contractor shall retain the records until resolution of the litigation or audit.

9.7. Monitoring, Assessment & Evaluation. Authorized state, federal and/or county representatives shall have the right to monitor, assess, and evaluate Contractor’s performance pursuant to this Agreement. Said monitoring, assessment, and evaluation may include, but is not limited to, audits, inspections of project premises, inspection of food preparation sites as appropriate, interviews of project staff and participants, and review of all records. Contractor shall cooperate with County in the

monitoring, assessment, and evaluation process, which includes making any program or administrative staff (fiscal, etc.) available during any scheduled process.

9.8. Conflict of Interest. Contractor covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Contractor further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if requested to do so by County, Contractor shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with County disclosing Contractor's or such other person's financial interests.

9.9. Statutory Compliance/Living Wage Ordinance. Contractor agrees to comply, and to ensure compliance by its subconsultants or subcontractors, with all applicable federal, state and local laws, regulations, statutes and policies – including but not limited to the County of Sonoma Living Wage Ordinance, applicable to the services provided under this Agreement as they exist now and as they are changed, amended or modified during the term of this Agreement. Without limiting the generality of the foregoing, Contractor expressly acknowledges and agrees that this Agreement may be subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.

9.10. Nondiscrimination. Without limiting any other provision hereunder, Contractor shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment practices and in delivery of services because of race, color, ancestry, national origin, religious creed, belief or grooming, sex (including sexual orientation, gender identity, gender expression, transgender, pregnancy, childbirth, medical conditions related to pregnancy, childbirth or breast feeding), marital status, age, medical condition, physical or mental disability, genetic information, military or veteran status, or any other legally protected category or prohibited basis, including without limitation, the County's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

9.10.1. Contractor understands and agrees that administrative methods and/or procedures which have the effect of subjecting individuals to discrimination or otherwise defeating the objectives of the applicable and aforementioned laws will be prohibited.

9.10.2. Contractor shall provide County with a copy of their Equal Employment Opportunity and Affirmative Action policies upon request.

9.10.3. Contractor and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

9.10.4. Any and all subcontracts to perform work under this Agreement shall include the nondiscrimination and compliance provisions of this article.

9.11. AIDS Discrimination. Contractor agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

9.12. Confidentiality. Contractor agrees to comply with the provisions of Section 10850 of the Welfare and Institutions Code and Division 19 of the Department of Social Services Manual on Policy and Procedures, to assure that: All applications and records concerning any individual made or kept by any public officer or agency in connection with the administration of any provision of the Welfare and Institutions Code relating to any form of public social services for which grants-in-aid are received by that state from the federal government will be CONFIDENTIAL, and will not be open to examination for any purpose not directly connected with the administration of such public social services.

9.12.1. Contractor shall protect from unauthorized disclosure names and other identifying Contract information concerning persons receiving services pursuant to this Contract, except for statistical information not identifying any client. The Contractor shall not use such information for any purpose not directly connected with the administration of the services provided herein. The Contractor shall promptly transmit to the County all requests for disclosure of such information not emanating from the client. The Contractor shall not disclose, except as otherwise specifically permitted by this Contract or authorized by the client, any such information to anyone other than the County without prior written authorization from the County. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or photograph.

9.12.2. No person will publish, disclose or use or permit or cause to be published, disclosed or used any confidential information pertaining to an applicant or recipient.

9.12.3. Contractor agrees to inform all employees, agents and partners of the provisions and that any person knowingly and intentionally violating the provisions of this paragraph may be guilty of a misdemeanor.

9.12.4. Contractor understands and agrees that this provision shall survive any termination or expiration of this Agreement.

9.13. Electronic Confidentiality. In addition to any other provisions of this agreement, all parties to this agreement shall be responsible for ensuring that electronic media containing confidential and sensitive client data is protected from unauthorized access.

9.13.1. Contractor shall ensure that all computer workstations, laptops, tablets, smart-phones and other devices used to store and transmit confidential client data and information are: 1) physically located in areas not freely accessible to or in open view of persons not authorized to have access to confidential data and information, 2) protected by unique secure passwords, and 3) configured to automatically lock or timeout after no more than 30 minutes of inactivity. Contractor shall ensure that users of such computing devices log off or lock their device before leaving it unattended or when done with a session.

9.13.2. Contractor shall encrypt all confidential client data, whether for storage or transmission on portable and non-portable computing and storage devices using non-proprietary, secure, generally-available encryption software. Proprietary encryption algorithms will not be acceptable. Such devices shall include, but not be limited to, desktop, laptop or notebook computers, optical or magnetic drives, flash or jump drives, and wireless devices such as cellular phones and other handheld computing devices with data storage capability.

9.13.3. Contractor shall ensure all electronic transmission of confidential client data sent outside a secure private network or secure electronic device via email, either in the body of the email or in an attachment, or sent by other file transfer methods is sent via an encrypted method.

9.13.4. In accordance with Article 9.6 above, Contractor shall destroy or wipe all confidential client data from all electronic storage media and devices in a manner that prevents recovery of any and all confidential client data.

9.13.5. All information security requirements stated herein shall be enforced and implemented immediately upon execution of this agreement, and continue beyond the term of the Agreement.

9.14. Political and Sectarian Activities. Contractor warrants as follows: (a) it shall comply with requirements that no program under this Agreement shall involve political or lobbying activities; (b) it shall not employ or assign participants in the program to any sectarian facility, except as provided by federal and state law or regulation; (c) it shall not use funds made available under this Agreement for political or lobbying activities.

9.15. Drug-Free Workplace. Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by complying with all requirements set forth in the Act.

9.16. Facilities. Contractor warrants that all of the Contractor's facilities: (a) will be adequately supervised, (b) will be maintained in a safe and sanitary condition, (c) will be available for monitoring by County and/or state and federal monitors, (d) are accessible to handicapped individuals if appropriate, and (e) are nonsectarian.

9.17. Assignment of Rights. Contractor assigns to County all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Contractor in connection with this Agreement. Contractor agrees to take such actions as are necessary to protect the rights assigned to County in this Agreement, and to refrain from taking any action which would impair those rights. Contractor's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as County may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of County. Contractor shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of County.

9.18. Ownership and Disclosure of Work Product. All reports, original drawings, graphics, plans, studies, and other data or documents ("documents"), in whatever form or format, assembled or prepared by Contractor or Contractor's subcontractors, consultants, and other agents in connection with this Agreement shall be the property of

County. County shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Contractor shall promptly deliver to County all such documents, which have not already been provided to County in such form or format, as County deems appropriate. Such documents shall be and will remain the property of County without restriction or limitation. Contractor may retain copies of the above- described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of County.

9.19. Authority. The undersigned hereby represents and warrants that he or she has authority to execute and deliver this Agreement on behalf of Contractor.

10. Demand for Assurance.

Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article limits County's right to terminate this Agreement pursuant to Article 4.

11. Assignment and Delegation.

Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

12. Method and Place of Giving Notice and Making Payments.

All notices and payments shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices and payments shall be addressed as follows:

TO COUNTY:	County of Sonoma, Human Services Department 3600 Westwind Boulevard Santa Rosa, CA 95403
TO CONTRACTOR:	International Trauma Center, LLC 807 Hale Street Beverly, MA 01915

When a notice or payment is given by a generally recognized overnight courier service, the notice or payment shall be deemed received on the next business day. When a

copy of a notice or payment is sent by facsimile or email, the notice or payment shall be deemed received upon transmission as long as (1) the original copy of the notice or payment is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

13. Miscellaneous Provisions.

13.1. No Waiver of Breach. The waiver by County of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

13.2. Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Contractor and County acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Contractor and County acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

13.3. Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

13.4. No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

13.5. Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or the forum nearest to the city of Santa Rosa, in the County of Sonoma.

13.6. Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

13.7. Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

13.8. Survival of Terms. All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

13.9. Counterparts and Electronic Copies. The parties agree that, where applicable, this Agreement may be executed in counterparts, together which when executed by the requisite parties shall be deemed to be a complete original agreement. In the event that any handwritten signature is delivered by facsimile transmission (“Fax”) or by electronic mail (“email”) delivery of a portable document format ("pdf") data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such Fax or pdf signature page were an original thereof. An electronic copy, including Fax copy, email, or scanned copy of the executed Agreement or counterpart, shall be deemed, and shall have the same legal force and effect as, an original document.

13.10. Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

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

CONTRACTOR:

International Trauma Center, LLC

By: _____

Name: Robert Macy
Title: President

Date: _____

COUNTY OF SONOMA:

By: _____

Name: Karen Fies
Title: Director
Human Services Department

Date: _____

APPROVED AS TO SUBSTANCE FOR COUNTY

By: _____

Name: Nick Honey
Title: Director,
Family, Youth & Children's Services Division

[ ] EXEMPT FROM COUNTY COUNSEL REVIEW

APPROVED AS TO FORM FOR COUNTY:

By: _____, Deputy
County Counsel

[ ] CERTIFICATES OF INSURANCE ON FILE WITH COUNTY

[ ] INSURANCE REQUIREMENT CHANGES APPROVED BY RISK MANAGEMENT

By: _____

Exhibit A: Scope of Work

A. Purpose

The International Trauma Center (ITC) will create and sustain capacity for Valley of the Moon Children's Center (VMCC) staff to integrate Trauma-Informed Care training concepts into daily practice. ITC will employ customized staff coaching, strategic planning with the VMCC Leadership Team as well as implement a Lead Trainer series to build a sustainable Trauma-Informed training program.

B. Contractor Responsibilities

1. Provide 88 hours of customized coaching in trauma sensitive care and 10-day shelter evidence-based implementation components for VMCC staff and other designated stakeholders.
    a. Coaching sessions will be utilized to model and coach staff on the practical implementation of Trauma-Informed concepts including, but not limited to, co-regulation, mindset, the re-enactment triangle, utilizing relationships to shape behavior, and facilitating groups/circles/KINNECT.
    b. Coaching sessions specific to the VMCC Leadership team will include, but not be limited to, how to model and support Trauma-Informed concepts for staff, how to use Trauma-Informed concepts in decision-making, how to utilize relationships to shape staff and youth behavior.
    c. Coaching sessions will take place in the early mornings, afternoons and evenings in order to best meet the needs of each shift team.
    d. Provide a summary of observations from each coaching day within two weeks following the observations to include what is going well with implementation, challenges with implementation and recommendations on how to best address those challenges.
2. Provide training and coaching of selected staff (maximum of 6 staff) for a Lead Trainer program to certify staff as in-house Trauma-Informed Care trainers. Lead Trainer will be certified to train on the following topics,
    a. Trauma-Informed Care 101, Trauma-Informed Care 102, Psychological First Aid, Workforce Protection, Post-Traumatic Stress Management Coping Groups, De-Escalation Mindset & Co-Regulation Approaches, and Mindfulness & Body-Based Practices.
    b. Core training materials for the Lead Trainer program will include, but not be limited to, the following for each training topic:
        i. Acknowledgments and introduction to materials; PowerPoint presentation (Slides with Notes); how to deliver the PowerPoint presentation; materials for exercise described in the training curriculum; the curriculum manual; frequently asked questions; list of reference materials; and an assessment/evaluation for each training.
    c. Lead Trainers will receive 24 hours of Lead Trainer seminars.

d. Lead Trainers will assist ITC with trainings to take place at VMCC or mutually agreed upon other sites and will include
    i. 8 hours of Trauma-Informed Care 101 trainings.
    ii. 8 hours Trauma-Informed Care 102 trainings.
    iii. 16 hours Psychological First Aid trainings.
    iv. 4 hours of Workforce Protection trainings.
    v. 12 hours of PTSM Coping Group trainings.
    vi. 8 hours of De-escalation Mindset and Co-regulation Approaches trainings.
    vii. 4 hours of PTSM Coping Group training.
    viii. 4 hours of Wrokforce Protection training.
    ix. 4 hours of Mindfulness and Body Based Practices training.

e. Lead Trainers will assist ITC with 32 hours of coaching Counselors.

3. Provide 72 hours of consultation and direction to VMCC & FYC Leadership in tracking the progress of the implementation plan and on the specific plan components to successfully transition VMCC to the leading edge 10-day shelter in California.

4. Provide 32 hours of development and training on a Post-Traumatic Stress Management (PTSM) Coping Group program for VMCC staff and Resource Parents to educate and protect them from vicarious trauma and secondary post-traumatic stress injuries.

    a. Develop a PTSM Coping Group structure that will include, Facilitator Guidelines for setting up a successful group for staff, suggested prompts and reflection questions; suggested schedule & timing for regular groups that meets the VMCC facility structure; suggested schedule & timing for incidents or crisis events.

    b. Develop a PTSM Coping Group structure that will include, Facilitator Guidelines for setting up a successful group for Resource Families, suggested prompts and reflection questions; suggested schedule & timing for regular groups; suggested schedule & timing for incidents or crisis events.

    c. Provide training for VMCC staff and Resource Families on how to facilitate and sustain PTSM Coping Groups.

5. Provide 24 hours of design and training on a Self-Regulation space for youth for the purposes of utilizing sensory motor stimulation to regulate behavior, such as bouncing, balancing, spinning, rolling, jumping, snuggling into a body sock, or building a protective fort.

    a. Develop a Self-Regulation space structure that will include, Facilitator Guidelines for setting up a successful session with a youth or group of youth, suggested prompts and reflection questions; suggested schedule & timing for regular sessions; suggested schedule & timing for incidents or crisis events.

   b. Provide training for VMCC staff and Resource Families on how to facilitate the use of the Self-Regulation space for youth.

6. Communicate openly and consistently with VMCC, FY&C and other partners.
   a. Participate in post-training debrief sessions.
   b. Provide written feedback from coaching sessions within two weeks of each session.
   c. Communicate any schedule changes at least 6 weeks in advance with exceptions for extreme weather affecting travel or behreavement.

C. <u>County Responsibilities</u>

The Valley of the Moon Children's Home Management Team (County) will provide advisory and administrative oversight of the contract.

1. Monitor and assess the quality and effectiveness of the contracted services.
2. Collaborate with Contractor to schedule coaching sessions for each team.
3. Collaborate with Contractor to schedule Self-Care Coping Groups for Resource Families.
4. Collaborate with Contractor to schedule Trauma-Informed Care training and coaching series for stakeholders.
5. Convene and participate in program problem resolution, technical assistance and communication.
6. County agrees to only use Lead Trainer materials for Human Services Department staff and Resource Families. The County will seek written permission from ITC to use materials for training outside of those entities.

Exhibit B: Fiscal Provisions/Budget

Fiscal Provisions

1.1. Contractor shall be compensated for providing services under this Agreement when services are satisfactorily performed by Contractor. The total amount to be paid to Contractor under the terms of this Agreement shall in no case exceed the sum total set forth in Article 2, Payment, of the Agreement.

1.2. Invoices will include Contractor name, address, phone number, or letterhead that includes the same information and shall be submitted to:

County of Sonoma Human Services Department
Attn: Leslie Winters
112 Children's Circle
Santa Rosa, CA 95409

1.3. No expenditure shall be made nor obligation incurred in excess of the authorized unit cost. Any expenditure hereunder by Contractor which is not within the limitations of the unit costs as set forth in this Agreement shall not be chargeable to County. Any such unauthorized expenditure shall be borne by Contractor.

1.4. Contractor agrees that reimbursement for services furnished under this Agreement made in accordance with the rates stipulated herein, represents payment in full for said service. Contractor shall not seek reimbursement from County for any service reimbursed in whole or in part by any other payor.

1.5. In the event Contractor receives payment for a service as to which payment is disallowed by the County or to County by the State of California, Contractor shall promptly refund the disallowed amount to County on request, except that County may at its option offset the amount disallowed from any payments due or to become due to Contractor.

2. Costs.

2.1. As compensation for all services contemplated by this Agreement, Contractor shall be compensated as set forth below for 35 consultation days and approximately 304 hours.

2.3. Travel Costs shall be reimbursed based on actual costs with an amount not to exceed $11,000.

Training Component	**Cost**
Customized VMCC Staff Coaching & Provision of Summary Observations	$25,600
Lead Trainer Certification Program	$35,200
Implementation Consultation to Leadership Team	$28,800
PTSM Coping Group Development & Training	$12,800
Self-Regulation space Design and Training	$9,600
Travel and Lodging	$11,000
Total	**$123,000**

Exhibit C: Insurance Requirements

With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*.

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

1. **Workers Compensation and Employers Liability Insurance**
   a. Required if Contractor 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. *Required Evidence of Insurance*: Certificate of Insurance.

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

2. **General Liability Insurance**
   a. Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
   b. Minimum Limits: $1,000,000 per Occurrence; $2,000,000 General Aggregate; $2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Contractor maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Contractor.
   c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds $25,000 it must be approved in advance by County. Contractor is responsible for any deductible or self-insured retention and shall fund it upon County's written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving the County.
   d. **The County of Sonoma, its Officers, Agents and Employees** shall be additional insureds for liability arising out of operations by or on behalf of the Contractor in the performance of this Agreement.

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 definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the "f" definition of insured contract in Insurance Services Office form CG 00 01, or equivalent).
g. The policy shall cover inter-insured suits between County and Contractor and include a "separation of insureds" or "severability" clause which treats each insured separately.
h. *Required Evidence of Insurance*:
   i. Copy of the additional insured endorsement or policy language granting additional insured status; and
   ii. Certificate of Insurance.

3. Standards for Insurance Companies

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

4. Documentation

a. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Contractor agrees to maintain current Evidence of Insurance on file with County for the entire term of this Agreement.
b. The name and address for Additional Insured endorsements and Certificates of Insurance is:

   The County of Sonoma, its Officers, Agents and Employees
   3600 Westwind Boulevard
   Santa Rosa, CA 95403

   or pdf to:

   contracts@schsd.org

c. 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.
d. Contractor shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
e. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

5. Policy Obligations

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

6. <u>Material Breach</u>

If Contractor fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. County, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, County may purchase the required insurance, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance. These remedies shall be in addition to any other remedies available to County.

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 9
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): Regional Parks

Staff Name and Phone Number:
Tasha Houweling 565-6032

Supervisorial District(s):
All

Title: Regional Parks Day Use Fee Waiver to Honor Veterans

Recommended Actions:

Approve waiver of day use fees throughout Sonoma County Regional Parks system for eligible military personnel and dependents for Veterans Day weekend, starting on Friday, November 10, 2017 through Monday, November 13, 2017.

Executive Summary:

As part of Sonoma County's annual recognition of veterans, the Regional Parks Department is recommending waiver of day use fees at all Sonoma County parks for the Veterans Day weekend, Friday, November 10, 2017 through Monday, November 13, 2017.

Discussion:

Veterans Day was established in 1919 as Armistice Day to commemorate the signing of the peace agreement that ended World War I on the 11th hour of the 11th day of the 11th month of 1918. Veterans Day has been set aside as both a federal, state, and county holiday to honor our American patriots who answered the call of duty, preserving our freedoms, and often making the ultimate sacrifice.

In conjunction with the Human Services resolution on today's agenda honoring November 11th, 2017 as Veterans Day in Sonoma County, Regional Parks recommends waiver of day use fees at all parks operated by Sonoma County for the entire Veterans Day weekend, starting on Friday, November 10, 2017 through Monday, November 13, 2017. This gesture will help recognize the sacrifice and contributions of those who currently serve and the more than 28,000 residents who have served in the United States armed services and their families. Through their military service, individual sacrifice and sacrifices in their family lives, these individuals have provided a valuable public benefit to the citizens of Sonoma County, and moreover the United States of America. Active Duty, veteran or retired military personnel and dependents would be eligible for a waiver of the day use fee ($7 per vehicle). All other County Park fees (e.g. camping, picnic area rental, etc.) would still apply.

A Veterans Day Weekend Pass would be provided to all individuals (both in-County and out-of-County residents) who present their valid United States military identification card, honorable discharge record (DD-214 or World War II service record), Veterans Affairs identification card, or Veterans ID card issued by Sonoma County Veterans Service Office to a Park Ranger or fee station attendant at a park or available for pickup at the Regional Parks Main Office or Human Services Veterans Service Office.

Prior Board Actions:

November 1, 2016, the Board of Supervisors approved the request for waiving day use fees ($7 per vehicle) for eligible military personnel and dependents for Veterans Day weekend.

October 20, 2015, the Board of Supervisors approved the request for waiving day use fees ($7 per vehicle) for eligible military personnel and dependents for Veterans Day weekend.

October 21, 2014, the Board of Supervisors approved the request for waiving day use fees ($7 per vehicle) for eligible military personnel and dependents for Veterans Day weekend.

Strategic Plan Alignment Goal 4: Civic Services and Engagement

Providing a free Parks pass on Veterans Day is one small way our County shows its appreciation for the men and women who have served our country in the Armed Forces.

Fiscal Summary

Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

The estimated revenue impact of $2,100 assumes 300 veterans or their dependents will take advantage of the visit a park over the four day period. In FY 16-17 Regional Parks distributed 292 passes to veterans or qualified family members.

Staffing Impacts			
Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)
Narrative Explanation of Staffing Impacts (If Required):			
Attachments:			
Related Items "On File" with the Clerk of the Board:			

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 10
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): Board of Supervisors

Staff Name and Phone Number:
Supervisor Lynda Hopkins 565-2241

Supervisorial District(s):
Fifth District

Title: Appointment

Recommended Actions:

Appoint Richard Ogg to the Bodega Bay Public Utility District Office #2 Board of Directors for a four year term beginning on December 1, 2017 and ending December 1, 2021. (Fifth District)

Executive Summary:

The Bodega Bay Public Utility District, Board of Directors recommends Richard Ogg to fill the open seat for the Bodega Bay Public Utility District Office #2 for the December 1, 2017 to December 1, 2021 term.

Discussion:

Prior Board Actions:

Richard Ogg is a member of the Spud Point Advisory Committee and works on other committees involving the fish industry.

Strategic Plan Alignment Goal 4: Civic Services and Engagement

Fiscal Summary			
Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

None.

Related Items "On File" with the Clerk of the Board:

None.

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 11
(This Section for use by Clerk of the Board Only.)

To:	Board of Supervisors
Board Agenda Date:	November 7, 2017
Vote Requirement:	Majority
Department or Agency Name(s):	Human Services
Staff Name and Phone Number:	Katie Greaves (707) 565-8501
Supervisorial District(s):	All
Title:	Appointment and Reappointments to the Sonoma County Workforce Investment Board (Board)

Recommended Actions:

Approve the appointment of Ananda Sweet and David Wayte to the Sonoma County Workforce Investment Board for a one-year term beginning November 7, 2017 and ending November 7, 2018.

Approve the re-appointment of Yale Abrams, Ed Barr, Judy Coffey, Kristina Holloway, Roy Hurd, Stephen Jackson, Bill Nordskog, Lynn Stauffer, Steve Stobel, and Pedro Toledo to the Sonoma County Workforce Investment Board for a two-year term beginning November 7, 2017 and ending November 7, 2019.

Executive Summary:

The Workforce Innovation and Opportunity Act (Workforce Act) is a federal law that is designed to prepare youth and adults for entry into the labor force. The Board and its career center, Job Link, provide support to Sonoma County job seekers and business by providing services such as workshops and job fairs to connect those looking for work with businesses in need of workers.

The Workforce Act requires all local regions to create a board comprised of local business and community members to oversee and implement the Workforce Act. The Workforce Act requires the appointment of a policy oversight body, and the Sonoma County Workforce Investment Board serves in this capacity for Sonoma County. As required by the Workforce Act, this board item seeks the appointment and reappointment of Workforce Investment Board members.

Discussion:

<u>Membership Criteria and Process for Recommending Members for Appointment</u>

The Sonoma County Workforce Investment Board ("Board") serves as the policy oversight body for Sonoma County employment and training programs. In accordance with the written agreement between the Sonoma County Board of Supervisors and the Board, the Board reviews and approves candidates' applications for membership and forwards its recommendations to the Board of Supervisors for final

approval and appointment.

Board members are not appointed by supervisorial district, but on a county-wide basis, and must have a high degree of policymaking and hiring authority within the organizations they represent. The Board is required by law to maintain a business majority. The Board also seeks members who have expertise in Sonoma County's important or emerging employment sectors, such as health care, hospitality, and manufacturing, or who provide workforce-related services. Applications are reviewed by the Board's Executive Committee and are then recommended to the Board of Supervisors for appointment. Current members in good standing are recommended for reappointment at the end of their term.

Efforts to fill the Board seats are ongoing through referrals from current members and outreach to businesses, public, workforce, and private non-profit organizations. The Human Services Department also works closely with the Economic Development Board to identify business members appropriate for the business seats on the Board.

The individuals recommended for appointment/reappointment to the Board will represent the following categories of membership.

New Representative	**Category**
Ananda Sweet	Business
David Wayte	Governmental, Economic, and Community Development

Representative	**Category**
Yale Abrams	Business
Ed Barr	Business
Judy Coffey	Business
Kristina Holloway	Business
Roy Hurd	Business
Stephen Jackson	Workforce Representative/Education
Bill Nordskog	Additional Member
Dr. Lynn Stauffer	Education and Training
Steve Stobel	Workforce Representative/Labor
Pedro Toledo	Business

Ananda Sweet is the Economic and Workforce Development Manager at the Santa Rosa Metro Chamber and administers a variety of programs including the WHEEL (Worksite Held Employee English Learning) program, the Mike Hauser Academy for STEM (Science, Technology, Engineering and Math), and the Latinos in the Workplace Conference. This work is in collaboration with local private, public and non-profit sectors to support workforce development including programs that promote early childhood development and family-friendly workplace policies, as well as educate stakeholders on the return of investment for those programs and policies. Ananda values collaboration and understands the importance of engaging the business community in economic and workforce development efforts to sustain and elevate the economy of Sonoma County, and she brings a youth and employee serving perspective to the Workforce

Investment Board. Ms. Sweet fills a Business seat on the Board.

David Wayte is a Regional Administrator with the California Department of Rehabilitation in the Redwood Empire District, which serves the coastal regions of California from Napa to the Oregon Border. The mission of the Department is to assist disabled Californians to obtain and retain employment and to maximize their ability to live independently. Mr. Wayte fills a Governmental, Economic, and Community Development seat on the Board.

Yale Abrams is a consultant for business and nonprofit entities offering consultation in general management, marketing, fund development, organizational development, and strategic planning. Yale has been active in the community since he came to Sonoma County in 1976, participating on the Board of Directors of the United Way, Sonoma State Enterprises, the Sonoma County Family YMCA, the Santa Rosa Chamber of Commerce, and the World Affairs Council of Sonoma County. Yale Abrams joined the Board in 2000 and fills a Business seat.

Ed Barr is President of P & L Specialties and the Tom Beard Company which produces, respectively, wine making equipment and wine barrel cleansing equipment. He has been an active member of the Board since 2002. He was chair of the Board for two terms from 2003-2004 and 2008-2010. Ed Barr fills a Business seat.

Judy Coffey is the Senior Vice President/Area Manager for Kaiser Permanente's Marin-Sonoma service area. She is the chief executive responsible for the operations of both the Santa Rosa and San Rafael Medical Centers with nearly 250,000 members. An active member in the community, Judy has been involved at all levels with the American Heart Association and is currently a member of their National Emergency Cardiovascular Care Board. She also serves as a member of the North Bay Hospital Council, Workforce Investment, Empire College, and United Way of the Wine Country boards. Judy has served on the Board since 2000. She was chair of the Board from 2004-2006 and she fills a Business seat.

Kristina Holloway is the Employee Relations Manager at Healdsburg District Hospital. She is a successful Human Resources leader with over 18 years of experience in strategic, tactical, and operational Human Resources management. She is actively serving as the Chapter Chair of the North Bay Regional Chapter of the Northern California Human Resources Association. She has served on the Board since 2010 and fills a Business seat.

Roy Hurd has been involved in private education and school administration for more than 40 years, the past 30 years as President of Empire College in Santa Rosa. Roy is Past-Chairman of the Board of the Wells Fargo Center for the Arts, Santa Rosa Chamber of Commerce, Business Education Round Table and the Sonoma County Workforce Investment Board (Chairman 2006-2009). In 2007, Roy was the recipient of the Sonoma County Spirit of Sonoma Award which recognized his contributions to the Sonoma County Workforce Investment Board. In 2011, Roy was inducted into the Hall of Fame awarded by the California Association of Private Postsecondary Schools. He was chair of the Board from 2006-2008. Roy has served on the Board since 2000 and fills a Business seat.

Stephen Jackson is the Director of Career Development and Workforce Preparation Services Department for the Sonoma County Office of Education (SCOE). He oversees all aspects of the county-level effort to develop and deliver effective career development programs for high school students in Sonoma County. Stephen has worked in education for 24 years, including 12 years as a business and technology instructor at Montgomery High School in Santa Rosa. He has served on the Board since 2005 and fills a Workforce

Representative/Education seat.

Bill Nordskog retired from Agilent technologies after 35 years. Bill has been the Chair of the United Way of the Wine County, a CASA advocate, and a steering committee member for the Santa Rosa Mayors Gang Prevention Task Force, and is active in the Cradle to Career initiative. Bill has served on the Board since 2000 and fills an Additional Member seat.

Dr. Lynn Stauffer is the Dean for the School of Science and Technology at Sonoma State University. Dr. Stauffer is responsible for providing academic and administrative leadership to the School of Science and Technology. Her interest in creating a highly skilled workforce by providing science and technology students' knowledge and access to green and innovative industries offers a link between Sonoma State University and workforce development efforts in Sonoma County. Dr. Stauffer has served on the Board since 2010 and fills an Education and Training seat.

Steve Stobel is the Apprentice Training Director for the Redwood Empire Electrical Workers Union (Union), Local 551. Mr. Stobel graduated from the Inside Wireman Apprenticeship program in June 1982 and has been with the Union ever since. Along with Mr. Stobel's duties at Local 551 he is also an instructor for the North Bay Trades Introduction Program. Mr. Stobel has served on the Board since 2016 and fills a Workforce Representative/Labor seat on the Board.

Pedro Toledo is the Chief Administrative Officer for Petaluma Health Center. He also serves on the Hispanic Chamber of Commerce, the Heath Committee of the Santa Rosa Chamber of Commerce and the Santa Rosa Junior College Health Workforce Roundtable. His involvement with health related interests in the community contributes to the Workforce Investment Board's connection with this important sector of Sonoma County's economy. Pedro has served on the Board since 2010 and fills a Business seat.

Prior Board Actions:

April 25, 2017: Appointed one new member to the Workforce Investment Board, and reappointed nine members to the Workforce Investment Board.

March 7, 2017: Appointed two new members to the Workforce Investment Board.

December 6, 2016: Reappointed one member to the Workforce Investment Board.

August 2, 2016: Appointed one new member to the Workforce Investment Board, and reappointed four members to the Workforce Investment Board.

April 19, 2016: Appointed one new member to the Workforce Investment Board, and reappointed six members to the Workforce Investment Board.

December 8, 2015: Appointed one new member to the Workforce Investment Board, and reappointed eleven members to the Workforce Investment Board.

September 1, 2015: Appointed one new member to the Workforce Investment Board, and reappointed one member to the Workforce Investment Board.

May 12, 2015: Reappointed six members to the Workforce Investment Board.

Strategic Plan Alignment Goal 2: Economic and Environmental Stewardship

The Workforce Investment Board makes recommendations and participates in workforce development initiatives and programs that are aligned with local employer needs with the goal of building a prepared

and trained Sonoma County workforce.

Fiscal Summary

Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures	**0**	**0**	**0**
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	**0**	**0**	**0**

Narrative Explanation of Fiscal Impacts:

None.

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Proposed Workforce Investment Board Membership Roster

Related Items "On File" with the Clerk of the Board:

None

Sonoma County Workforce Investment Board

Membership as of November 7, 2017

Membership Category	*# of Seats*	*Name*	*Organization*
Business			
	1	Yale Abrams	Yale Abrams Consulting
	1	Ed Barr	P & L Specialties
	1	Robin Bartholow	North Coast Builders' Exchange
	1	Kristyn Byrne	C&S Waste Solutions
	1	Amy Crabb	Sonoma County Lodging Association
	1	Judy Coffey	Kaiser-Permanente
	1	Paul Duranczyk	Creekside Convalescent Hospital
	1	Brandy Evans	Goodwill Industries
	1	Steve Herrington	Sonoma County Office of Education
	1	Steve Herron	Exchange Bank
	1	Kristina Holloway	Healdsburg District Hospital
	1	Roy Hurd	Empire College
	1	Scott Kincaid	Facility Development Corporation
	1	Tim Reese	Community Action Partnership of Sonoma County
	1	Pedro Toledo	Petaluma Health Center
	1	*Ananda Sweet*	*Santa Rosa Metro Chamber*
Total Seats	**16**		
Workforce Representatives			
	1	Chris Knerr	Cement Masons
	1	Chris Snyder	Operating Engineers
	1	George Steffensen	North Bay Labor Council
	1	Stephen Jackson	Sonoma County Office of Education
	1	Katrina Thurman	Social Advocates for Youth
	1	Keith Dias	SMART Local #104
	1	Steve Stobel	IBEW Local #551
Total Seats	**7**		
Education and Training			
	1	Carol Waxman	Petaluma Adult School
	1	Jerald Miller	Santa Rosa Junior College
	1	Lynn Stauffer	Sonoma State University
Total Seats	**3**		
Governmental and Economic and Community Development			
	1	Al Lerma	Sonoma County Economic Development Board
	1	Debbie Antonsen	Employment Development Department
	1	*David Wayte*	*Sonoma County Department of Rehabilitation*
Total Seats	**3**		
Additional Members			
	1	Bill Nordskog	United Way
Total Seats	**1**		

Total Membership: 30 **Seats Filled: 30**

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 12
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors of Sonoma County

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): Human Services Department

Staff Name and Phone Number:

Ana Bagtas 707-565-3673

Supervisorial District(s):

Title: Veterans Day Recognition

Recommended Actions:

Adopt a resolution honoring November 11, 2017 as “Veterans Day” in Sonoma County.

Executive Summary:

Veterans Day was established in 1919 as Armistice Day to commemorate the signing of the peace agreement that ended World War I on the 11th hour of the 11th day of the 11th month of 1918.

Discussion:

In proclaiming the holiday, U.S. President Woodrow Wilson said: "To us in America, the reflections of Armistice Day will be filled with solemn pride in the heroism of those who died in the country's service and with gratitude for the victory.” In 1938, a Congressional Act passed which made November 11 in each year a legal holiday, known as Armistice Day. In 1954, the veterans’ service organizations urged Congress to change the word "Armistice" to "Veterans." President Eisenhower signed a bill establishing Veterans Day as a national holiday. He proclaimed: "In order to insure proper and widespread observance of this anniversary, all veterans, all veterans' organizations, and the entire citizenry will wish to join hands in the common purpose….”

There are over 28,000 Sonoma County Veterans whom we honor on Veterans Day. Many Veterans remain unaware of, or do not use, the benefits and services for which they are eligible.
Though a majority of these Veterans may be eligible for medical care from the U.S. Department of Veterans Affairs, only approximately 8,000 are enrolled and accessing health care through the federal agency. Of the total Veteran population in the County:

- 74.3% are 55 or older
- 57.9% are 65 or older
- 31.2% of Sonoma County Veterans have some form of disability.
- 17.8% (4,900) of County Veterans are receiving some form of disability compensation or non-service disability pension from the VA.

The County of Sonoma Veterans Service Office plays a key role in ensuring that all Veterans in Sonoma County are aware and have the opportunity to receive the services and benefits that they earned through their service to our nation. Over the years, the Veterans Service Office has played a primary role in Veterans receiving these benefits. The Veterans Service Office had 4,987 client visits and over 16,000 phone calls during fiscal year 2016-17, including 1,289 clients seeking services for the first time. In FY 2016-17, the Veterans Service Office helped bring $14.3M in new and retroactive compensation and pension benefits from Veterans Affairs. U.S. Department of Veterans Affairs spending on benefits for Sonoma County residents is significant. In federal FY 2017, total Veterans Affairs spending in Sonoma County was $218M, including over $105M on medical care and $99.6M on direct payments to Veterans in the form of service connected disability compensation and non-service connected disability pensions.

The Veterans Service Office collaborates with the U.S. Department of Veteran Affairs' Community-Based Outpatient Clinic in Santa Rosa andVet Center; and the Sonoma County United Veterans Council. The United Veterans Council represents over 30 Sonoma County Veteran organizations and various community-based organizations, such as Vietnam Veterans of California. Veterans' organizations and Veteran volunteers in the community work tirelessly along with the Veterans Service Office to help veterans get the benefits they are entitled to receive.

Additionally, many County of Sonoma agencies actively serve Veterans on a routine basis. Highlights include: Regional Parks disabled Veteran day use park access permits; Tax Assessor disabled Veteran property tax exemption; Sonoma County Transit Veterans Ride Free program; Department of Health Services participation in VetConnect outreach activities for homeless Veterans; Human Services Department Economic Assistance eligibility workers helping homeless Veterans access benefits at VetConnect; Employment and Training Division staff helping Veterans find employment; and the significant Sonoma County contribution to establish The Palms Inn as an opportunity to create housing for 60 homeless Veterans.

Sonoma County Adult and Aging Services continues to receive a grant from the California Department of Veterans Affairs funded through the Mental Health Services Act to contract with Verity to provide mental health outreach for men and women veterans who have experienced military sexual trauma.

The County Veterans Service Office has implemented a local Veteran ID card program. To date, over 2,382 local ID cards have been issued. These ID cards allow low income or homeless Veterans to access health care and other services with free transportation on Sonoma County transit.

Sonoma County Veterans Service Office has implemented the provisions of California Assembly Bill 935 (Veteran designation on CA Driver's License). This program allows Veterans to have their status recognized on a government issued identification card, and over 767 Veterans have taken advantage of this benefit. This new outreach activity has resulted in 243 new claims being filed by veterans who were previously unaware of benefits.

The outstanding support from local government agencies, combined with supportive community based organizations and the U.S. Department of Veterans Affairs, makes Sonoma County a great place to be a Veteran. The Veterans of Sonoma County are appreciative of the Board of Supervisors' support of the Veterans Service Office and the Veteran community as a whole.

Sonoma County Veterans Day activities:

Cloverdale: 7:00pm ceremony at Cloverdale Veterans building at 205 W. First St.

Healdsburg: 10:00 ceremony Healdsburg Plaza

Windsor: 11:00 ceremony Windsor Town Green (Bud Sparks Pavilion)

Santa Rosa: 10:30 Flag raising ceremony at Santa Rosa City Hall

Rohnert Park: 10:30 Rohnert Park community center

Petaluma: Veterans Day Parade 1:00 parade

Sonoma: 11:00 ceremony, Sonoma Veterans Memorial building

Prior Board Actions:

November 1, 2016 Board of Supervisors honors Sonoma County Veterans
November 10, 2015 Board of Supervisors honors Sonoma County Veterans
November 4, 2014 Board of Supervisors honors Sonoma County Veterans

Strategic Plan Alignment Goal 4: Civic Services and Engagement

To publically celebrate and honor veterans of the armed services for their patriotism, bravery, and loyal dedication to serving our country.

Fiscal Summary

Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures	**0**	**0**	**0**
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	**0**	**0**	**0**

Narrative Explanation of Fiscal Impacts:

Staffing Impacts			
Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)
Narrative Explanation of Staffing Impacts (If Required):			
None			
Attachments:			
Resolution			
Related Items "On File" with the Clerk of the Board:			
None			

County of Sonoma
State of California

Item Number: _____

Date: November 7, 2017 Resolution Number: _____

☐ 4/5 Vote Required

Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Honoring November 11, 2017, As "Veterans Day."

Whereas, throughout our nation's history, Sonoma county men and women have put on the uniform of our Armed Forces and have sworn an oath to support and defend our Constitution; and

Whereas, Veterans Day has been set aside as a federal, state and county holiday to honor our American patriots who answered the call of duty, preserving our freedoms, and often making the ultimate sacrifice; and

Whereas, we can never fully repay our debt of gratitude to the heroic men and women who served, where wounded, perished or remain missing in action as a result of their service; and

Whereas, the unwavering commitment of our Army, Navy, Marine Corps, Air Force, Coast Guard, and Merchant Marine service members have preserved our rights and freedoms and also preserved or established similar freedoms for millions of citizens of other nations; and

Whereas, we continue to draw inspiration from the heroism and dedication of those who currently serve and sacrifice for the cause of liberty and justice; and

Whereas, it is fitting that the citizens of Sonoma County honor America's military veterans, including the over 28,000 veteran citizens currently living in Sonoma County, through whose service and sacrifice we today enjoy freedom and liberty.

Now, Therefore, Be It Resolved that the Sonoma County Board of Supervisors does hereby recognize November 11, 2017, as Veterans Day and call upon all citizens to honor those men and women who have answered the call of service to protect his great nation.

Supervisors:

Gorin: Rabbitt: Gore: Hopkins: Zane:

Ayes: Noes: Absent: Abstain:

So Ordered.

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 13
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Majority

Department or Agency Name(s): Human Services Department

Staff Name and Phone Number:
Paul Dunaway 565-4345

Supervisorial District(s):
All

Title: Adoption Awareness Month Recognition

Recommended Actions:

Adopt a resolution designating the month of November 2017 as Adoption Awareness Month in Sonoma County.

Executive Summary:

Every November, thousands of community organizations arrange and host events and activities to share positive adoption stories, challenge the myths about adoption and draw attention to the thousands of children in foster care nationwide who are waiting for their permanent family.

Discussion:

On July 1, 2013, Sonoma County Human Services Department assumed sole responsibility for the adoption program which was previously provided by California Department of Social Services. Now, four years later we are a strong, vibrant program with fully trained staff that has provided adoption services for 316 children.

One of the challenges in providing adoption services is the recruitment of adoptive parents. Children who need adoptive homes are all ages, from infants to teens. They come from various backgrounds and types of families. They may be part of a sibling group who need to be placed together and most are school-aged children. Through no fault of their own, these children often have special needs and challenges as a result of their past experiences and the current disruption in their lives. With the influence of positive role models and the love and stability of foster and adoptive families, these children can grow and thrive. The forever families created through adoption change the lives for the better and are an example of the caring nature of Sonoma County. We continue to seek loving homes so that every child who needs a permanent home has the opportunity to find their forever family. From last July 2016 to June 30, 2017, 54 children have been adopted into forever families and we want to acknowledge and celebrate these families.

Prior Board Actions:

11-15-16: Adopted Resolution Declaring November 2016 as Adoption Awareness Month
11-17-15: Adopted Resolution Declaring November 2015 as Adoption Awareness Month
11-24-14: Adopted Resolution Declaring November 2014 as Adoption Awareness Month

Strategic Plan Alignment Goal 1: Safe, Healthy, and Caring Community

Encouraging more families to come forward as adoptive parents contributes to a healthier and caring community. Children who are adopted and therefore experience permanency and family connections are more likely to grow up as healthy adults who are able to safely parent their own children.

Fiscal Summary

Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures	**0**	**0**	**0**
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	**0**	**0**	**0**

Narrative Explanation of Fiscal Impacts:

None

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:
Resolution
Related Items “On File” with the Clerk of the Board:
None

County of Sonoma
State of California

Item Number: _____

Date: November 7, 2017 Resolution Number: _____

☐ 4/5 Vote Required

Resolution of The Board of Supervisors of The County of Sonoma, State Of California, Designating November 2017 as Adoption Awareness Month in Sonoma County

Whereas, we believe that every child and teen in Sonoma County deserves the chance to learn, thrive and grow under the care of a loving family. We help Sonoma County families give local children this chance every day. During Adoption Awareness Month, we celebrate these families and stand alongside in support of every child still looking for the warmth and stability of a permanent home; and

Whereas, from fiscal year beginning July 1, 2016 to June 30, 2017, Sonoma County had 255 children exit foster care. Of these children, 151 were able to safely return home, 20 were under a guardian's care and 47 were adopted into forever families; and

Whereas, those 47 adoptions changed the lives of children who otherwise would have remained in foster care; and

Whereas, Sonoma County celebrates adopted children, teenagers, and their diverse families. To ensure that more young people have permanent families and promising futures, we encourage our friends and neighbors to open their hearts and their homes to local children in need of a place to call home; and

Whereas, Sonoma County continues to need adoptive homes so that every child who needs a permanent home has the opportunity to find their forever family; and

Whereas, Sonoma County encourages all residents to observe this month by answering the call to find a permanent and caring family for every foster child in need, and by supporting the open-hearted families who care for them; and

Now, Therefore, Be It Resolved that the Sonoma County Board of Supervisors herby proclaims the Month of November 2017 as Adoption Awareness Month in Sonoma County.

Supervisors:

Gorin: Rabbitt: Gore: Hopkins: Zane:

Ayes: Noes: Absent: Abstain:

So Ordered.

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 14
(This Section for use by Clerk of the Board Only.)

To: Sonoma County Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: Informational Only

Department or Agency Name(s): County Administrator

Staff Name and Phone Number:

Sheryl Bratton, 565-2431

Supervisorial District(s):

Title: Fire Recovery Update

Recommended Actions:

Receive update on fire recovery efforts and consider next steps

Executive Summary:

In the early morning hours of October 9, 2017, the Emergency Operations Center was activated in response to several fires that became known as the Sonoma Complex Fires. The disaster is one of the worst in California history, and presents an ongoing risk to the life and safety of people, property and environment of Sonoma County. Staff will provide an oral update on response and recovery activities.

Discussion:

In the early morning hours of October 9, 2017, the Emergency Operations Center was activated in response to several fires that became known as the Sonoma Complex Fires. As is part of the responsibility of the Emergency Operations Center, planning for recovery efforts were initiated and continue every day to help Sonoma County residents begin the process of returning to their homes or rebuilding those that were lost. Staff will be providing an oral update to the Board.

The recovery efforts associated with the Sonoma Complex Fires are multi-pronged, and impact almost all of the departments within the County. The oral update will include information from the following Peter Rumble, Deputy CAO/Recovery Manager and selected Department Heads involved in Debris Management, Housing, and Watershed recovery activities.

Prior Board Actions:

October 24, 2017-various actions supporting recovery efforts, including urgency ordinances related to housing availability and the prevention of price gouging, waiving impact fees for new accessory dwelling units, and implementation of Safe Parking.

October 17, 2017-authorize the State to provide direct assistance for debris removal

October 10, 2017-Ratify the Proclamation of a Local Emergency and Request for State and Federal Assistance

Strategic Plan Alignment Goal 3: Invest in the Future

By developing a comprehensive recovery effort, the Board ensures the long-term stability of our community and our residents.

Fiscal Summary

Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):			
Attachments:			
Related Items "On File" with the Clerk of the Board:			

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 15
(This Section for use by Clerk of the Board Only.)

To: Sonoma County Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: 4/5

Department or Agency Name(s): General Services / Health Services

Staff Name and Phone Number:

Marc McDonald, General Services: 707-565-3468
Michael Kennedy, Health Services: 707-565-5157

Supervisorial District(s):

Title: Consolidation of Behavioral Health Services at The Lakes complex in southwest Santa Rosa to Improve Service Delivery and Increase Efficiencies (Consider leases for 2235 Challenger Way, 2255 Challenger Way, and 2227 Capricorn Way, Santa Rosa)

Recommended Actions:

A. Authorize the Board Clerk to publish notices, declaring the Board's intention to execute leases with SR Lakes Waterfall DE, LLC and Redbird SR Lakes Waterfall DE, LLC, for the following leases, each with an initial term of 10 years, with one, 5-year option to extend the term:

1. 9,647 sq. ft. of office space, located at 2235 Challenger Way, Santa Rosa, for an initial rental rate of $17,365 per month ($208,375 per year)($1.80 per sq. ft.).
2. 7,116 sq. ft. of office space, located at 2255 Challenger Way, Santa Rosa, for an initial rental rate of $12,809 per month ($153,706 per year)($1.80 per sq. ft.).
3. 21,721 sq. ft. of office space, located at 2227 Capricorn Way, Santa Rosa, for an initial rental rate of $39,098 per month ($469,174 per year)($1.80 per sq. ft.).

B. Adopt a resolution authorizing budgetary adjustments to the Fiscal Year 2017-2018 adopted budget to allocate General Fund Contingency of $1,006,338 and $400,000 from Department of Health Services Fund Balance to Capital Projects to fund one-time relocation of Behavioral Health facilities from the Chanate Campus. (4/5 vote required)

C. Authorize the General Services Director to execute a letter-agreement whereby the Landlord will prepare architectural construction drawings and apply for building permits prior to the potential execution of the proposed leases and approval by the Board.

Executive Summary:

After a county-wide, three-year search performed by General Services' staff, The Lakes complex on Challenger Way and Capricorn Way in southwest Santa Rosa was identified as the ideal location to establish a Behavioral Health campus. The location is served by public transit and provides an attractive,

semi-pastoral setting with easy access for the community. Based on this assessment, the Department of Health Services (the Department), with support from General Services, initiated a three-phase program relocating Behavioral Health services from the Chanate Campus and the Orenda Center (1430 Neotomas Avenue) to The Lakes complex. Phase one, completed in March 2016, included the Relocation of the Urgent Care Center/Crisis Stabilization Unit from Chanate to 2225 Challenger Way at The Lakes complex. In May, 2017, your Board approved the Phase two relocation of the Substance Use Disorder Services program, which includes Detox Services, to 2245 Challenger Way and execution of the lease. Tenant improvements are underway, and County occupancy is anticipated to occur in late-December, 2017.

Phase three involves the relocation of the remaining Department of Health Services Behavioral Health Division programs from the Chanate campus. The proposed three leases (Leases) with SR Lakes Waterfall DE, LLC and Redbird SR Lakes Waterfall DE, LLC (the Landlord) are for a combined total of 38,484 sq. ft. of office space located at The Lakes complex. Each lease has an initial term of 10 years, with one, 5-year option to extend, with a base rental rate of $1.80 per sq. ft. The total monthly payment for all three Leases is $69,271 per month ($831,254 per year). Upon completion of these proposed moves to The Lakes complex, the Behavioral Health Wellness Campus will be comprised of approximately 58,800 square feet, including the Urgent Care Center.

Given the community and financial impact of the Sonoma Complex fires that have intervened between the completion of Phase Two and Phase Three, staff re-evaluated the need to enter into the proposed leases to continue the consolidation of the Behavioral Health services campus. The use of General Fund contingencies to move Phase three forward is significant and it was important for staff to reassess the proposed move. After re-assessing the proposed move, staff has concluded that not only does Phase three of consolidation facilitate an increased level of services, but will result in operational efficiencies which will save costs over time.

To fund the one-time move costs associated with moving the Behavioral Health programs from the Chanate Campus, the Department of Health Services is requesting that the Board approve the use of $400,000 in Department of Health Services Fund Balance and a transfer of $1,006,338 from General Fund Contingency.

Discussion:

On April 7, 2017, the Board of Supervisors set forth its 2017 Strategic Priority to strengthen the Safety Net in part by completing the development of a Behavioral Health Wellness Campus to improve access and coordination of County Behavioral Health Services. The Department of Health Services (the Department) staff currently located at the Chanate Campus include approximately 160 Behavioral Health Division staff. Program relocation supports the Board's Securing the Safety Net priority which is focused on expanding and strengthening the existing system of coordinated mental health and substance use disorder services by addressing critical gaps in the mental health and substance use disorder system from prevention to crisis intervention to treatment and recovery.

On Sunday, October 9, 2017, the Sonoma Complex fires began causing devastating loss of life, extreme property damage, and significant health and safety concerns for both the public and environment. During the initial response and continuing, the Department's Behavioral Health staff have provided daily counseling, training, and support services for affected residents and staff at all of the county shelters, for students and staff in schools, for county staff, and other locations serving affected populations. The Behavioral Health campus, including its Urgent Care Center, played an important role in the

Department's coordinated response to the disaster. Consistent with the Board's established *Securing our County Safety Net* priority, it is important that the Department's relocation efforts continue in order to improve access and coordination of behavioral health services.

Behavioral Health Division Programs and Services. The programs offered by the Department of Health Services Behavioral Health Division promote the recovery and wellness of individuals with serious and persistent mental illness or substance use disorders through integrated services which include specialty mental health, substance use disorder, case management, advocacy, outreach, and education. Benefits realized through centralizing services at The Lakes campus include: 1) increased access to services for clients of multiple programs; 2) modern facilities designed for providing behavioral health services help counter stigma; 3) improved client experience; 4) increased operational efficiency; 5) increased care coordination; and 6) improved working conditions and employee morale. In addition, the development of the Behavioral Health Wellness Campus at The Lakes supports the Board's Securing the Safety Net priority, which is focused on expanding and strengthening the existing system of coordinated mental health and substance use disorder services by addressing critical gaps in the mental health and substance use disorder system from prevention to crisis intervention to treatment and recovery.

Increased Operational Efficiencies. The consolidation of sites into a Behavioral Health Wellness Campus presents the Department with several operational efficiencies:

- The Department will no longer have the need to place as many medical providers (primarily psychiatrists) at multiple sites throughout the County, allowing for a reduced use of contracted medical staff.

- The Department will be able to centralize program support, resulting in a decreased number of full-time equivalent staff required to provide clerical and administrative support for the programs located on the campus. Through the normal process of attrition, the Division will assess the need to fill vacated support staff allocations.

- As programs are collocated to one campus, it will be easier for managers to support each other and provide temporary staffing coverage when another manager has a staff person who is out. This will result in a decreased need for extra help and overtime.

Summary of Proposed Leases. A market survey was performed of available office properties within a 1-mile radius of the proposed sites at The Lakes. Rental rates range from $1.65 to $1.90 per sq. ft. The proposed base rent of $1.80 per sq. ft. is comparable to the rental rates listed for these available properties and approximates fair market value. In addition, few of the sites surveyed offer the square footage needed for development of a behavioral health campus.

The proposed leases (the Leases) with SR Lakes Waterfall DE, LLC and Redbird SR Lakes Waterfall DE, LLC (the Landlord) are for a combined total of 38,484 sq. ft. of office space located at The Lakes complex. Each lease has an initial term of 10 years, with one, 5-year option to extend, with a base rental rate of $1.80 per sq. ft. The Landlord will perform 'turn-key' tenant improvements to prepare these buildings for occupancy, with a total tenant improvement cost of $825,630, to be paid at landlord's sole cost and expense. In addition, the proposed leases provide rent abatement for the first two months for each lease, with a total rent abatement of $138,542.

The total monthly payment for all three Leases is $69,271 per month ($831,254 per year). Rent will be adjusted by 3% annually. Each lease contains termination provisions which allow the County to

terminate for non-appropriation of funds or the discontinuance of the program(s) with 180 days' notice to the Landlord. After the initial 10-year term, County may terminate, for any reason (discretionary termination), with 180 days' notice to the Landlord, and payment of a termination penalty as provided in the proposed Leases.

The following is a summary of the terms for each of the three proposed leases for 2235 Challenger Way, 2255 Challenger Way and 2227 Capricorn Way, all located within The Lakes complex in southwest Santa Rosa.

1. <u>2235 CHALLENGER WAY, SANTA ROSA</u>– 9,647 sq. ft. (approximately 46 full-time equivalent staff).

<u>PROGRAMS</u>

Connections Counseling Services	Older Adult Team
Doctors and Nurses Unit	Adult Special Programs Team
Transitional Age Youth	Patient Rights
Hospital Utilization Team	Transitional Recovery Team

The proposed monthly rent will be $17,365. Free rent will be applied toward rent due for April and May of 2018. June rent will be funded through avoided-cost savings associated with vacating County owned buildings. Fiscal Year 18-19 rent will be included in the budget.

One-time Move Expenses: The estimated total one-time expenses of approximately $371,421 are calculated as follows:

Furniture:		
30 workstations X $4,110/station	$123,300	
16 offices X $5,615/office	$89,840	
Office support spaces	$21,716	
Total Furniture		$234,856
ISD network configuration services		$7,200
Cabling installation		$116,865
Security door proximity card readers		$12,500
TOTAL – One-Time Move Expenses		$371,421

2. <u>2227 CAPRICORN WAY, SANTA ROSA -</u> 21,721 sq. ft. (approximately 101 full-time equivalent staff).

<u>PROGRAMS</u>

Behavioral Health Administration	Youth and Family Services
Quality Assurance Team	Family Advocacy Support and Treatment
Quality Improvement Team	Medical Records

The proposed monthly rent will be $39,098. Free rent will be applied toward rent due for May and June of 2018. Consequently, rent payments will commence in July of 2018. Fiscal Year 18-19 rent will be included in the budget.

One-time Expenses: The estimated total one-time expenses of approximately $748,766 are calculated as follows:

Furniture:		
70 workstations X $4,110/station	$287,700	
31 offices X $5,615/office	$174,065	
Office support spaces	$73,591	
Total Furniture		$535,356
ISD network configuration services		$7,200
Cabling installation		$189,210
Security door proximity card readers		$17,000
TOTAL – One-Time Move Expenses		$748,766

3. <u>2255 CHALLENGER WAY, SANTA ROSA</u>– 7,116 sq. ft. (approximately 37 full-time equivalent staff).

<u>PROGRAMS</u>

Integrated Health Team
Integrated Recovery Team
Transportation Team

The proposed monthly rent will be $12,809. Free rent will be applied toward rent due for June and July of 2018. Consequently, rent payments will commence in August of 2018. Fiscal Year 18-19 rent will be included in the budget.

One-time Expenses: The estimated total one-time expenses of approximately $286,151, are calculated as follows:

Furniture:		
24 workstations X $4,110/station	$98,640	
13 offices X $5,988/office	$77,844	
Office support spaces	$16,827	
Total Furniture		$193,311
ISD network configuration services		$7,200
Cabling installation		$73,140
Security door proximity card readers		$12,500
TOTAL – One-Time Move Expenses		$286,151

Long-Term Health Services Space Needs and County Comprehensive Facilities Plan. The addition of the proposed sites to the Department of Health Services Behavioral Health Campus will provide space for the provision of behavioral health services and include private offices for confidential client meetings, meeting rooms, and support spaces. The Lakes complex is in a location close to its client base, is accessible by public transportation, and provides easy access to other County services (such as, the Health Services Urgent Care Center, Human Services Employment and Training and Family Youth and Children programs). The goals and development of a County Behavioral Health campus are consistent with the intent of the California Mental Wellness Act and County Comprehensive Facilities Plan efforts.

Final Phase of Behavioral Health Campus Moves. These program moves represent the third 'phase' in the Department's move plan associated with the Behavioral Health Division. The final proposed phase (Phase four) will be to move the Division's Mobile Support Team, Crisis Assessment Prevention and Education Team, and Community Intervention Program during the first half of Fiscal Year 18-19. After

Phase four, with the exception of the Division's regional-based program Community Mental Health Clinics, all of the County's Behavioral Health programming will be located at The Lakes complex.

Request for General Fund Contingency. Since the relocation of the Urgent Care Center to The Lakes complex, the Department has been working with General Services and the Landlord of the Lakes complex to identify opportunities to consolidate Behavioral Health programs at The Lakes. In support of this effort, the Landlord made space available for the programs to relocate at the Lakes site. The opportunity to have a campus that integrates mental health and substance use services as supported by the Board, consistent with their established *Securing our County Safety Net* priority may be lost if the move is delayed past the projected move dates.

To fund the one-time move costs to relocate Behavioral Health programs from the Chanate campus to The Lakes complex, the Department of Health Services is requesting that the Board approve a transfer of $1,006,338 from General Fund Contingency to the Department of Health Services. In addition, the Department will utilize $400,000 from its Fund Balance to fund one-time move costs.

As noted above, the total one-time move costs associated with the proposed relocation of Behavioral Health programs is as follows:

Description	Amount ($) Behavioral Health
Cabling Installation (high estimate)	379,215
ISD estimate	21,600
Furniture & Move	963,523
Prox Card Access	42,000
* Total	1,406,338

* NOTE: This Total does not include one month of rent for 2235 Challenger Way in the amount of $17,365 for the FY 17-18, which is included in the FY 17-18 budget for Health Services.

The Department's request for use of General Fund Contingency is based on three factors:

1. *Current Facilities.* The Department has been working with General Services to relocate Behavioral Health programs from aging facilities on the Chanate campus. In 2015, Phase 1 of the relocation was achieved by relocating Urgent Care Program Services to The Lakes. The leases and associated program moves proposed in this report represent the third 'phase' in the Department's plan to relocate remaining Behavioral Health services to The Lakes. Development of a Behavioral Health campus is consistent with the County Comprehensive Facilities Plan.
2. *Consistent with Current Board Priorities*. The development of a Behavioral Health campus supports the Board's established *Securing the Safety Net* priority focused on expanding and strengthening the existing system of coordinated mental health and substance use disorder services.
3. *Negative Impact on Fund Balances*. The Department proposes use of $400,000 in available Health Services Fund Balance with the remaining $1,006,338 funded with General Fund Contingency. Absent the availability of General Fund Contingency as the funding source for above one-time move costs, the Department will be required to use fund balance for the Behavioral Health move costs. The two fund balances that may be used to fund the Behavioral Health move costs are Intergovernmental Transfer, which currently has a fund balance of $59,819, and 1991 Mental Health

Realignment, which currently has a fund balance of $2.8 million. Revenue deficits in the Behavioral Health Division have significantly reduced the existing fund balance level. Fund balance accounts provide protection against the need to reduce mandated health programs and services in the event of temporary revenue shortfalls and/or unpredicted one-time expenditures; mitigate the effect of long-term cuts in State and/or Federal funding; fund catastrophic California Children's Services cases; provide funds in the event of a crisis to our local health care system, including a catastrophic event such as pandemic flu; and provide access to funds in the event projected reductions in realignment and/or revenue are not realized. Maintaining adequate fund balance levels also provides an important buffer between future Departmental expenditures and the County General Fund, without which the County General Fund would be the reserve for the Department's budget.

An additional result of the relocation of Behavioral Health programs from County owned facilities on the Chanate campus to leased facilities is that the County will be impacted by the loss of A-87 funds.

Proposed Letter Agreement. To expedite construction and facilitate efforts to have the Premises ready as early as possible for the relocation of the programs, staff proposes a letter-agreement whereby the Landlord will proceed with construction drawings and permit applications during the public noticing period required by the California Government Code, provided the County guarantees reimbursement of these costs, in an amount not to exceed $25,000, should the Board of Supervisors not approve the proposed Leases on or before December 12, 2017. In the event the County executes the proposed Leases on or before December 12, 2017, the County will have no obligation to reimburse Landlord for these costs as they are a landlord responsibility under the proposed Leases. The letter-agreement is proposed and endorsed by the Department of Health Services as a means to attain the targeted occupancy dates for the sites. Please see Attachment 10 for a copy of the proposed letter-agreement.

Public Notice Requirement. Government Code Section 25350 requires the Board to publish a notice of its intent to enter into any lease valued in excess of $50,000 for three (3) consecutive weeks prior to consummation of the proposed lease. After the required posting period of a notice of intent for each of the three proposed leases, this matter will return to the Board at 8:30 A.M., on or after December 5, 2017, for consummation of the proposed Leases for 2235 Challenger Way, 2255 Challenger Way, and 2227 Capricorn Way, Santa Rosa.

Prior Board Actions:	
On April 11, 2017 the Board approved noticing of a lease for office space located in The Lakes complex at 2245 Challenger Way in support of consolidation of Behavioral Health Services. At this time, a presentation was given to the Board which contemplated additional phased Behavioral Health moves.	
Strategic Plan Alignment	Goal 1: Safe, Healthy, and Caring Community
The relocation of the Department of Health Services Behavioral Health programs from the County Chanate Campus to The Lakes complex provides a single, centralized location for Behavioral Health clients, as well as easy access to other established County services located within and nearby The Lakes.	

Fiscal Summary			
Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses	17,365	822,739	860,614
Additional Appropriation Requested	$1,406,338		
Total Expenditures	1,423,703	**822,739**	**860,614**
Funding Sources			
General Fund/WA GF			
State/Federal	17,365	822,739	860,614
Fees/Other			
Use of Fund Balance	400,000		
Contingencies	1,006,338		
Total Sources	1,423,703	**822,739**	**860,614**

Narrative Explanation of Fiscal Impacts:

The move-in/commencement dates for the Leases are anticipated to occur in phases, as a result of the phased completion of the tenant improvements by the Landlord. In addition, the proposed Leases provide rent abatement for the first two months of each lease.

- 2235 Challenger Way, Santa Rosa – target occupancy April 1, 2018 (rent abated April & May 2018)
- 2227 Capricorn Way, Santa Rosa – target occupancy May 1, 2018 (rent abated May & June 2018)
- 2255 Challenger Way, Santa Rosa – target occupancy June 1, 2018 (rent abated June & July 2018)

As a result of the phased moves, the moving expenses, lease rent for FY 17-18 are calculated as follows:

1-time move costs (all 3 leases)	= $1,406,338
2235 Challenger Way X $17,365 (1 month rent for June 2018)	= $ 17,365
Total FY 17-18	= **$1,423,703**

The lease rent for FY 18-19 is calculated as follows:

2235 Challenger Way	= $ 209,938
2227 Capricorn Way	= $ 471,519
2255 Challenger Way	= $ 141,281
Total FY 18-19	= $ **822,739**

The lease rent for FY 19-20 is calculated as follows:

2235 Challenger Way	= $ 216,236
2227 Capricorn Way	= $ 485,665
2255 Challenger Way	= $ 158,713
Total FY 19-20	= **$ 860,614**

General Fund Contingency in the amount of $1,006,338 is requested via resolution to cover the FY 17-18 one-time move costs. State/Federal funding of $17,365 is included in the FY 17-18 budget for lease

costs. This funding is from savings associated with vacating county owned buildings. In addition, Health Services will utilize $400,000 from its Fund Balance to fund one-time move costs.

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Attachment 1: Budgetary Adjustment Resolution
Attachment 2: PowerPoint presentation
Attachment 3: Site Plan
Attachment 4: Notice of Intent – 2235 Challenger Way, Santa Rosa
Attachment 5: Notice of Intent – 2227 Capricorn Way, Santa Rosa
Attachment 6: Notice of Intent – 2255 Challenger Way, Santa Rosa
Attachment 7: Copy of proposed lease for 2235 Challenger Way, Santa Rosa
Attachment 8: Copy of proposed lease for 2227 Capricorn Way, Santa Rosa
Attachment 9: Copy of proposed lease for 2255 Challenger Way, Santa Rosa
Attachment 10: Copy of proposed letter agreement

Related Items "On File" with the Clerk of the Board:

None.

County of Sonoma
State of California

Item Number: _____

Date: November 7, 2017 Resolution Number: _____

☑ 4/5 Vote Required

Resolution of the Board of Supervisors of the County of Sonoma, State of California, Authorizing Budgetary Adjustments to the Fiscal Year 2017-2018 Adopted Budget to Allocate General Fund Contingency of $1,006,338 and $400,000 from the Department of Health Services Fund Balance to Capital Projects to Fund One-Time Relocation of Behavioral Health Facilities from the Chanate Campus.

Whereas, the Board of Supervisors has adopted the final budget for fiscal year 2017-2018 in accordance with Section 29088 of the Government Code of the State of California; and

Whereas, the Government Code allows for adjustments to the adopted budget during the 2017-2018 fiscal year.

Now, Therefore, Be It Resolved that the Board of Supervisors, County of Sonoma, State of California, does hereby authorize and direct the County Auditor-Controller to adjust the fiscal year 2017-2018 adopted budget for the increases listed in Exhibit A.

Supervisors:

Gorin: Rabbitt: Gore: Hopkins: Zane:

Ayes: Noes: Absent: Abstain:

So Ordered.

Department(s)/ Agency/(ies): Health Services

	Narratives	FTE Impacts (+/-)	Gross Expenditure	Revenue and Reimbursement	Net Cost	Annualized Net Cost
	Summary of Requested Adjustments for Board Consideration					
	Health Services - COUNTY GENERAL FUND					
Summary Row	*NOTE: HIDE the detail rows if the summary is simply a restatement of the details.*	-	-	-	-	
	Health Services - OTHER FUND					
Detail Row 1	*General Fund Contribution for one-time costs related to Behavioral Health move from Chanate campus to the Lakes complex.*			1,006,338	(1,006,338)	
Detail Row 2	*1991 MH Realignment Fund Balance for one-time costs related to Behavioral Health move from Chanate campus to the Lakes complex.*			400,000	(400,000)	
Detail Row 3	*Costs related to Behavioral Health move from Chanate campus to the Lakes complex.*		1,806,338		1,806,338	
Summary Row	*NOTE: HIDE the detail rows if the summary is simply a restatement of the details.*	-	1,806,338	1,406,338	400,000	
	Total Requested Adjustments	**0**	**1,806,338**	**1,406,338**	**400,000**	**0**
	Subtotal of General Fund Changes	***0***	***0***	***0***	***0***	***0***
	Subtotal of Other Fund Changes	***0***	***1,806,338***	***1,406,338***	***400,000***	***0***

Behavioral Health Facilities Update

Facilities Designed to Improve the Client Experience & Enhance the Resources Available to Those In Need

Barbie Robinson, MPP, JD
Director, Department of Health Services

Caroline Judy
Director, General Services

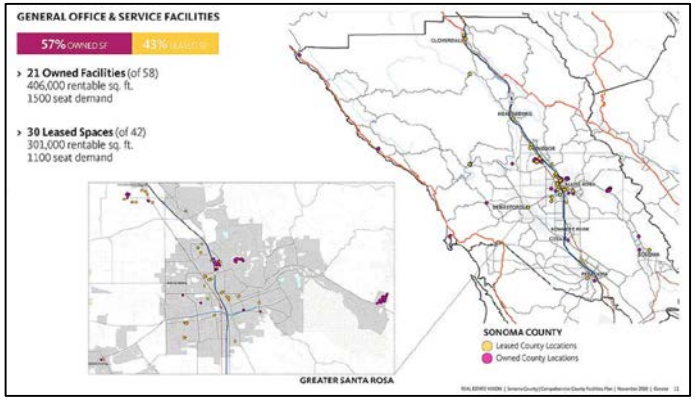
Mike Kennedy , LMFT
Director, Behavioral Health Division

sonoma county
DEPARTMENT OF HEALTH SERVICES

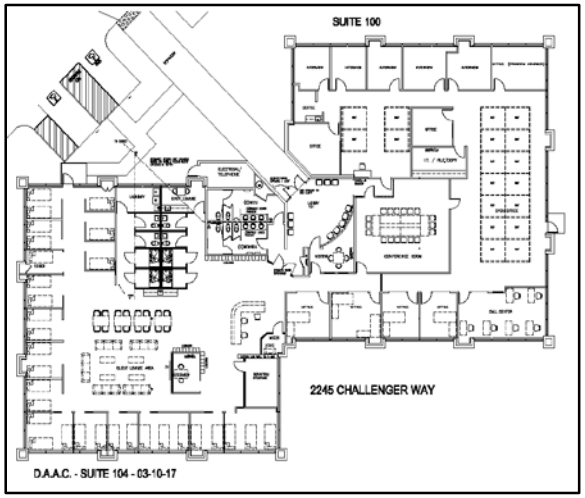
November 7, 2017

Background

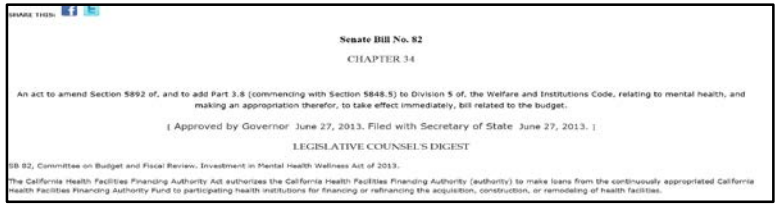
County's Long Term Facilities Plan



Expansion of CSU



Phase II – SUD Services & Detox



Senate Bill No. 82

CHAPTER 34

An act to amend Section 5892 of, and to add Part 3.8 (commencing with Section 5848.5) to Division 5 of, the Welfare and Institutions Code, relating to mental health, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2013. Filed with Secretary of State June 27, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

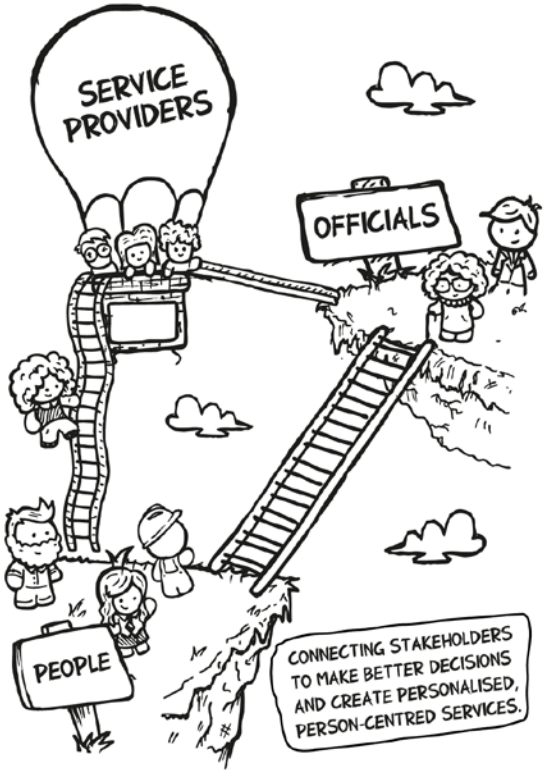
SB 82, Committee on Budget and Fiscal Review. Investment in Mental Health Wellness Act of 2013.

The California Health Facilities Financing Authority Act authorizes the California Health Facilities Financing Authority (authority) to make loans from the continuously appropriated California Health Facilities Financing Authority Fund to participating health institutions for financing or refinancing the acquisition, construction, or remodeling of health facilities.

SB82 – Investment in Mental Health Wellness Grant

Guiding Principal:
Place-Based Services

- Targeting high density areas of beneficiaries
- Consolidation of services & co-locating
- Innovative approaches
- Partnering with consumers, families, and community



Primary Objective:
Linkages to the Safety Net Initiative

Safety Net Projects

1. Project 301
2. Behavioral Health Services
3. Neighborhood Services

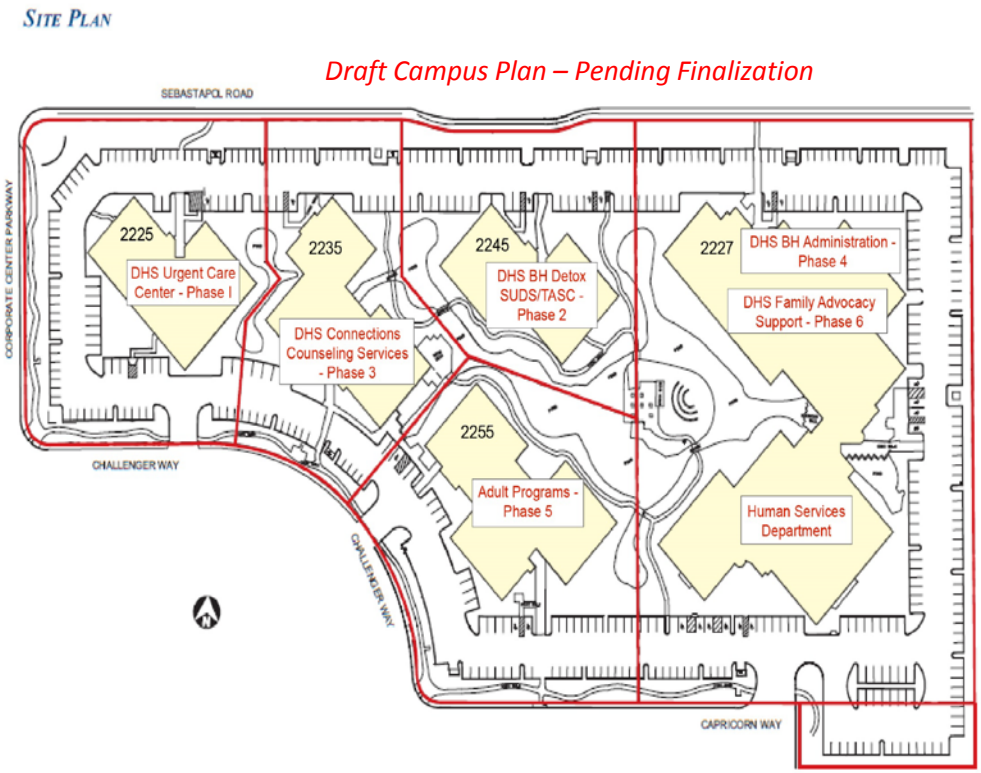
Enhancing the County's Safety Net - Goals & Indicators			
Goals		Indicators of Performance	
Improved health, well-being, and self sufficiency of clients/families	Yes	Improved service integration	Yes
Increase number of people accessing services	Yes	Improved referral and client tracking mechanisms	Yes
Improve referrals, access and sustained engagement of clients for County-provided services	Yes	Expanded services to meet critical needs	Yes
Increase coordination of county services and reduction in duplicate services	Yes	Increased access to services	Yes
Decrease resources expended per client/family	Yes	Improved information sharing across departments and community partners	Yes
The move to the Behavioral Health Wellness Campus supports all of the goals and indicators of performance listed in the County of Sonoma's Safety Net Project		Creation of a single record system	Yes
		Expanded capacity of staff	Yes
		Reduction in paperwork, gaps and duplication of services	Yes
		Improved evaluation to assess outcomes	Yes

Outcomes Associated With the Safety Net

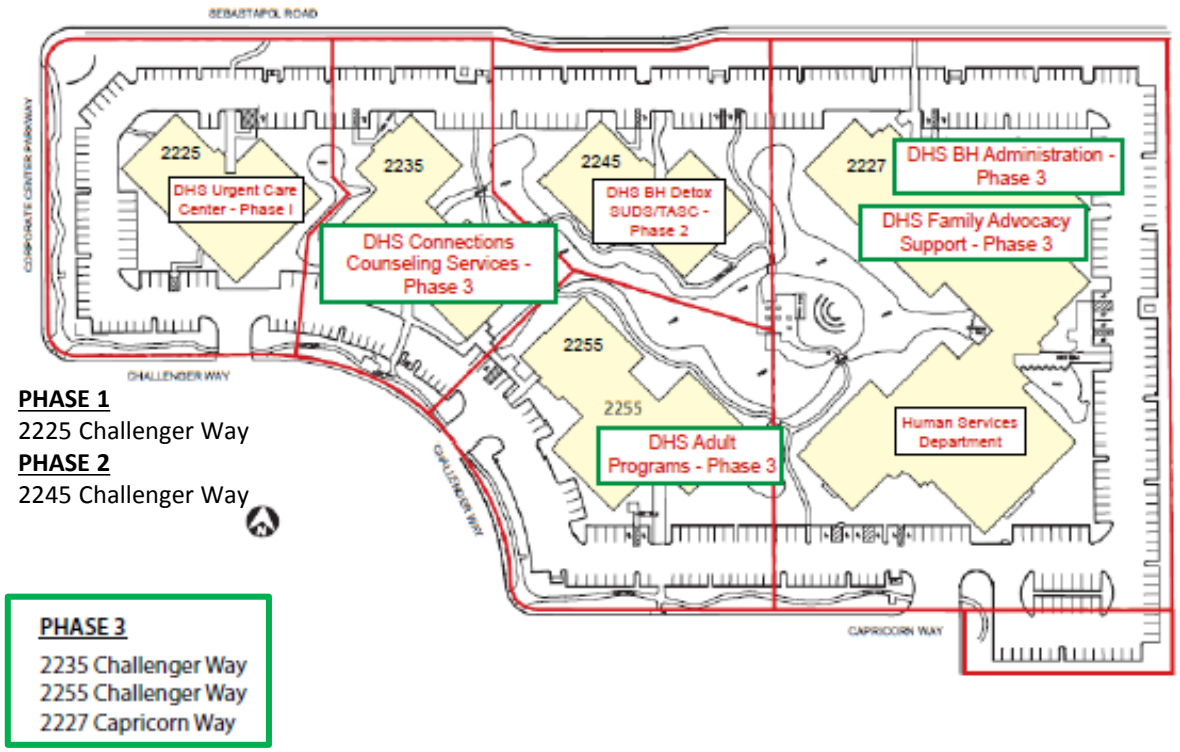
- Secure jobs or become self employed
- Increase in assets and household income
- Reduction of reliance on public benefits
- Housing stability
- Reduced recidivism
- Reduction or elimination of barriers to initial or continuous employment

Moving Towards a Behavioral Health Wellness Campus

- Phased in move timeline
- **Place-Based**
- Phase 1 = Urgent Care Center
- Phase 2 = SUD Services & Detox
- Increased access
- Single door
- Improves client experience
- Increases care coordination



"Phase III" of Relocation
2235 and 2255 Challenger Way, and 2227 Capricorn Way



PHASE 1
2225 Challenger Way
PHASE 2
2245 Challenger Way

PHASE 3
2235 Challenger Way
2255 Challenger Way
2227 Capricorn Way

Phase III will grow campus to add

- **Three** buildings comprised of 38,484 square feet of New Space at Fair market rent of $69,271 per month total – all 3 buildings
- Term of 10 years, with one, 5-year option to extend leases
- **175** staff persons will be moved to the New Space.
- New Space will house **18** additional programs.
- Programs moved include; **Youth & Family, Adult Outpatient, Older Adult, Patience Rights, Hospital UR, Quality Management, Medical Records, and Behavioral Health Program Support.**

2235 CHALLENGER WAY - 9,647 SF	1-time move costs	monthly rent	rent abatement	FY17-18 rent	FY18-19	TI allowance
Cabling Installation (high estimate)	$ 116,865					
ISD estimate	$ 7,200					
Furniture Move	$ 234,856					
Prox Card Access	$ 12,500					
COSTS	**$ 371,421**	**$ 17,365**	**$ (34,729)**	**$ 17,365**	**$ 209,938**	**$ 272,528**

2227 CAPRICORN WAY - 21,721 SF	1-time move costs	monthly rent	rent abatement	FY17-18 rent	FY18-19	TI allowance
Cabling Installation (high estimate)	$ 189,210					
ISD estimate	$ 7,200					
Furniture Move	$ 535,356					
Prox Card Access	$ 17,000					
COSTS	**$ 748,766**	**$ 39,098**	**$ (78,196)**	**$-0-**	**$ 471,519**	**$ 350,794**

2255 CHALLENGER WAY - 7,116 SF	1-time move costs	monthly rent	rent abatement	FY17-18 rent	FY18-19	TI allowance
Cabling Installation (high estimate)	$ 73,140					
ISD estimate	$ 7,200					
Furniture Move	$ 193,311					
Prox Card Access	$ 12,500					
COSTS	**$ 286,151**	**$ 12,809**	**$ (25,618)**	**$-0-**	**$ 141,281**	**$ 202,308**
TOTAL 1-time Move Costs	**$ 1,406,338**	**$ 69,271**	**$ (138,542)**	**$ 17,365**	**$ 822,739**	**$ 825,630**

NOTE: This Total does not include one month of rent for 2235 Challenger Way in the amount of $17,365 for the FY 17-18, which is included in the FY 17-18 budget for Health Services.

Requested Board Actions

- Authorize the Board Clerk to publish a notice, declaring the Board's intention to execute three separate leases for office space located on Challenger and Capricorn Way in Santa Rosa, for an initial term of 10 years, with one 5-year option to extend the term.
- Adopt a resolution authorizing budgetary adjustments to the Fiscal Year 2017-2018 adopted budget to allocate General Fund Contingency of $1,006,338 and $400,000 from Department of Health Services Fund Balance to Capital Projects to fund one-time relocation of Behavioral Health facilities from the Chanate Campus.
- Authorize the General Services Director to execute a letter-agreement whereby the Landlord will prepare architectural construction drawings and apply for building permits prior to the potential execution of the proposed leases and approval by the Board.

Request for General Fund Contingency

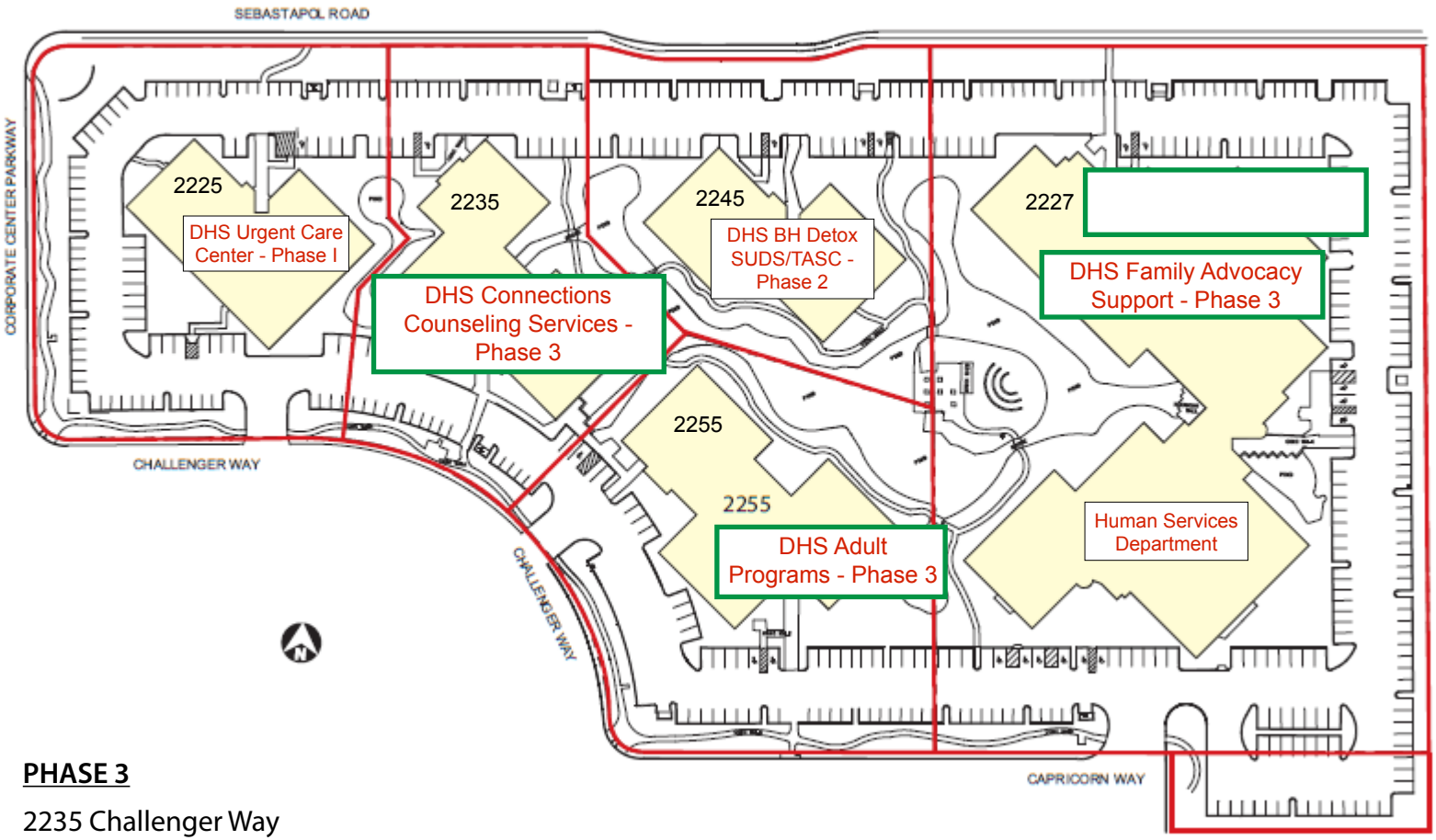
- DHS's request for use of General Fund Contingency is based on three factors:
  1) Sale of the Chanate Campus - Approved by BOS July 11, 2017.
  2) Consistent with Current Board Priorities - Supports Securing the Safety Net Priority
  3) Negative Impact on DHS Fund Balances

Thank You

Questions & Comments?

Attachment 1

Site Plan



PHASE 3

2235 Challenger Way
2255 Challenger Way
2227 Capricorn Way

PUBLIC NOTICE
OF INTENT OF COUNTY
TO LEASE REAL PROPERTY

NOTICE IS GIVEN that the Sonoma County Board of Supervisors intends to authorize the Director of the Department of General Services, to lease approximately nine thousand six hundred forty-seven (9,647) sq. ft. of office space, more or less depending on final configuration, in that certain one-story building ("Building") located at 2235 Challenger Way, Santa Rosa, California, for use by the Department of Health Services, Behavioral Health Division. The Board intends to lease the premises from SR Lakes Waterfall DE, LLC, a Delaware limited liability company, and Redbird SR Lakes Waterfall DE, LLC, a Delaware limited liability company, for the base monthly gross rental of Seventeen Thousand Three Hundred Sixty-Four and 60/100 Dollars ($17,364.60) per month, said rental subject to annual increase at a rate of three percent (3%) per sq. ft. during the 10-year initial term of the lease, as set forth in the proposed lease. The Lease contains one (1) five-year option extension term. Additional information regarding the proposed lease is available for public review at the Office of the Director of the Sonoma County General Services Department, 2300 County Center Drive, Suite A200, Santa Rosa, California 95403. The Board of Supervisors will meet on or about December 5, 2017, at 8:30 a.m. at the Sonoma County Administration Building, Room 102A, 575 Administration Drive, Santa Rosa, California to consummate the lease.

Clerk of the Board of Supervisors

Public notice of the County's intention to lease the Property shall be published once a week for three successive weeks in accordance with Government Code Section 25350 and 6063.

PUBLIC NOTICE
OF INTENT OF COUNTY
TO LEASE REAL PROPERTY

NOTICE IS GIVEN that the Sonoma County Board of Supervisors intends to authorize the Director of the Department of General Services, to lease approximately twenty-one thousand seven hundred twenty-one (21,721) sq. ft. of office space, more or less depending on final configuration, in that certain two-story building ("Building") located at 2227 Capricorn Way, Santa Rosa, California, for use by the Department of Health Services, Behavioral Health Division. The Board intends to lease the premises from SR Lakes Waterfall DE, LLC, a Delaware limited liability company, and Redbird SR Lakes Waterfall DE, a Delaware limited liability company, for the base monthly gross rental of Thirty-Nine Thousand Ninety-Seven and 80/100 Dollars ($39,097.80) per month, said rental subject to annual increase at a rate of three percent (3%) per sq. ft. during the 10-year initial term of the lease, as set forth in the proposed lease. The Lease contains one (1) five-year option extension term. Additional information regarding the proposed lease is available for public review at the Office of the Director of the Sonoma County General Services Department, 2300 County Center Drive, Suite A200, Santa Rosa, California 95403. The Board of Supervisors will meet on or about December 5, 2017, at 8:30 a.m. at the Sonoma County Administration Building, Room 102A, 575 Administration Drive, Santa Rosa, California to consummate the lease.

Clerk of the Board of Supervisors

Public notice of the County's intention to lease the Property shall be published once a week for three successive weeks in accordance with Government Code Section 25350 and 6063.

PUBLIC NOTICE
OF INTENT OF COUNTY
TO LEASE REAL PROPERTY

NOTICE IS GIVEN that the Sonoma County Board of Supervisors intends to authorize the Director of the Department of General Services, to lease approximately seven thousand one hundred sixteen (7,116) sq. ft. of office space, more or less depending on final configuration, in that certain one-story building ("Building") located at 2255 Challenger Way, Santa Rosa, California, for use by the Department of Health Services, Behavioral Health Division. The Board intends to lease the premises from SR Lakes Waterfall DE, LLC, a Delaware limited liability company, and Redbird SR Lakes Waterfall DE, LLC, a Delaware limited liability company, for the base monthly gross rental of Twelve Thousand Eight Hundred Eight and 80/100 Dollars ($12,808.80) per month, said rental subject to annual increase at a rate of three percent (3%) per sq. ft. during the 10-year initial term of the lease, as set forth in the proposed lease. The Lease contains one (1) five-year option extension term. Additional information regarding the proposed lease is available for public review at the Office of the Director of the Sonoma County General Services Department, 2300 County Center Drive, Suite A200, Santa Rosa, California 95403. The Board of Supervisors will meet on or about December 5, 2017, at 8:30 a.m. at the Sonoma County Administration Building, Room 102A, 575 Administration Drive, Santa Rosa, California to consummate the lease.

Clerk of the Board of Supervisors

Public notice of the County's intention to lease the Property shall be published once a week for three successive weeks in accordance with Government Code Section 25350 and 6063.

LEASE

BETWEEN

SR LAKES WATERFALL DE, LLC and
REDBIRD SR LAKES WATERFALL DE, LLC

AND

COUNTY OF SONOMA

FOR

2235 Challenger Way
Suites 101, 103, 107, 108 and 109
Santa Rosa, California

DATED

_____, 2017

THE LAKES
MODIFIED FULL SERVICE LEASE
BASIC LEASE INFORMATION

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

DATE:	_____, 2017.
LANDLORD:	**SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, *and* **REDBIRD SR LAKES WATERFALL 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** 1383 N. McDowell Blvd., Suite 220 Petaluma, CA 94954 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 2300 County Center Drive, Suite A220 Santa Rosa, CA 95403 Attention: Marc McDonald, Real Estate Manager Fax: (707) 565-3476 *With a copy to:* **COUNTY OF SONOMA** Department of Health Services 3313 Chanate Road Santa Rosa, CA 95403 Attention: Administration Fax: (707) 565-7849

PREMISES:	9,647 square feet of Rentable Area located at **2235 Challenger Way, Suites 101, 103, 107, 108, and 109, Santa Rosa, California**, as more particularly shown on **Exhibit A** attached hereto.
PROJECT:	That certain office Project located in the City of Santa Rosa, the County of Sonoma, California, commonly referred to as "The Lakes", consisting of 136,565 sq. ft. of Rentable Area.
TERM:	Ten (10) years, with one (1), five-year option to extend the term of the Lease.
Commencement Date	See Section 2.2.
RENT:	
a. Base Rent	$17,364.60 per month for Year 1 of the Lease ($1.80 per sq. ft.)
b. Additional Rent (Operating Expenses and Taxes)	Beginning on Month 13 of the Initial Term, Tenant shall also pay any increase, if applicable, in Operating Expenses and Taxes over the Base Year as set forth in Sections 4.5.1 and 4.5.2.
TOTAL MONTHLY BASE RENT	**$17,364.60 per month for Year 1**
c. Rent abatement	Rent and Additional Rent for Months 1-2 of the Lease shall be abated by Landlord, for a total of **$34,729.20** ($17,364.60 per month x 2 months).
d. Adjustment Date of Monthly Base Rent, Initial Term	At the beginning of the 13th month and every 12 months thereafter of the Initial Term.
e. Rent adjustment, Base Rent, Initial Term and Option terms	Three percent (3%) over the Base Rent amount per sq. ft. for the previous year beginning on the anniversary of the Commencement Date month through the end of the initial term and Option terms.
BASE YEAR:	**2018**
SECURITY DEPOSIT:	$0.00
PERMITTED USE:	General office and governmental office purposes, including, without limitation, use by the Department of Health Services.
PROGRAM OR AGENCY FOR WHICH THE PREMISES IS LEASED:	Behavioral Health services, administration and related programs, provided through the County Department of Health Services
PARKING SPACES:	See Article 8.

REAL ESTATE BROKERS:	None.

EXHIBITS AND ADDENDUM:

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

L E A S E

This Lease ("Lease") is made this _____ day of _____, 2017 ("Effective Date"), by and between **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, and **REDBIRD SR LAKES WATERFALL 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 as depicted on **Exhibit A** attached hereto ("**Premises**"), which are located in the building commonly known as **2235 Challenger Way** ("Building"), situated in that certain building campus commonly known as The Lakes ("Project") located in the city of Santa Rosa, County of Sonoma. Subject to verification as provided in Subsection 1.3.2, the Rentable Area (as defined in Section 1.3.1) and Usable Area (as defined in Section 1.3.1) of the Premises are nine thousand six hundred forty-seven (9,647) sq. ft., and __ _____ (____) square feet, respectively, while the Rentable Area of the Project is one hundred thirty-six thousand, five hundred sixty-five (136,565) square feet. The Project, the Building, the areas servicing the Building (including any adjacent parking structures and parking areas), and the land on which the Building and those areas are located (as shown on the site plan attached to this Lease as **Exhibit B**) are sometimes collectively referred to as the "**Real Property**".

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

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

third-party CalGreen or similarly qualified professional during the design phase through implementation of all work set forth in the Leasehold Improvement Agreement to review all plans, material procurement, demolition, construction and waste management procedures to ensure the leasehold improvement project is in full conformance with Tenant's sustainability practices, and to obtain and maintain compliance with CalGreen on or promptly after the date of Substantial Completion (as defined below). All such costs shall constitute "construction costs" as defined in Section 1.1 of the Leasehold Improvement Agreement, and shall be reimbursed by Tenant pursuant to Section 6.1 of the Leasehold Improvement Agreement.

1.3.1. Tenant Improvement Allowance. Tenant shall be entitled to an allowance from Landlord of Twenty-Eight and 25/100 Dollars ($28.25) per square foot of Rentable Area of the Premises (equivalent to Two Hundred Seventy-Two Thousand Five Hundred Twenty-Seven and 75/100 Dollars ($272,527.75)) toward Construction Costs (as defined in the Leasehold Improvement Agreement attached to this Lease as **Exhibit D**). Notwithstanding anything to the contrary in this Lease, the Leasehold Improvement Agreement, or the exhibits thereto, Landlord shall have no obligation to pay for any work or provide any additional funding to modify or improve the Premises or the Project for the preparation of the Premises for occupancy, except for payment of the foregoing allowance, pursuant to this Section 1.3.1 of this Lease.

1.3.2 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.

1.3.3 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.

1.3.4 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 1.3.4, 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 1.3.3 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.

1.3.5 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.

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

must approve any such Amendment and execution thereof. If Tenant does not indicate within fifteen (15) business days its agreement to lease the Expansion Space on or around the target commencement date, Landlord thereafter shall have the right to lease or extend the lease covering the Expansion Space to a third party at the rent stated in the notice. The provisions of this Section 1.4 shall be operative each time Landlord determines to lease all or a portion of the Expansion Space to a third party.

ARTICLE 2

TERM

2.1 Term. The term of this Lease ("Lease Term") shall commence on the Commencement Date provided for in Section 2.2 below") and shall end upon the expiration of ten (10) years following said Commencement Date plus the number of days between the Commencement Date and the first day of the next successive calendar month if the Commencement Date occurs on a day other than the first day of a calendar month ("Lease Expiration Date"), subject to any option, renewal or extension rights of Tenant as provided for in this Lease. For purposes of this Lease, the first "Lease Year" shall mean the period commencing on the Commencement Date and ending twelve (12) months thereafter. Thereafter, the term "Lease Year" shall mean a period equal to twelve (12) full calendar months. On **Year 7** of the initial Lease Term, Landlord shall provide Tenant with an allowance of Six Dollars ($6.00) per rentable square foot of the Premises to be used solely for the purpose of repainting the Premises and installing new carpeting throughout the Premises (including lifting and moving of Tenant's furniture and equipment and relocation).

2.2 Commencement Date. The Lease Term shall commence on the later of the following dates (the "Commencement Date"): (a) April 1, 2018, or (b) the day that is the first Monday following the elapse of thirty (30) days from actual receipt by Tenant of written notice from Landlord that the work to be done in the Premises by Landlord pursuant to the provisions of **Exhibit D** is substantially completed. Notwithstanding the foregoing, if Tenant receives actual written notice from Landlord more than thirty (30) days prior to the date stated in subclause (a) of the preceding sentence that the work to be done in the Premises by Landlord is substantially completed and if Tenant commences operation of its business in the Premises prior to the date stated in said subclause (a), then this Lease for the Premises shall commence on the date that Tenant commences operation of its business in the Premises. Upon the determination of the Commencement Date for the Premises, Landlord and Tenant shall execute a written acknowledgment of the Commencement Date and shall attach it to this Lease as **Exhibit E**.

2.2.1 Early Occupancy of Suite 108. In the event the work to be completed pursuant to Exhibit D is substantially completed in Suite 108 of the Premises, and any area necessary to the use of Suite 108 such as walkways for ingress and egress and restroom facilities, Landlord shall give notice to Tenant of the availability of Suite 108 within 14 days thereof. Tenant may elect to begin occupancy of Suite 108 upon a date agreed by Tenant and Landlord prior to the Commencement Date for the Lease. Tenant's early occupancy of Suite 108 shall not trigger the Commencement Date as defined in Section 2.2, above, but shall be considered prior to commencement of the Lease Term. If Tenant elects to take early occupancy of Suite 108, all of the terms and provisions of this Lease shall apply to Tenant's use of that portion of the Premises, except for the requirement for the payment of Rent, and Tenant shall abide by all of such terms and provisions. Tenant shall pay to Landlord the sum of Eight Hundred Eighty-Five and 60/100 Dollars ($885.60) per month for each month of early occupancy, payable on the same day of each month as the Suite 108 Early Occupancy date, in the manner set forth in Section 19.3 or at any other place that Landlord may from time to time designate in writing. Tenant's election to take early occupancy of Suite 108 pursuant to this section shall not waive or limit Tenant's right to terminate under Section 2.4 of this Lease should Landlord fail to deliver to Tenant notice of substantial completion per Sections 2.2 and 2.4 hereof with respect to the entire Premises. In the event of termination of this Lease under Section 2.4, Landlord and Tenant agree that the payment of rent for early occupancy of Suite 108 as set forth in this Section 2.2.1 shall be the only consideration due Landlord for such use.

2.3 Substantial Completion of Landlord's Work. The work to be done in the Premises by Landlord pursuant to the provisions of **Exhibit D** shall be "substantially completed" when Landlord has

delivered to Tenant a temporary or final certificate of occupancy or equivalent for the Premises and Landlord's work has been substantially performed, although minor details or adjustments that do not interfere with Tenant's use of such space may have not been completed. Landlord shall diligently pursue completion of any minor details or adjustments that have not been performed at the time Landlord gives the aforesaid notice of substantial completion to Tenant. Evidence of when the Landlord's work has been substantially performed shall be a certificate to that effect signed by Landlord's architect. Substantial (Completion of Landlord's Work or "substantially completed" is defined in Section 5.1 of **Exhibit D**.) Landlord agrees to use its best efforts to provide Tenant with at least thirty (30) days' advance notice of the date on which the Premises are expected to be substantially completed. Tenant shall have the right of early access to the Premises for a fixturing period of fifteen (15) business days prior to the Commencement Date for installation of Tenant's furniture, fixtures and equipment. No rent shall be charged to Tenant during the 30-day fixturization and early occupancy period.

2.4 Delay in Commencement. If Landlord, for any reason whatsoever, fails to give Tenant notice by August 1, 2018, subject to extension one (1) day for each day after December 5, 2017 until Tenant submits this Lease to Landlord fully executed by Tenant, that the Landlord's work in the Premises is substantially completed, as provided for above, then the Tenant may extend Landlord's time for completion thereof and delivery of possession to Tenant, and withhold from the first rental payment and subsequent rental payments as may be necessary, as liquidated damages, an amount equal to the Rent otherwise due for each day after said date during which Landlord has failed to give Tenant such notice of substantial completion. Notwithstanding the foregoing, if Landlord, for any reason whatsoever, fails to give Tenant notice that the Landlord's work in the Premises is substantially completed by August 1, 2018, Tenant at its option shall have the right, by giving Landlord five business (5) days' prior written notice of its intention to do so, to immediately cancel this Lease. Such notice shall be given prior the date that Landlord delivers the Premises to Tenant substantially completed, and any notice given after such deliver shall be void and of no force or effect. This agreement for liquidated damages is entered into because the amount is manifestly reasonable under the circumstances at the time of this Lease, and it would be extremely difficult or impossible to determine, with any degree of accuracy, the actual damages caused by such delay. Landlord's obligation to complete the Premises within the time specified in this Section 2.4 shall be extended for delays caused by Tenant, Tenant's contractors, consultants, architects, strikes, lockouts, fires, floods, war, civil disorder or government regulations. The failure of the Final Plans to be approved by Landlord and Tenant by the date set forth in the Design Schedule shall be grounds for extension of the dates set forth in this Section 2.4 except to the extent such failure is caused by Landlord unreasonably delaying, conditioning or withholding its consent to the Final Plans.

2.5 Options to Extend Term. Landlord grants to Tenant one (1) option to extend the Lease Term ("Extension Option") for a period of five (5) years ("Option Term"), subject to the conditions described in this Section 2.5.

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

2.5.2 Option Rent. Upon exercise of the Extension Option, the Rent payable by Tenant for the Option Term shall be equal to the Rent per square foot of Rentable Area in effect as of the commencement of the Option Term, increased by three percent (3%) per square foot and annually thereafter during the Option Term.

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

2.5.4 Amendment to Lease. If Tenant timely exercises the Extension Option, Landlord

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

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

2.7 Termination by Tenant.

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

2.7.2 Discretionary Termination. At any time after the date which is ten (10) years from the Commencement Date, Tenant shall have the option, by providing Landlord with a Termination Notice, to terminate this Lease with respect to all or part of the Premises, in accordance with Section 2.7.3 below.

2.7.3 Termination Provisions.

2.7.3.1 Exercise of Termination Right. The Premises subject to any Termination Notice shall be referred to as the "Canceled Premises." The termination shall be effective as of one hundred eighty (180) days after Tenant delivers the Termination Notice to Landlord ("Lease Termination Date"). If Tenant terminates the Lease pursuant to this Section 2.7, Tenant's delivery of the Termination Notice to Landlord shall be accompanied by an amount equal to the Lease Termination Fee, as defined in Subsection 2.7.3.2 below.

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

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

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

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

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

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

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

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

(c) One hundred twenty (120) 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 devises 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 Seventeen Thousand Three Hundred Sixty-Four and 60/100 Dollars ($17,364.60) (such amount being equal to One and 80/100 Dollars ($1.80) per square foot of Rentable Area per month) in advance on or before the first day of every calendar month during the Lease Term. Payment shall be made at the address set forth in Section 19.3 or at any other place that Landlord may from time to time designate in writing.

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

4.3 Rental Adjustments. Rent shall be adjusted as follows: At the beginning of the 13th month and every twelve (12) months thereafter during the Initial Term, the base rental rate shall be increased by 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 two (2) months' free rent as follows: Beginning on the Commencement Date of the Lease, Rent as defined in Section 4.5 below for the first two (2) full months of the Lease shall be abated, said abatement equal to Rent in the amount of Seventeen Thousand Three Hundred Sixty-Four and 60/100 Dollars ($17,364.60) per month times two (2) months, for a total rent abatement of Thirty-Four Thousand Seven Hundred Twenty-Nine and 20/100 Dollars ($34,729.20).

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 2018 (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 58% (9,647 rentable square feet /16,688 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 8:00 a.m. to 5:00 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 used 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 and System. Subject to the terms and conditions of the Leasehold Improvement Agreement, Tenant shall have the right to install or have installed in the Premises, a card key access system or other security system. Tenant shall repair any damage caused to the Premises or the Building due to the installation and removal of any such security system.

ARTICLE 7

ALTERATIONS AND IMPROVEMENTS

7.1 Consent Required. Tenant shall not make any alterations, improvements or additions (each, an "Alteration") in, on or about the Premises without Landlord's prior written consent, except that Tenant may make Alterations without Landlord's prior written consent where (i) the reasonably estimated cost of the Alteration and together with the cost of any other Alteration made during the immediately preceding twelve (12) months does not exceed Fifty Thousand Dollars ($50,000), and (ii) such Alterations do not affect or involve the structural integrity, roof membrane, exterior areas, Building systems or water-tight nature of the Premises, Building or Project. In requesting Landlord's consent, Tenant shall, at Tenant's sole cost, submit to Landlord complete drawings and specifications describing the Alteration and the identity of the proposed contractor. Landlord, without any cost to itself, shall cooperate with Tenant in securing building and other permits and authority necessary from time to time for any work permitted under this Lease. Tenant may at any time remove any equipment and trade fixtures installed by or on behalf of Tenant in the Premises. Improvements made by Tenant at any time to the Premises during the term of this Lease shall be and remain the property of Tenant.

7.2 Conditions

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

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

(c) Compliance with Laws. All Alterations in or about the Premises performed by or on behalf of Tenant shall be done in a first-class, workmanlike manner, shall not unreasonably lessen the

value of leasehold improvements in the Premises, and shall be completed in compliance with all applicable laws, ordinances, regulations and orders of any governmental authority having jurisdiction thereover, as well as the reasonable requirements of insurers of the Premises and the Building.

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

(e) 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 3.2 parking spaces for each 1,000 square feet of Rentable Area in the parking area associated with the Building in those spaces as designated on **Exhibit B**. Landlord acknowledges that Tenant's parking needs may fluctuate, on a daily basis throughout a 24-hour period. In the event Landlord installs a system of charging for parking in the parking area, Landlord shall establish and make available to Tenant no-charge validations issued to Tenant's customers and invitees for the use of such parking to the extent of said parking spaces in the parking area. Landlord reserves the right to grant similar nonexclusive rights to other tenant; to promulgate reasonable rules and regulations relating to the use of the parking area; and to make changes in the parking layout from time to time, provided such changes comply with Laws and Orders and do not adversely affect Tenant's ability to utilize the parking rights set forth in this Article 8. In order to help manage Tenant's parking demand, Landlord may in its sole discretion designate parking areas for the employees, clients and/or customers of Tenant and the other tenants and occupants of the Building and/or project. If Landlord determines that Tenant is using more parking spaces than set forth above in this Article 8, and such excess use results in insufficient parking being available for the other tenants and occupants of the Building or project, Tenant shall adjust its parking usage to comply with the parking allocation set forth in this Article 8.

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

ARTICLE 9

INSURANCE AND INDEMNITY

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

9.2 Indemnity.

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

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

ARTICLE 10

DESTRUCTION AND UNTENANTABILITY OF PREMISES

10.1 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 untenantable, 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 square foot for the space for which the proration is made and any adverse effects and disruptions to Tenant's business caused during the period of such repairs.

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

ARTICLE 11

EMINENT DOMAIN

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

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

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

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

11.4.1 General Provisions. Except as provided below in this Section 11.4, in the event of appropriation of less than all of the Building or of the Premises, this Lease shall continue in full force and

effect, except that, as to the portion of the Premises so appropriated, this Lease shall terminate as of the date of appropriation.

11.4.2 Right to Terminate.

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

(ii) In the event that fifty percent (50%) or more of the rentable area of the Building (as it existed on the date of the appropriation) should become untenanted or unoccupied because the appropriation renders such space unavailable or untenantable, 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 lease additional space pursuant to Section 1.5 and the option to extend the Lease Term pursuant to Section 2.5, as if all such options were fully exercised by Tenant and including Tenant's right to terminate as set forth in Section 2.6) in excess of the Rent provided for herein, exclusive of any immovable trade fixtures or improvements; plus (2) any severance damages attributable to the unexpired Lease Term plus (3) the taking of the unamortized or undepreciated value of any leasehold improvements owned by Tenant that Tenant has the right to remove at the end of the Lease Term and that Tenant elects not to remove; plus (4) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if condemnor approves the removal); plus (5) relocation costs under Government Code section 7262, the claim for which Tenant may pursue by separate action independent of this Lease; plus (6) any other amount in addition to the foregoing that does not reduce the amount of the award payable to the Landlord.

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

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

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

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

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

ARTICLE 12

COMPLIANCE WITH LAWS

12.1 Definition of "Laws and Orders." For purposes of this Article 12, the term "Laws and Orders" includes all federal, state, county, city, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated, or issued. The

term also includes government measures regulating or enforcing public access or occupational or health or safety standards for employers, employees, landlords, or tenants (including, without limitation, tenants that are public entities).

12.2 Compliance with Laws and Orders.

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

(b) Landlord. Landlord, at its expense (subject to Section 4.5.2 of the Lease), shall cause the structural portions of the building, the building systems and the common areas of the Premises to comply with all Laws and Orders (including the 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.

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 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. Such agreements shall be materially in the forms of **Exhibit G** attached hereto. If Tenant has received the nondisturbance agreement and estoppel certificate in the form(s) attached hereto as **Exhibit G**, Tenant shall, within thirty (30) days after Landlord's request, execute any further instruments or assurances in recordable form that Landlord reasonably considers necessary to evidence or confirm the subordination or superiority of this Lease to any such encumbrances or underlying leases. Such subordination instrument(s) shall be strictly limited to matters contained in the nondisturbance agreement and estoppel certificate, and no such instruments may increase any of Tenant's obligations or decrease any of Tenant's rights under this Lease. Tenant's failure to execute and deliver such instrument(s) shall constitute a default under this Lease only if Landlord has first delivered the nondisturbance agreement and estoppel certificate required hereunder to Tenant.

ARTICLE 15

TRANSFER OF TENANT'S INTEREST

15.1 Assignment and Subletting; Prohibition. Tenant shall not assign, mortgage, pledge or otherwise transfer this Lease, in whole or in part (each hereinafter referred to as an “assignment”), nor sublet or permit occupancy by any party other than Tenant of all or any part of the Premises (each hereinafter referred to as a “sublet” or “subletting”), without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. No assignment or subletting by Tenant shall relieve Tenant of any obligation under this Lease, including Tenant’s obligation to pay Rent hereunder. Any purported assignment or subletting contrary to the provisions of this Lease without Landlord’s prior written consent shall be void. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for obtaining Landlord’s consent to any subsequent assignment or subletting. Landlord may consent to any subsequent assignment or subletting, or any amendment to or modification of this Lease with the assignees of Tenant, without notifying Tenant or any successor of Tenant, and without obtaining its or their consent thereto, and such action shall not relieve Tenant or any

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

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

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

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

15.5 Withholding Consent. Without limiting other situations in which it may be reasonable for Landlord to withhold its consent to any proposed assignment or sublease, Landlord and Tenant agree that it shall be reasonable for Landlord to withhold its consent in any one (1) or more of the following situations: (1) in Landlord's reasonable judgment, the proposed subtenant or assignee or the proposed use of the Premises would materially detract from the status of the Building as a first-class office building, generate vehicle or foot traffic, parking or occupancy density materially in excess of the amount customary for the Building or the Project or result in a materially greater use of the elevator, janitorial, security or other Building services (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 (42 United States Code sections 9601-9675);

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

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

(d) Petroleum products;

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

(f) Asbestos in any form or condition;

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

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

17.4 Right of Offset. With respect to Tenant's obligations to pay Rent under the Lease, Tenant may, upon fifteen (15) days' written notice to Landlord, offset payment of Rent to Landlord for costs and

expenses incurred by Tenant for any breach of Landlord's representations and warranties set forth in this Article 17.

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

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

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

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

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

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

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

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

ARTICLE 18

INSPECTION AND ENTRY BY OWNER

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

ARTICLE 19

NOTICE

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

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

(a) When personally delivered to the recipient, notice is effective on delivery.

(b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.

(c) When mailed by certified mail with return receipt requested, notice is effective two (2) days following mailing.

(d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery.

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

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

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

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

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

"Landlord": **SR LAKES WATERFALL DE, LLC**, and **REDBIRD SR LAKES WATERFALL DE, LLC**
In care of **BASIN STREET PROPERTIES**
Attention: Scott Stranzl, Vice President, Leasing
316 California Ave, #350
Reno, Nevada 89509
Fax No. (775) 954-2917

With a copy to: in care of **BASIN STREET PROPERTIES**
Attention: Stephanie Burlingame, Vice President
Operations and Property Management
1383 N. McDowell Blvd., Suite 220
Petaluma, California 94954
Fax No. (707) 795-6283.

ARTICLE 20

DEFAULTS; REMEDIES

20.1 Landlord's Default. Landlord shall be in default of this Lease if Landlord fails or refuses to perform any provisions of this Lease that Landlord is obligated to perform if the failure to perform is not cured within thirty (30) days after notice of default has been given by Tenant to Landlord and to the holder of any first mortgage, deed of trust or ground lease covering the Premises whose name and address shall

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 21

ESTOPPEL CERTIFICATES/FINANCIAL STATEMENTS

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

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

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

ARTICLE 22

SIGNAGE

Upon the commencement of 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 Department of Health Services 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. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contract, dealing or communication, the party through whom the broker or finder makes his or her claim shall be responsible for said commission or fee and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against the same.

ARTICLE 24

DISPUTE RESOLUTION

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

24.1.1 Qualifications of Arbitrators. The arbitrators shall be retired trial court judges 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 LAKES WATERFALL 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

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its Manager

By: _____
Bruce J. Cardinal, Trustee

"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 sign this Lease pursuant to Board of Supervisors' Summary Action dated _____, 2017.

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Barbie Robinson, Director
Department of Health Services

_____
Marc McDonald, Real Estate Manager
General Services Department

Certificate of Insurance on file with Department:
Reviewed by:_____Date:_____, 2017.

Exhibit A

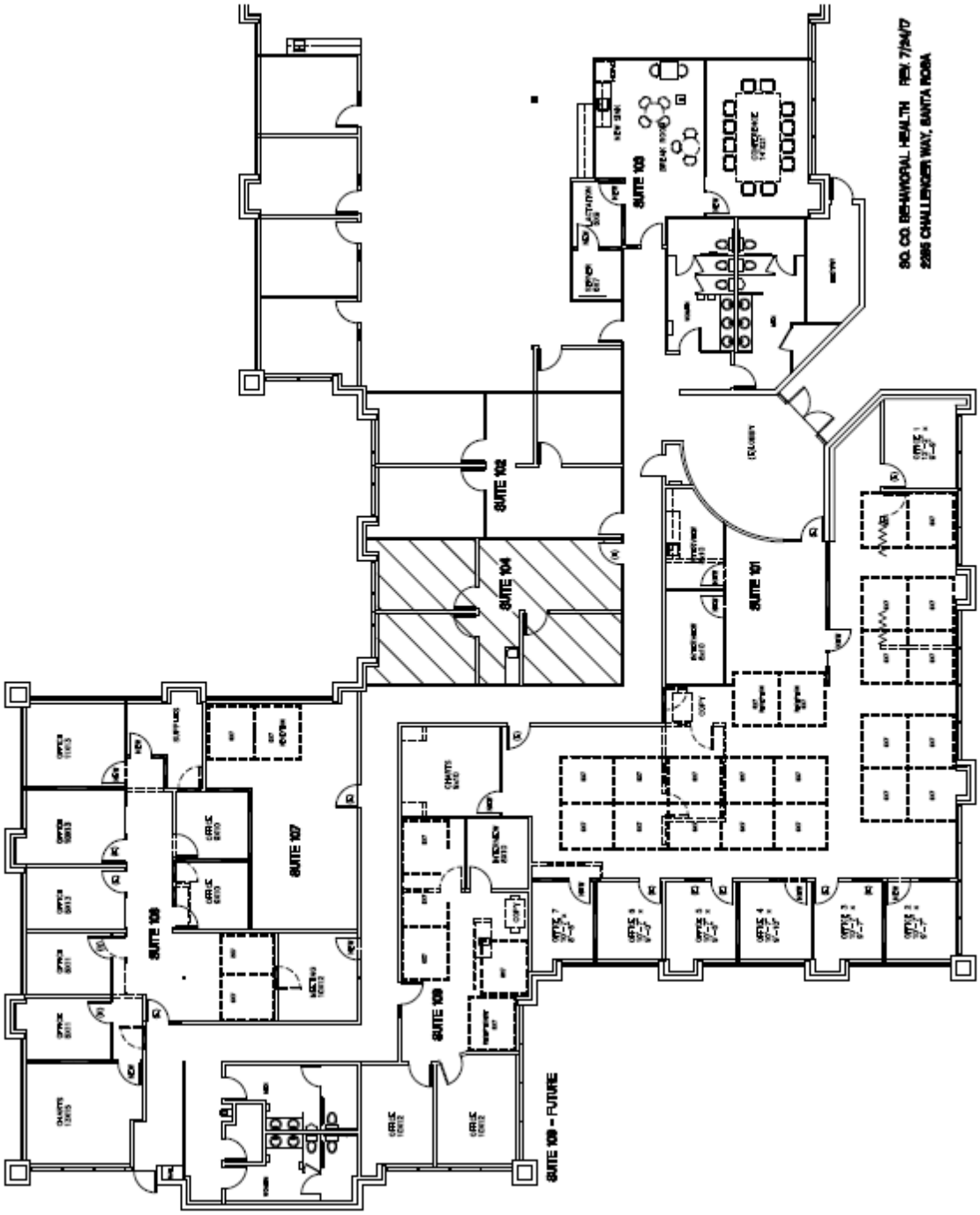

SO. CO. BEHAVIORAL HEALTH REV. 7/24/07
2285 CHALLENGER WAY, SANTA ROSA
SUITE 101
SUITE 102
SUITE 103
SUITE 104
SUITE 105
SUITE 106
SUITE 107
SUITE 108
SUITE 109
SUITE 109 - FUTURE

Exhibit B

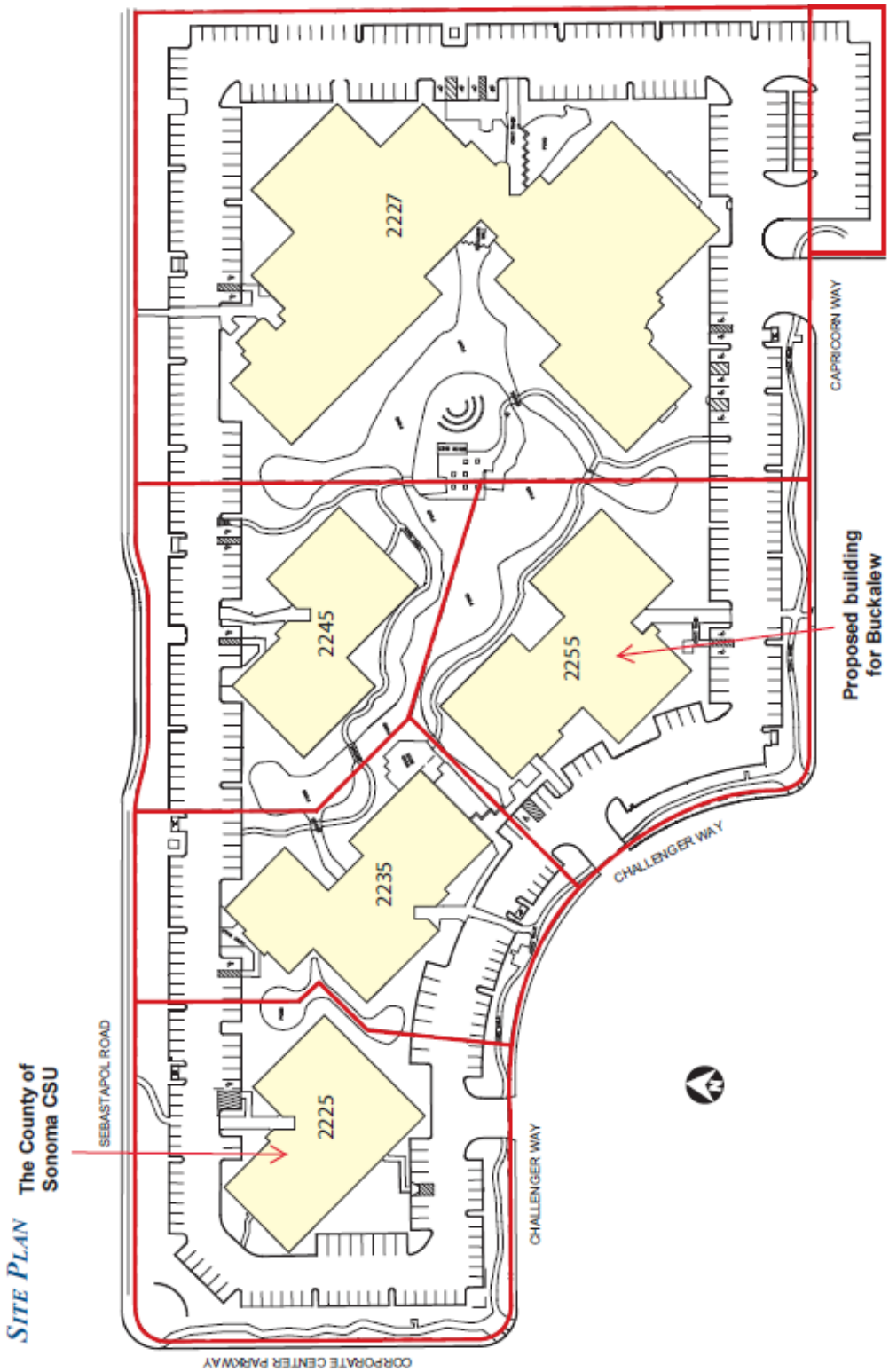

SITE PLAN
The County of Sonoma CSU
SEBASTAPOL ROAD
2225
2235
2245
2227
2255
CHALLENGER WAY
CHALLENGER WAY
CAPRICORN WAY
Proposed building for Buckalew
CORPORATE CENTER PARKWAY

Exhibit C

Rules and Regulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT D

LEASEHOLD IMPROVEMENT AGREEMENT

This Leasehold Improvement Agreement ("Agreement") is dated for reference purposes only as _____, 2017 ("Effective Date"), and is made by and between **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, and **REDBIRD SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company ("Landlord"), and the **COUNTY OF SONOMA**, a political subdivision of the State of California ("Tenant"), as part of that certain Lease dated as of the same date as this LIA between them, affecting the real property commonly known as **2235 Challenger Way, Suites 101, 103, 107, 108 and 109,** located in the City of Santa Rosa, State of California. Capitalized terms used, but not otherwise defined, in this LIA shall have meanings ascribed to those terms in the Lease. The following provisions are added to the Lease and, in the event of conflict between this LIA and the Lease, this LIA shall prevail.

ARTICLE I

DEFINITIONS

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

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

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

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

a. Payments to Contractors for labor, material, equipment, and fixture supplied pursuant to any construction contract entered into in accordance with this Agreement;

b. Fees paid to Designers for services required by this Agreement;

c. Taxes, fees, charges, and levies by governmental and quasi-governmental agencies for Permits or for inspections of the work;

d. Utilities incurred in the course of the construction;

e. Premiums for builder's risk insurance and other insurance required by this Agreement;

f. Costs incurred for the management and administration of the construction, including without limitation, wages, labor burden, and expediting, procurement, and administrative expenses; and

g. Any and all other costs incurred to complete the Leasehold Improvements.

Construction Documents means this Agreement and the Final Plans.

Design and Construction Schedule means the schedule for preparation, approval, disapproval, modification, and completion of the Final Plans and for obtaining Permits required for the Leasehold Improvements and for the commencement, prosecution, and Substantial Completion of all

Leasehold Improvements, which schedule is attached to this Agreement as **Attachment A**, and incorporated into the Agreement by this reference.

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

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

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

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

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

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

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

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

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

Punchlist is defined in Section 5.2 of this Agreement.

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

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

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

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

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

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

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

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

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

ARTICLE II

DESIGNATION OF REPRESENTATIVES

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

ARTICLE III

CONTRACT DOCUMENTS AND PERMITS

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

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

3.3 Standards for Consent. Tenant shall not unreasonably withhold its approval of the Final Plans, unless the Final Plans do not conform to the Tenant's Design Requirements or unless the Leasehold Improvements are unsuitable for the conduct of Tenant's business. Any disapproval by Tenant shall be

accompanied by a written statement of the disapproved item, the reasons for disapproval, and the specific changes required to make the Final Plans acceptable. If Tenant's written notice of disapproval is not delivered in accordance with the time limits and standards set forth in this section, approval shall be deemed given.

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

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

ARTICLE IV

PERFORMANCE OF THE WORK

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

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

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

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

ARTICLE V

COMPLETION OF THE WORK

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

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

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

ARTICLE VI

PAYMENT OF CONSTRUCTION COSTS

6.1 Duty to Pay Construction Costs. The Leasehold Improvements shall be completed by the Landlord, and Landlord shall provide Tenant a tenant improvement allowance for the Construction Costs, pursuant to Section 1.3.1 of the Lease and as referenced in the introductory paragraph of this Agreement. Any additional tenant improvements required by Tenant and approved by Landlord and Tenant by executed Change Order pursuant to Section 3.5 of this Agreement, in excess of the Tenant improvement allowance pursuant to Section 1.3.1 of the Lease, shall be paid for by the Tenant. Tenant shall bear all costs of performing Tenant's Work. In addition, Tenant shall bear all costs of performing Tenant's Work.

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

ARTICLE VII

RISK OF LOSS

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

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

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

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

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

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

LANDLORD: **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company

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

By: _____
Matthew T. White, Manager

REDBIRD SR LAKES WATEFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust
Dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

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

By: _____
Caroline Judy, Director
General Services Department

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Barbie Robinson, Director
Department of Health Services

_____
Marc McDonald, Real Estate Manager
General Services Department

Attachment A

Design and Construction Schedule

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

CLIENT TARGET MOVE-IN DATE: APRIL 1, 2018

Attachment B

Design Process

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

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

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

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

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

Attachment C

Tenant's Design Requirements/Outline Specifications

I GENERAL REQUIREMENTS

II CONSTRUCTION AND CODE CRITERIA

III DESIGN REQUIREMENTS

Division 2 Sitework
- A Parking

Division 6 Wood and Plastics
- A Cabinets

Division 7 Thermal and Moisture Protection
- A Exterior Walls
- B Roofs

Division 8 Windows and Doors
- A Windows
- B Doors
- C Hardware

Division 9 Finishes
- A Floors
- B Carpet
- C Ceilings
- D Window Coverings
- E Painting

Division 10 Specialties
- A Toilet Room Accessories
- B Signs
- C Modular Systems Furniture (MSF)

Division 13 Special Construction
- A Sound Control

Division 15 Mechanical
- A Plumbing
- B HVAC

Division 16 Electrical

Division 17 Security System

I - GENERAL REQUIREMENTS

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

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

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

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

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

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

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

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

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

II - CONSTRUCTION AND CODE CRITERIA

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

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

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

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

E Where the Tenant occupies any portion, or all of a multi-story building, the Landlord shall provide an emergency evacuation plan for the tenants. The plan shall be coordinated with the tenant agency Emergency Coordinator. In addition to any code required exit signage, Landlord shall provide sufficient "key" floor plans to clearly delineate emergency exit routes, corridor located fire extinguishers and fire alarm pull stations. Key plans shall be located in central traffic areas, wall mounted and framed under glass, minimum size 8" x 10".

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

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

1. MSDS (Material Safety Data Sheets) or other appropriate literature on any hazardous materials (paint thinners, solvents, mastics, etc.) that will be used during construction.

2. Identify any procedures likely to produce vapors, odors, fumes, dust, etc. Such procedures shall only be undertaken during times when adjacent areas are not occupied (i.e. evenings, weekends). Provide adequate ventilation to ensure that all vapors, etc. are expelled from building prior to next business day.

3. Any safety precautions Tenant should take regarding proposed construction.

III - DESIGN REQUIREMENTS

2 – Sitework

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

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

6 - Wood and Plastics

A Cabinets:

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

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

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

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

5. Face of millwork to be high-pressure decorative plastic laminate: NEMA LD-3 grades as required by Tenant Specifications. Use Formica, Wilsonart, Nevamar, or equal, subject to approval by Tenant.

6. Provide 3-way adjustable European-style concealed hinges and wire pulls plated to match hardware.

7. Finishes for casework shall be plastic laminate. Color to be selected by Tenant.

8. Design all casework to meet the requirements of ADA. Work surfaces and counters shall be adjustable in height wherever possible for accessibility and flexibility.

7 - Thermal and Moisture Protection

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

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

8 – Windows and Doors

A Windows:

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

B Doors:

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

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

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

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

C Hardware:

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

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

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

9 - Finishes

A Floors:

1. Concrete floors in janitor closets, heater or utility rooms shall be cleaned and treated with epoxy coating. Office areas throughout shall have carpet or other floor covering per Exhibit A with 4" top-set rubber base, unless otherwise

specified. Floor covering shall extend under counters and cabinets. Colors and patterns shall be as selected or approved by Tenant.

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

B Carpet:

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

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

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

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

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

10 – Specialties

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

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

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

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

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

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

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

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

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

Installation of modular systems furniture may not take place until construction of tenant improvements is substantially complete. Conditions required for said completion are:
a. Building official approval of electrical and cabling systems to the point of connection.
b. Installation of floor covering.
c. Substantial completion of project punch list.

13 - Special Construction

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

15 - Mechanical

A Plumbing: If not shown on plans, provide plumbing fixtures in number and type required by the California Plumbing Code. Provide hot and cold water at each lavatory and sink, per California Plumbing Code and CCR Title 24, Part 5.
Provide one or more Americans with Disabilities Act=compliant refrigerant drinking fountains within close proximity to office Premises or as indicated on plans. Soldered connections on water supply lines shall use ASTM 832, Grade 5A 95-5 Tin Antimony solder. Lead solder is not allowed.

At fixtures provided for the Tenant's exclusive use, provide the following:
1. Set temperature of hot water to lavatories and sinks at maximum 105º F.
2. Water heaters and storage tanks shall be fitted with external insulation blankets rated at a minimum thermal resistance value of R-6 unless the existing insulation jacket is in excess of R-12.

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

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

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

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

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

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

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

A design supply airflow of .75 cfm per SF. in interior of windowless perimeter spaces is acceptable.
Toilet rooms shall be provided with a mechanical exhaust system providing a minimum of 15 air changes per hour. Replacement air shall be supplied from the building system. Individual supply ducts for sound lined jumper ducts are acceptable. Where toilet rooms have individual exhaust fans, the fan operation shall be interlocked with the toilet room light switch. Exhaust air shall be ducted to the outside.

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

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

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

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

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

16 – Electrical

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

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

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

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

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

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

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

Provide motion sensors for all areas.

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

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

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

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

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

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

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

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

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

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

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

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

17 - Security System

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

END OF SPECIFICATIONS

Exhibit E

[Acknowledgement of Commencement Date]

LANDLORD and TENANT hereby acknowledge that the Commencement Date of that certain Lease dated _____, 2017, for premises located at **2235 Challenger Way, Suites 101, 103, 107, 108 and 109, Santa Rosa, California**, occurred on _____, 2018.

ACKNOWLEDGED BY LANDLORD:

SR LAKES WATERFALL DE, LLC, a Delaware limited liability company,

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

By: _____
Matthew T. White, Manager

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

ACKNOWLEDGED BY TENANT:

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

By: _____
Marc McDonald
Real Estate Manager

Exhibit F

Section I: Insurance Required to be Maintained by Landlord

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

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

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

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

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

i. Copy of the additional insured endorsement or policy language granting additional insured status, and
ii. Certificate of Insurance.

3. Property Insurance for Building

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

4. Rental Value Insurance

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

5. Reserved

6. Standards for Insurance Companies

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

7. Documentation

a. The Certificate of Insurance must include the following reference: **County of Sonoma leased premises located at 2235 Challenger Way, Suites 101, 103, 107, 108 and 109, 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, Attention: Real Estate Manager, 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 Section 7.1), whether pursuant to this Lease or pursuant to any prior lease or other agreement to which Tenant was a party (the "Tenant-Insured Improvements"). 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, warehouser'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 G

TENANT ESTOPPEL CERTIFICATE

Date: _____, 20____.

_____
_____
_____
_____
Attention: _____
and
_____
_____
_____
_____
Attention: _____

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

Ladies and Gentlemen:

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

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

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

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

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

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

commencement of the term of the Lease.

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

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

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

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

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

Very truly yours,

“Tenant”

_____
a _____

By: _____
Name: _____
Title: _____

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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

Attention: Colleen King
Loan No.
(PROPERTY NAME)

(Space Above For Recorder's Use)

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

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

THIS SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF LEASE ASSIGNMENT, ESTOPPEL, ATTORNMENT AND NON-DISTURBANCE AGREEMENT ("**Agreement**") is made _____, 20__ by and between REDBIRD SR LAKES WATERFALL DE, LLC, a California limited liability company and SR LAKES WATERFALL DE, LLC, a California limited liability company, **OWNERS OF THE REAL PROPERTY HEREINAFTER DESCRIBED** ("**Mortgagor**"), **TENANT NAME** _____ ("**Tenant**") and Wells Fargo Bank, National Association (collectively with its successors or assigns, "**Lender**").

R E C I T A L S

A. Pursuant to the terms and provisions of a lease dated _____("**Lease**"), Mortgagor granted to Tenant a leasehold estate in and to a portion of the property described on Exhibit A attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the "**Property**").

B. **[NOT APPLICABLE]**.

C. Mortgagor has executed that certain DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed Of Trust**") securing, among other things, that certain PROMISSORY NOTE SECURED BY DEED OF TRUST dated _____, ("**Original Note**") and as amended and restated by that certain AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEEDS OF TRUST dated _____ in the principal sum of _____ ($_____), the Original Note and the Amended & Restated Promissory Note are collectively referred to herein as the ("**Note**"), in favor of Lender ("**Loan**"). The Deed Of Trust was recorded in the Office of the Sonoma County Recorder on _____, as Document Number _____ and as amended by that certain Memorandum Of Assumption, Modification And Joinder Agreement Amending Deed Of Trust dated _____ ("**Amended Deed Of Trust**") and recorded in the Office of the Sonoma County Recorder on

_____, as Document Number _____, the Deed Of Trust and the Amended Deed Of Trust are collectively referred to herein as the ("**Security Instrument**").

D. As a condition to Lender making the Loan secured by the Security Instrument, Lender requires that the Security Instrument be unconditionally and at all times remain a lien on the Property, prior and superior to all the rights of Tenant under the Lease and that the Tenant specifically and unconditionally subordinate the Lease to the lien of the Security Instrument.

E. Mortgagor and Tenant have agreed to the subordination, attornment and other agreements herein in favor of Lender.

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

1. **SUBORDINATION**. Mortgagor and Tenant hereby agree that:

1.1 **Prior Lien.** The Security Instrument securing the Note in favor of Lender, and any modifications, renewals or extensions thereof (including, without limitation, any modifications, renewals or extensions with respect to any additional advances made subject to the Security Instrument), shall unconditionally be and at all times remain a lien on the Property prior and superior to the Lease;

1.2 **Subordination.** Lender would not make the Loan without this agreement to subordinate; and

1.3 **Whole Agreement.** This Agreement shall be the whole agreement and only agreement with regard to the subordination of the Lease to the lien of the Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the Security Instrument and the Lease, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination of the Lease to a deed or deeds of trust or to a mortgage or mortgages.

AND FURTHER, Tenant individually declares, agrees and acknowledges for the benefit of Lender, that:

1.4 **Use of Proceeds.** Lender, in making disbursements pursuant to the Note, the Security Instrument or any loan agreements with respect to the Property, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part; and

1.5 **Waiver, Relinquishment and Subordination.** Tenant intentionally and unconditionally waives, relinquishes and subordinates all of Tenant's right, title and interest in and to the Property to the lien of the Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Lender and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

2. **ASSIGNMENT**. Tenant acknowledges and consents to the assignment of the Lease by Mortgagor in favor of Lender.

3. **ESTOPPEL**. Tenant acknowledges and represents that:

3.1 **Entire Agreement.** The Lease constitutes the entire agreement between Mortgagor and Tenant with respect to the Property and Tenant claims no rights with respect to the Property other than as set forth in the Lease;

3.2 **No Prepaid Rent.** No deposits or prepayments of rent have been made in connection with the Lease, except as follows (if none, state "None"): _____ _____;

3.3 **No Default.** To the best of Tenant's knowledge, as of the date hereof: (i) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default under the Lease; and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the Lease;

3.4 **Lease Effective.** The Lease has been duly executed and delivered by Tenant and, subject to the terms and conditions thereof, the Lease is in full force and effect, the obligations of Tenant thereunder are valid and binding and there have been no amendments, modifications or additions to the Lease, written or oral; and

3.5 **No Broker Liens**. Neither Tenant nor Mortgagor has incurred any fee or commission with any real estate broker which would give rise to any lien right under state or local law, except as follows (if none, state "None"): _____ _____.

4. **ADDITIONAL AGREEMENTS**. Tenant covenants and agrees that, during all such times as Lender is the Beneficiary under the Security Instrument:

4.1 **Modification, Termination and Cancellation.** Tenant will not consent to any modification, amendment, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent and will not make any payment to Mortgagor in consideration of any modification, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent;

4.2 **Notice of Default.** Tenant will notify Lender in writing concurrently with any notice given to Mortgagor of any default by Mortgagor under the Lease, and Tenant agrees that Lender has the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below and Tenant will not declare a default of the Lease, as to Lender, if Lender cures such default within fifteen (15) days from and after the expiration of the time period provided in the Lease for the cure thereof by Mortgagor; provided, however, that if such default cannot with diligence be cured by Lender within such fifteen (15) day period, the commencement of action by Lender within such fifteen (15) day period to remedy the same shall be deemed sufficient so long as Lender pursues such cure with diligence;

4.3 **No Advance Rents**. Tenant will make no payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease; and

4.4 **Assignment of Rents.** Upon receipt by Tenant of written notice from Lender that Lender has elected to terminate the license granted to Mortgagor to collect rents, as provided in the Security Instrument, and directing the payment of rents by Tenant to Lender, Tenant shall comply with such direction to pay and shall not be required to determine whether Mortgagor is in default under the Loan and/or the Security Instrument.

5. **ATTORNMENT**. In the event of a foreclosure under the Security Instrument, Tenant agrees for the benefit of Lender (including for this purpose any transferee of Lender or any transferee of

Mortgagor's title in and to the Property by Lender's exercise of the remedy of sale by foreclosure under the Security Instrument) as follows:

5.1 **Payment of Rent.** Tenant shall pay to Lender all rental payments;

5.2 **Continuation of Performance.** Tenant shall be bound to Lender in accordance with all of the provisions of the Lease for the balance of the term thereof, and Tenant hereby attorns to Lender as its landlord, such attornment to be effective and self-operative without the execution of any further instrument immediately upon Lender succeeding to Mortgagor's interest in the Lease and giving written notice thereof to Tenant;

5.3 **No Offset.** Lender shall not be liable for, nor subject to, any offsets or defenses which Tenant may have by reason of any act or omission of Mortgagor under the Lease, nor for the return of any sums which Tenant may have paid to Mortgagor under the Lease as and for security deposits, advance rental payments or otherwise, except to the extent that such sums are actually delivered by Mortgagor to Lender; and

5.4 **Subsequent Transfer.** If Lender, by succeeding to the interest of Mortgagor under the Lease, should become obligated to perform the covenants of Mortgagor thereunder, then, upon any further transfer of Mortgagor's interest by Lender, all of such obligations shall terminate as to Lender.

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

7. **MISCELLANEOUS**.

7.1 **Remedies Cumulative.** All rights of Lender herein to collect rental payments on behalf of Mortgagor under the Lease are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender and Mortgagor or others.

7.2 **Notices.** All notices, demands, or other communications under this Agreement and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of Default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

Mortgagor:	SR LAKES WATERFALL, LLC, and REDBIRD SR LAKES WATERFALL DE, LLC In care of Basin Street Properties 50 W. Liberty, Suite 250 Reno, Nevada 89501 Attention: Matthew T. White
Tenant:	COUNTY OF SONOMA General Services Department In care of Facilities Development & Management 2300 County Center Drive, Suite A220 Santa Rosa, California 95403 Attention: Real Estate Manager
Lender:	Wells Fargo Bank, National Association San Francisco Real Estate Banking Group (AU #0002034) 420 Montgomery Street, 6th Floor San Francisco, California 94104 Attention: Peter Angel Loan #:1008340
With a copy to:	Wells Fargo Bank, National Association Minneapolis Loan Center 608 Second Avenue South, 11th Floor Minneapolis, Minnesota 55402 Attention: Andrew J. Douglas

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

7.3 **Heirs, Successors and Assigns.** Except as otherwise expressly provided under the terms and conditions herein, the terms of this Agreement shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto.

7.4 **Headings.** All article, section or other headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.

7.5 **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

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

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

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

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

"MORTGAGOR"

SR LAKES WATERFALL DE, LLC,
a Delaware limited liability company

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

By:_____
Matthew T. White, Manager

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its Manager

By: _____
Bruce J. Cardinal, Trustee

"TENANT"

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

By:_____
Name:_____
Title:_____

"LENDER"

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:_____
Peter M. Angel
Vice President

IF DOCUMENT TO BE RECORDED, ALL SIGNATURES MUST BE ACKNOWLEDGED

EXHIBIT A - DESCRIPTION OF PROPERTY

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

[IF LEASE GUARANTY]
LEASE GUARANTOR'S CONSENT

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

AGREED:

Dated as of: _____

"LEASE GUARANTOR"

[SIGNATURE BLOCK FOR LEASE GUARANTOR]

IF DOCUMENT TO BE RECORDED, ALL SIGNATURES MUST BE ACKNOWLEDGED

Exhibit H

[Phase I Environmental Site Assessment]

Exhibit I

[Form of Memorandum of Lease]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

_____
_____
_____

Above Space for Recorder's Use Only

MEMORANDUM OF LEASE

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

1. **Lease Terms and Premises**. Landlord and County have entered into a Lease dated _____ __, 20__ (the "***Lease***") whereby Landlord leases to County, and County leases from Landlord, that certain building located at **2235 Challenger Way**, situated in that certain building campus commonly known as The Lakes (the "***Lakes Site***"), located in the city of Santa Rosa, County of Sonoma, for purposes of locating and operating a psychiatric care facility and ancillary medical uses in support of the psychiatric care facility (the Psychiatric Care Facility) therein. The premises that are leased to the County pursuant to the Lease are more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the "***Premises***"). The provisions of the Lease are incorporated herein.

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

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

"LANDLORD": **SR LAKES WATERFALL 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

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

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

By: _____
Caroline Judy, Director
General Services Department

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Marc McDonald, Real Estate Manager
General Services Department

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

State of California)
)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A TO MEMORANDUM OF LEASE

Description of Premises

--End of Lease--

LEASE

BETWEEN

SR LAKES WATERFALL DE, LLC and
REDBIRD SR LAKES WATERFALL DE, LLC

AND

COUNTY OF SONOMA

FOR

2227 Capricorn Way
Suites 201, 203, 208, 210 and 212
Santa Rosa, California

DATED

_____, 2017

THE LAKES
MODIFIED FULL SERVICE LEASE
BASIC LEASE INFORMATION

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

DATE:	_____, 2017.
LANDLORD:	**SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, *and* **REDBIRD SR LAKES WATERFALL 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** 1383 N. McDowell Blvd., Suite 220 Petaluma, CA 94954 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 2300 County Center Drive, Suite A220 Santa Rosa, CA 95403 Attention: Marc McDonald, Real Estate Manager Fax: (707) 565-3476 *With a copy to:* **COUNTY OF SONOMA** Department of Health Services 3313 Chanate Road Santa Rosa, CA 95403 Attention: Administration Fax: (707) 565-7849

PREMISES:	21,721 square feet of Rentable Area located at **2227 Capricorn Way, Suites 201, 203, 208, 210 and 212, Santa Rosa, California**, as more particularly shown on **Exhibit A** attached hereto.
PROJECT:	That certain office Project located in the City of Santa Rosa, the County of Sonoma, California, commonly referred to as "The Lakes", consisting of 136,565 sq. ft. of Rentable Area.
TERM:	Ten (10) years, with one (1), five-year option to extend the term of the Lease.
Commencement Date	See Section 2.2.
RENT:	
a. Base Rent	$39,097.80 per month for Year 1 of the Lease ($1.80 per sq. ft.)
b. Additional Rent (Operating Expenses and Taxes)	Beginning on Month 13 of the Initial Term, Tenant shall also pay any increase, if applicable, in Operating Expenses and Taxes over the Base Year as set forth in Sections 4.5.1 and 4.5.2.
TOTAL MONTHLY BASE RENT	**$39,097.80 per month for Year 1**
c. Rent abatement	Rent and Additional Rent for Months 1-2 of the Lease shall be abated by Landlord, for a total of **$78,195.60** ($39,097.80 per month x 2 months).
d. Adjustment Date of Monthly Base Rent, Initial Term	At the beginning of the 13th month and every 12 months thereafter of the Initial Term.
e. Rent adjustment, Base Rent, Initial Term and Option terms	Three percent (3%) over the Base Rent amount per sq. ft. for the previous year beginning on the anniversary of the Commencement Date month through the end of the initial term and Option terms.
BASE YEAR:	**2018**
SECURITY DEPOSIT:	$0.00
PERMITTED USE:	General office and governmental office purposes, including, without limitation, use by the Department of Health Services.
PROGRAM OR AGENCY FOR WHICH THE PREMISES IS LEASED:	Behavioral Health services, administration and related programs, provided through the County Department of Health Services
PARKING SPACES:	See Article 8.

REAL ESTATE BROKERS:	None.

EXHIBITS AND ADDENDUM:

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

L E A S E

This Lease ("Lease") is made this _____ day of _____, 2017 ("Effective Date"), by and between **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, and **REDBIRD SR LAKES WATERFALL 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 as depicted on **Exhibit A** attached hereto ("**Premises**"), which are located in the building commonly known as **2227 Capricorn Way** ("Building"), situated in that certain building campus commonly known as The Lakes ("Project") located in the city of Santa Rosa, County of Sonoma. Subject to verification as provided in Subsection 1.3.2, the Rentable Area (as defined in Section 1.3.1) and Usable Area (as defined in Section 1.3.1) of the Premises are twenty-one thousand seven hundred twenty-one (21,721) sq. ft., and _____ (_____) square feet, respectively, while the Rentable Area of the Project is one hundred thirty-six thousand, five hundred sixty-five (136,565) square feet. The Project, the Building, the areas servicing the Building (including any adjacent parking structures and parking areas), and the land on which the Building and those areas are located (as shown on the site plan attached to this Lease as **Exhibit B**) are sometimes collectively referred to as the "**Real Property**".

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

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

third-party CalGreen or similarly qualified professional during the design phase through implementation of all work set forth in the Leasehold Improvement Agreement to review all plans, material procurement, demolition, construction and waste management procedures to ensure the leasehold improvement project is in full conformance with Tenant's sustainability practices, and to obtain and maintain compliance with CalGreen on or promptly after the date of Substantial Completion (as defined below). All such costs shall constitute "construction costs" as defined in Section 1.1 of the Leasehold Improvement Agreement, and shall be reimbursed by Tenant pursuant to Section 6.1 of the Leasehold Improvement Agreement.

1.3.1. Tenant Improvement Allowance. Tenant shall be entitled to an allowance from Landlord of Sixteen and 15/100 Dollars ($16.15) per square foot of Rentable Area of the Premises (equivalent to Three Hundred Fifty Thousand Seven Hundred Ninety-Four and 15/100 Dollars ($350,794.15) toward Construction Costs (as defined in the Leasehold Improvement Agreement attached to this Lease as **Exhibit D**). Notwithstanding anything to the contrary in this Lease, the Leasehold Improvement Agreement, or the exhibits thereto, Landlord shall have no obligation to pay for any work or provide any additional funding to modify or improve the Premises or the Project for the preparation of the Premises for occupancy, except for payment of the foregoing allowance, pursuant to this Section 1.3.1 of this Lease.

1.3.2 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.

1.3.3 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.

1.3.4 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 1.3.4, 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 1.3.3 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.

1.3.5 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.

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

must approve any such Amendment and execution thereof. If Tenant does not indicate within fifteen (15) business days its agreement to lease the Expansion Space on or around the target commencement date, Landlord thereafter shall have the right to lease or extend the lease covering the Expansion Space to a third party at the rent stated in the notice. The provisions of this Section 1.4 shall be operative each time Landlord determines to lease all or a portion of the Expansion Space to a third party.

ARTICLE 2

TERM

2.1 Term. The term of this Lease ("Lease Term") shall commence on the Commencement Date provided for in Section 2.2 below") and shall end upon the expiration of ten (10) years following said Commencement Date plus the number of days between the Commencement Date and the first day of the next successive calendar month if the Commencement Date occurs on a day other than the first day of a calendar month ("Lease Expiration Date"), subject to any option, renewal or extension rights of Tenant as provided for in this Lease. For purposes of this Lease, the first "Lease Year" shall mean the period commencing on the Commencement Date and ending twelve (12) months thereafter. Thereafter, the term "Lease Year" shall mean a period equal to twelve (12) full calendar months. On **Year 7** of the initial Lease Term, Landlord shall provide Tenant with an allowance of Six Dollars ($6.00) per rentable square foot of the Premises to be used solely for the purpose of repainting the Premises and installing new carpeting throughout the Premises (including lifting and moving of Tenant's furniture and equipment and relocation).

2.2 Commencement Date. The Lease Term shall commence on the later of the following dates (the "Commencement Date"): (a) May 1, 2018, or (b) the day that is the first Monday following the elapse of thirty (30) days from actual receipt by Tenant of written notice from Landlord that the work to be done in the Premises by Landlord pursuant to the provisions of **Exhibit D** is substantially completed. Notwithstanding the foregoing, if Tenant receives actual written notice from Landlord more than thirty (30) days prior to the date stated in subclause (a) of the preceding sentence that the work to be done in the Premises by Landlord is substantially completed and if Tenant commences operation of its business in the Premises prior to the date stated in said subclause (a), then this Lease shall commence on the date that Tenant commences operation of its business in the Premises. Upon the determination of the Commencement Date, Landlord and Tenant shall execute a written acknowledgment of the Commencement Date and shall attach it to this Lease as **Exhibit E**.

2.3 Substantial Completion of Landlord's Work. The work to be done in the Premises by Landlord pursuant to the provisions of **Exhibit D** shall be "substantially completed" when Landlord has delivered to Tenant a temporary or final certificate of occupancy or equivalent for the Premises and Landlord's work has been substantially performed, although minor details or adjustments that do not interfere with Tenant's use of such space may have not been completed. Landlord shall diligently pursue completion of any minor details or adjustments that have not been performed at the time Landlord gives the aforesaid notice of substantial completion to Tenant. Evidence of when the Landlord's work has been substantially performed shall be a certificate to that effect signed by Landlord's architect. Substantial (Completion of Landlord's Work or "substantially completed" is defined in Section 5.1 of **Exhibit D**.) Landlord agrees to use its best efforts to provide Tenant with at least thirty (30) days' advance notice of the date on which the Premises are expected to be substantially completed. Tenant shall have the right of early access to the Premises for a fixturing period of fifteen (15) business days prior to the Commencement Date for installation of Tenant's furniture, fixtures and equipment. No rent shall be charged to Tenant during the 30-day fixturization and early occupancy period.

2.4 Delay in Commencement. If Landlord, for any reason whatsoever, fails to give Tenant notice by September 1, 2018, subject to extension one (1) day for each day after December 5, 2017 until Tenant submits this Lease to Landlord fully executed by Tenant, that the Landlord's work in the Premises is substantially completed, as provided for above, then the Tenant may extend Landlord's time for completion thereof and delivery of possession to Tenant, and withhold from the first rental payment and subsequent rental payments as may be necessary, as liquidated damages, an amount equal to the Rent

otherwise due for each day after said date during which Landlord has failed to give Tenant such notice of substantial completion. Notwithstanding the foregoing, if Landlord, for any reason whatsoever, fails to give Tenant notice that the Landlord's work in the Premises is substantially completed by September 1, 2018, Tenant at its option shall have the right, by giving Landlord five business (5) days' prior written notice of its intention to do so, to immediately cancel this Lease. Such notice shall be given prior the date that Landlord delivers the Premises to Tenant substantially completed, and any notice given after such deliver shall be void and of no force or effect. This agreement for liquidated damages is entered into because the amount is manifestly reasonable under the circumstances at the time of this Lease, and it would be extremely difficult or impossible to determine, with any degree of accuracy, the actual damages caused by such delay. Landlord's obligation to complete the Premises within the time specified in this Section 2.4 shall be extended for delays caused by Tenant, Tenant's contractors, consultants, architects, strikes, lockouts, fires, floods, war, civil disorder or government regulations. The failure of the Final Plans to be approved by Landlord and Tenant by the date set forth in the Design Schedule shall be grounds for extension of the dates set forth in this Section 2.4 except to the extent such failure is caused by Landlord unreasonably delaying, conditioning or withholding its consent to the Final Plans.

2.5 Options to Extend Term. Landlord grants to Tenant one (1) option to extend the Lease Term ("Extension Option") for a period of five (5) years ("Option Term"), subject to the conditions described in this Section 2.5.

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

2.5.2 Option Rent. Upon exercise of the Extension Option, the Rent payable by Tenant for the Option Term shall be equal to the Rent per square foot of Rentable Area in effect as of the commencement of the Option Term, increased by three percent (3%) per square foot and annually thereafter during the Option Term.

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

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

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

2.7 Termination by Tenant.

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

or agency for which the Premises were leased; or (c) the funding, whether County, State or Federal, for the program or agency for which the Premises were leased is reduced or withdrawn.

2.7.2 Discretionary Termination. At any time after the date which is ten (10) years from the Commencement Date, Tenant shall have the option, by providing Landlord with a Termination Notice, to terminate this Lease with respect to all or part of the Premises, in accordance with Section 2.7.3 below.

2.7.3 Termination Provisions.

2.7.3.1 Exercise of Termination Right. The Premises subject to any Termination Notice shall be referred to as the "Canceled Premises." The termination shall be effective as of one hundred eighty (180) days after Tenant delivers the Termination Notice to Landlord ("Lease Termination Date"). If Tenant terminates the Lease pursuant to this Section 2.7, Tenant's delivery of the Termination Notice to Landlord shall be accompanied by an amount equal to the Lease Termination Fee, as defined in Subsection 2.7.3.2 below.

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

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

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

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

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

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

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

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

(c) One hundred twenty (120) 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 devises 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 Thirty-Nine Thousand Ninety-Seven and 80/100 Dollars ($ 39,097.80) (such amount being equal to One and 80/100 Dollars ($1.80) per square foot of Rentable Area per month) in advance on or before the first day of every calendar month during the Lease Term. Payment shall be made at the address set forth in Section 19.3 or at any other place that Landlord may from time to time designate in writing.

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

4.3 Rental Adjustments. Rent shall be adjusted as follows: At the beginning of the 13th month and every twelve (12) months thereafter during the Initial Term, the base rental rate shall be increased by 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 two (2) months' free rent as follows: Beginning on the Commencement Date of the Lease, Rent as defined in Section 4.5 below for the first two (2) full months of the Lease shall be abated, said abatement equal to Rent in the amount of Thirty-Nine Thousand Ninety-Seven and 80/100 Dollars ($39,097.80) per month times two (2) months, for a total rent abatement of Seventy-Eight Thousand One Hundred Ninety-Five and 60/100 Dollars ($25,617.60).

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 2018 (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 80% (21,721 rentable square feet /27,203 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 8:00 a.m. to 5:00 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 used 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 and System. Subject to the terms and conditions of the Leasehold Improvement Agreement, Tenant shall have the right to install or have installed in the Premises, a card key access system or other security system. Tenant shall repair any damage caused to the Premises or the Building due to the installation and removal of any such security system.

ARTICLE 7

ALTERATIONS AND IMPROVEMENTS

7.1 Consent Required. Tenant shall not make any alterations, improvements or additions (each, an "Alteration") in, on or about the Premises without Landlord's prior written consent, except that Tenant may make Alterations without Landlord's prior written consent where (i) the reasonably estimated

cost of the Alteration and together with the cost of any other Alteration made during the immediately preceding twelve (12) months does not exceed Fifty Thousand Dollars ($50,000), and (ii) such Alterations do not affect or involve the structural integrity, roof membrane, exterior areas, Building systems or water-tight nature of the Premises, Building or Project. In requesting Landlord's consent, Tenant shall, at Tenant's sole cost, submit to Landlord complete drawings and specifications describing the Alteration and the identity of the proposed contractor. Landlord, without any cost to itself, shall cooperate with Tenant in securing building and other permits and authority necessary from time to time for any work permitted under this Lease. Tenant may at any time remove any equipment and trade fixtures installed by or on behalf of Tenant in the Premises. Improvements made by Tenant at any time to the Premises during the term of this Lease shall be and remain the property of Tenant.

7.2 Conditions

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

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

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

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

(e) 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 3.2 parking spaces for each 1,000 square feet of Rentable Area in the parking area associated with the Building in those spaces as designated on **Exhibit B**. Landlord acknowledges that

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

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

ARTICLE 9

INSURANCE AND INDEMNITY

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

9.2 Indemnity.

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

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

ARTICLE 10

DESTRUCTION AND UNTENANTABILITY OF PREMISES

10.1 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 untenantable, 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 square foot for the space for which the proration is made and any adverse effects and disruptions to Tenant's business caused during the period of such repairs.

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

ARTICLE 11

EMINENT DOMAIN

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

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

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

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

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

11.4.2 Right to Terminate.

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

(ii) In the event that fifty percent (50%) or more of the rentable area of the Building (as it existed on the date of the appropriation) should become untenanted or unoccupied because the appropriation renders such space unavailable or untenantable, 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 lease additional space pursuant to Section 1.5 and the option to extend the Lease Term pursuant to Section 2.5, as if all such options were fully exercised by Tenant and including Tenant's right to terminate as set forth in Section 2.6) in excess of the Rent provided for herein, exclusive of any immovable trade fixtures or improvements; plus (2) any severance damages attributable to the unexpired Lease Term plus (3) the taking of the unamortized or undepreciated value of any leasehold improvements owned by Tenant that Tenant has the right to remove at the end of the Lease Term and that Tenant elects not to remove; plus (4) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if condemnor approves the removal); plus (5) relocation costs under Government Code section 7262, the claim for which Tenant may pursue by separate action independent of this Lease; plus (6) any other amount in addition to the foregoing that does not reduce the amount of the award payable to the Landlord.

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

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

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

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

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

ARTICLE 12

COMPLIANCE WITH LAWS

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

12.2 Compliance with Laws and Orders.

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

(b) Landlord. Landlord, at its expense (subject to Section 4.5.2 of the Lease), shall cause the structural portions of the building, the building systems and the common areas of the Premises to comply with all Laws and Orders (including the 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.

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 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. Such agreements shall be materially in the forms of **Exhibit G** attached hereto. If Tenant has received the nondisturbance agreement and estoppel certificate in the form(s) attached hereto as **Exhibit G**, Tenant shall, within thirty (30) days after Landlord's request, execute any further instruments or assurances in recordable form that Landlord reasonably considers necessary to evidence or confirm the subordination or superiority of this Lease to any such encumbrances or underlying leases. Such subordination instrument(s) shall be strictly limited to matters contained in the nondisturbance

agreement and estoppel certificate, and no such instruments may increase any of Tenant's obligations or decrease any of Tenant's rights under this Lease. Tenant's failure to execute and deliver such instrument(s) shall constitute a default under this Lease only if Landlord has first delivered the nondisturbance agreement and estoppel certificate required hereunder to Tenant.

ARTICLE 15

TRANSFER OF TENANT'S INTEREST

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

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

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

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

15.5 Withholding Consent. Without limiting other situations in which it may be reasonable for Landlord to withhold its consent to any proposed assignment or sublease, Landlord and Tenant agree that it shall be reasonable for Landlord to withhold its consent in any one (1) or more of the following situations: (1) in Landlord's reasonable judgment, the proposed subtenant or assignee or the proposed use of the Premises would materially detract from the status of the Building as a first-class office building, generate vehicle or foot traffic, parking or occupancy density materially in excess of the amount customary for the Building or the Project or result in a materially greater use of the elevator, janitorial, security or other Building services (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 (42 United States Code sections 9601-9675);

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

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

(d) Petroleum products;

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

(f) Asbestos in any form or condition;

(g) Polychlorinated biphenyls 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 Phase I Environmental Site Assessment prepared for The Lakes by Kleinfelder, Inc., dated August 13, 2012, a copy

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 18

INSPECTION AND ENTRY BY OWNER

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

ARTICLE 19

NOTICE

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

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

(a) When personally delivered to the recipient, notice is effective on delivery.

(b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.

(c) When mailed by certified mail with return receipt requested, notice is effective two (2) days following mailing.

(d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery.

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

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

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

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

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

"Landlord": **SR LAKES WATERFALL DE, LLC**, and
REDBIRD SR LAKES WATERFALL DE, LLC
In care of **BASIN STREET PROPERTIES**
Attention: Scott Stranzl, Vice President, Leasing
316 California Ave, #350
Reno, Nevada 89509
Fax No. (775) 954-2917

With a copy to: in care of **BASIN STREET PROPERTIES**
Attention: Stephanie Burlingame, Vice President
Operations and Property Management
1383 N. McDowell Blvd., Suite 220
Petaluma, California 94954
Fax No. (707) 795-6283.

ARTICLE 20

DEFAULTS; REMEDIES

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

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

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

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

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

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

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

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

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

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

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

in and to the Premises, Tenant (and at Landlord's sole election, Tenant's sublessees) shall no longer have any interest in the Premises, and Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises which Landlord in its sole discretion deems reasonable and necessary. The worth, at the time of the award of the amounts referred to in subparagraphs (A) and (B) above is computed by allowing interest at the maximum rate an individual is permitted by law to charge. The worth at the time of award of the amount referred to in subparagraph (C) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

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

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

ARTICLE 21

ESTOPPEL CERTIFICATES/FINANCIAL STATEMENTS

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

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

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

ARTICLE 22

SIGNAGE

Upon the commencement of 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 Department of Health Services 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. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contract, dealing or communication, the party through whom the broker or finder makes his or her claim shall be responsible for said commission or fee and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against the same.

ARTICLE 24

DISPUTE RESOLUTION

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

24.1.1 Qualifications of Arbitrators. The arbitrators shall be retired trial court judges 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]

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

"LANDLORD": **SR LAKES WATERFALL 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

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its Manager

By: _____
Bruce J. Cardinal, Trustee

"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 sign this Lease pursuant to Board of Supervisors' Summary Action dated _____, 2017.

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Barbie Robinson, Director
Department of Health Services

_____
Marc McDonald, Real Estate Manager
General Services Department

Certificate of Insurance on file with Department:
Reviewed by:_____Date:_____, 2017.

Exhibit A

Exhibit B

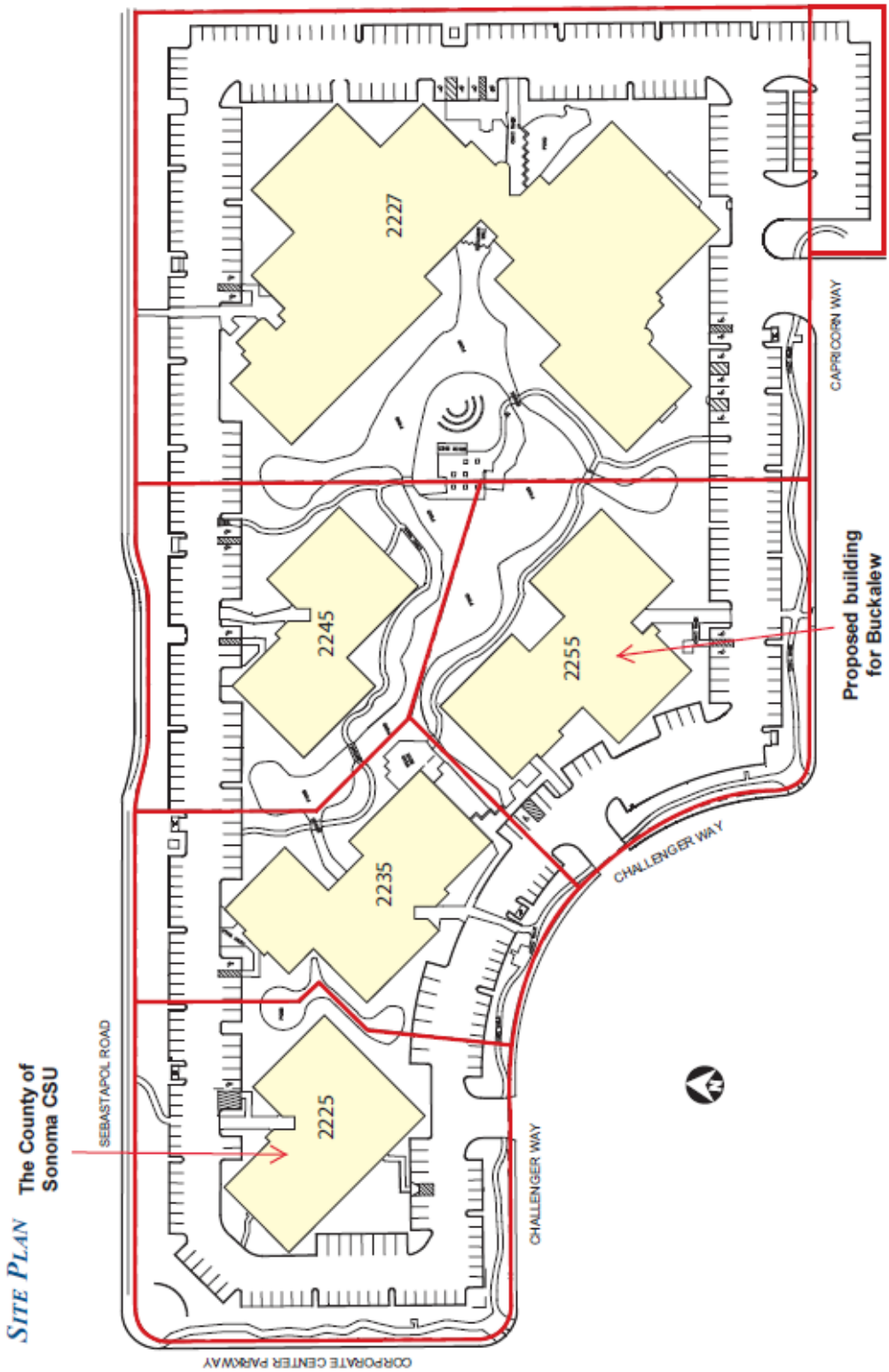
SITE PLAN
The County of Sonoma CSU
SEBASTAPOL ROAD
2225
2235
2245
2227
2255
CHALLENGER WAY
CHALLENGER WAY
CAPRICORN WAY
Proposed building for Buckalew
CORPORATE CENTER PARKWAY

Exhibit C

Rules and Regulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT D

LEASEHOLD IMPROVEMENT AGREEMENT

This Leasehold Improvement Agreement ("Agreement") is dated for reference purposes only as _____, 2017 ("Effective Date"), and is made by and between **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, and **REDBIRD SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company ("Landlord"), and the **COUNTY OF SONOMA**, a political subdivision of the State of California ("Tenant"), as part of that certain Lease dated as of the same date as this LIA between them, affecting the real property commonly known as **2227 Capricorn Way, Suites 201, 203, 208, 210 and 212,** located in the City of Santa Rosa, State of California. Capitalized terms used, but not otherwise defined, in this LIA shall have meanings ascribed to those terms in the Lease. The following provisions are added to the Lease and, in the event of conflict between this LIA and the Lease, this LIA shall prevail.

ARTICLE I

DEFINITIONS

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

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

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

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

a. Payments to Contractors for labor, material, equipment, and fixture supplied pursuant to any construction contract entered into in accordance with this Agreement;

b. Fees paid to Designers for services required by this Agreement;

c. Taxes, fees, charges, and levies by governmental and quasi-governmental agencies for Permits or for inspections of the work;

d. Utilities incurred in the course of the construction;

e. Premiums for builder's risk insurance and other insurance required by this Agreement;

f. Costs incurred for the management and administration of the construction, including without limitation, wages, labor burden, and expediting, procurement, and administrative expenses; and

g. Any and all other costs incurred to complete the Leasehold Improvements.

Construction Documents means this Agreement and the Final Plans.

Design and Construction Schedule means the schedule for preparation, approval, disapproval, modification, and completion of the Final Plans and for obtaining Permits required for the Leasehold Improvements and for the commencement, prosecution, and Substantial Completion of all

Leasehold Improvements, which schedule is attached to this Agreement as **Attachment A**, and incorporated into the Agreement by this reference.

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

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

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

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

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

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

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

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

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

Punchlist is defined in Section 5.2 of this Agreement.

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

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

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

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

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

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

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

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

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

ARTICLE II

DESIGNATION OF REPRESENTATIVES

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

ARTICLE III

CONTRACT DOCUMENTS AND PERMITS

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

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

3.3 Standards for Consent. Tenant shall not unreasonably withhold its approval of the Final Plans, unless the Final Plans do not conform to the Tenant's Design Requirements or unless the Leasehold

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

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

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

ARTICLE IV

PERFORMANCE OF THE WORK

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

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

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

4.4 Standards for Performance of the Work. Landlord shall cause the Leasehold Improvements to be constructed by well-trained, adequately supervised workers, in a good and workmanlike manner, free from design, material and workmanship defects in accordance with all Construction Documents and all Laws and Orders. Notwithstanding anything stated to the contrary in the

Lease or this LIA, Tenant's acceptance of possession of the Leasehold Improvements shall not waive this warranty and Landlord shall promptly remedy all violations of the warranty at its sole cost and expense.

ARTICLE V

COMPLETION OF THE WORK

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

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

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

ARTICLE VI

PAYMENT OF CONSTRUCTION COSTS

6.1 Duty to Pay Construction Costs. The Leasehold Improvements shall be completed by the Landlord, and Landlord shall provide Tenant a tenant improvement allowance for the Construction Costs, pursuant to Section 1.3.1 of the Lease and as referenced in the introductory paragraph of this Agreement. Any additional tenant improvements required by Tenant and approved by Landlord and Tenant by executed Change Order pursuant to Section 3.5 of this Agreement, in excess of the Tenant improvement allowance pursuant to Section 1.3.1 of the Lease, shall be paid for by the Tenant. Tenant shall bear all costs of performing Tenant's Work. In addition, Tenant shall bear all costs of performing Tenant's Work.

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

ARTICLE VII

RISK OF LOSS

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

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

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

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

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

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

LANDLORD: **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company

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

By: _____
Matthew T. White, Manager

REDBIRD SR LAKES WATEFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust
Dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

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

By: _____
Caroline Judy, Director
General Services Department

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Barbie Robinson, Director
Department of Health Services

_____
Marc McDonald, Real Estate Manager
General Services Department

Attachment A

Design and Construction Schedule

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

CLIENT TARGET MOVE-IN DATE: MAY 1, 2018

Attachment B

Design Process

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

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

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

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

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

Attachment C

Tenant's Design Requirements/Outline Specifications

I GENERAL REQUIREMENTS

II CONSTRUCTION AND CODE CRITERIA

III DESIGN REQUIREMENTS

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- A Parking

Division 6 Wood and Plastics
- A Cabinets

Division 7 Thermal and Moisture Protection
- A Exterior Walls
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Division 8 Windows and Doors
- A Windows
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- B Signs
- C Modular Systems Furniture (MSF)

Division 13 Special Construction
- A Sound Control

Division 15 Mechanical
- A Plumbing
- B HVAC

Division 16 Electrical

Division 17 Security System

I - GENERAL REQUIREMENTS

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

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

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

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

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

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

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

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

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

II - CONSTRUCTION AND CODE CRITERIA

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

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

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

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

E Where the Tenant occupies any portion, or all of a multi-story building, the Landlord shall provide an emergency evacuation plan for the tenants. The plan shall be coordinated with the tenant agency Emergency Coordinator. In addition to any code required exit signage, Landlord shall provide sufficient "key" floor plans to clearly delineate emergency exit routes, corridor located fire extinguishers and fire alarm pull stations. Key plans shall be located in central traffic areas, wall mounted and framed under glass, minimum size 8" x 10".

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

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

1. MSDS (Material Safety Data Sheets) or other appropriate literature on any hazardous materials (paint thinners, solvents, mastics, etc.) that will be used during construction.

2. Identify any procedures likely to produce vapors, odors, fumes, dust, etc. Such procedures shall only be undertaken during times when adjacent areas are not occupied (i.e. evenings, weekends). Provide adequate ventilation to ensure that all vapors, etc. are expelled from building prior to next business day.

3. Any safety precautions Tenant should take regarding proposed construction.

III - DESIGN REQUIREMENTS

2 – Sitework

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

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

6 - Wood and Plastics

A Cabinets:

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

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

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

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

5. Face of millwork to be high-pressure decorative plastic laminate: NEMA LD-3 grades as required by Tenant Specifications. Use Formica, Wilsonart, Nevamar, or equal, subject to approval by Tenant.

6. Provide 3-way adjustable European-style concealed hinges and wire pulls plated to match hardware.

7. Finishes for casework shall be plastic laminate. Color to be selected by Tenant.

8. Design all casework to meet the requirements of ADA. Work surfaces and counters shall be adjustable in height wherever possible for accessibility and flexibility.

7 - Thermal and Moisture Protection

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

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

8 – Windows and Doors

A Windows:

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

B Doors:

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

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

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

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

C Hardware:

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

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

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

9 - Finishes

A Floors:

1. Concrete floors in janitor closets, heater or utility rooms shall be cleaned and treated with epoxy coating. Office areas throughout shall have carpet or other floor covering per Exhibit A with 4" top-set rubber base, unless otherwise

specified. Floor covering shall extend under counters and cabinets. Colors and patterns shall be as selected or approved by Tenant.

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

B Carpet:

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

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

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

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

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

10 – Specialties

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

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

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

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

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

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

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

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

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

Installation of modular systems furniture may not take place until construction of tenant improvements is substantially complete. Conditions required for said completion are:
a. Building official approval of electrical and cabling systems to the point of connection.
b. Installation of floor covering.
c. Substantial completion of project punch list.

13 - Special Construction

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

15 - Mechanical

A Plumbing: If not shown on plans, provide plumbing fixtures in number and type required by the California Plumbing Code. Provide hot and cold water at each lavatory and sink, per California Plumbing Code and CCR Title 24, Part 5.
Provide one or more Americans with Disabilities Act=compliant refrigerant drinking fountains within close proximity to office Premises or as indicated on plans. Soldered connections on water supply lines shall use ASTM 832, Grade 5A 95-5 Tin Antimony solder. Lead solder is not allowed.

At fixtures provided for the Tenant's exclusive use, provide the following:
1. Set temperature of hot water to lavatories and sinks at maximum 105º F.
2. Water heaters and storage tanks shall be fitted with external insulation blankets rated at a minimum thermal resistance value of R-6 unless the existing insulation jacket is in excess of R-12.

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

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

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

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

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

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

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

A design supply airflow of .75 cfm per SF. in interior of windowless perimeter spaces is acceptable.
Toilet rooms shall be provided with a mechanical exhaust system providing a minimum of 15 air changes per hour. Replacement air shall be supplied from the building system. Individual supply ducts for sound lined jumper ducts are acceptable. Where toilet rooms have individual exhaust fans, the fan operation shall be interlocked with the toilet room light switch. Exhaust air shall be ducted to the outside.

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

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

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

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

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

16 – Electrical

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

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

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

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

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

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

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

Provide motion sensors for all areas.

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

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

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

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

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

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

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

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

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

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

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

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

17 - Security System

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

END OF SPECIFICATIONS

Exhibit E

[Acknowledgement of Commencement Date]

LANDLORD and TENANT hereby acknowledge that the Commencement Date of that certain Lease dated _____, 2017, for premises located at **2227 Capricorn Way, Suites 201, 203, 208, 210 and 212, Santa Rosa, California**, occurred on _____, 2018.

ACKNOWLEDGED BY LANDLORD:

SR LAKES WATERFALL DE, LLC, a Delaware limited liability company,

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

By: _____
Matthew T. White, Manager

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

ACKNOWLEDGED BY TENANT:

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

By: _____
Marc McDonald
Real Estate Manager

Exhibit F

Section I: Insurance Required to be Maintained by Landlord

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

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

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

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

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

i. Copy of the additional insured endorsement or policy language granting additional insured status, and
ii. Certificate of Insurance.

3. Property Insurance for Building

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

4. Rental Value Insurance

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

5. Reserved

6. Standards for Insurance Companies

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

7. Documentation

a. The Certificate of Insurance must include the following reference: **County of Sonoma leased premises located at 2227 Capricorn Way, Suites 201, 203, 208, 210 and 212, 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, Attention: Real Estate Manager, 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 Section 7.1), whether pursuant to this Lease or pursuant to any prior lease or other agreement to which Tenant was a party (the "Tenant-Insured Improvements"). 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, warehouser'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 G

TENANT ESTOPPEL CERTIFICATE

Date: _____, 20____.

_____
_____
_____
_____
Attention: _____
and
_____
_____
_____
_____
Attention: _____

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

Ladies and Gentlemen:

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

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

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

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

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

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

commencement of the term of the Lease.

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

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

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

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

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

Very truly yours,

“Tenant”

_____
a _____

By: _____
Name: _____
Title: _____

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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

Attention: Colleen King
Loan No.
(PROPERTY NAME)

(Space Above For Recorder's Use)

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

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

THIS SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF LEASE ASSIGNMENT, ESTOPPEL, ATTORNMENT AND NON-DISTURBANCE AGREEMENT ("**Agreement**") is made _____, 20__ by and between REDBIRD SR LAKES WATERFALL DE, LLC, a California limited liability company and SR LAKES WATERFALL DE, LLC, a California limited liability company, **OWNERS OF THE REAL PROPERTY HEREINAFTER DESCRIBED** ("**Mortgagor**"), **TENANT NAME** _____ ("**Tenant**") and Wells Fargo Bank, National Association (collectively with its successors or assigns, "**Lender**").

R E C I T A L S

A. Pursuant to the terms and provisions of a lease dated _____("**Lease**"), Mortgagor granted to Tenant a leasehold estate in and to a portion of the property described on Exhibit A attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the "**Property**").

B. **[NOT APPLICABLE]**.

C. Mortgagor has executed that certain DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed Of Trust**") securing, among other things, that certain PROMISSORY NOTE SECURED BY DEED OF TRUST dated _____, ("**Original Note**") and as amended and restated by that certain AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEEDS OF TRUST dated _____ in the principal sum of _____ ($_____), the Original Note and the Amended & Restated Promissory Note are collectively referred to herein as the ("**Note**"), in favor of Lender ("**Loan**"). The Deed Of Trust was recorded in the Office of the Sonoma County Recorder on _____, as Document Number _____ and as amended by that certain Memorandum Of Assumption, Modification And Joinder Agreement Amending Deed Of Trust dated _____ ("**Amended Deed Of Trust**") and recorded in the Office of the Sonoma County Recorder on

_____, as Document Number _____, the Deed Of Trust and the Amended Deed Of Trust are collectively referred to herein as the ("**Security Instrument**").

D. As a condition to Lender making the Loan secured by the Security Instrument, Lender requires that the Security Instrument be unconditionally and at all times remain a lien on the Property, prior and superior to all the rights of Tenant under the Lease and that the Tenant specifically and unconditionally subordinate the Lease to the lien of the Security Instrument.

E. Mortgagor and Tenant have agreed to the subordination, attornment and other agreements herein in favor of Lender.

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

1. **SUBORDINATION**. Mortgagor and Tenant hereby agree that:

1.1 **Prior Lien.** The Security Instrument securing the Note in favor of Lender, and any modifications, renewals or extensions thereof (including, without limitation, any modifications, renewals or extensions with respect to any additional advances made subject to the Security Instrument), shall unconditionally be and at all times remain a lien on the Property prior and superior to the Lease;

1.2 **Subordination.** Lender would not make the Loan without this agreement to subordinate; and

1.3 **Whole Agreement.** This Agreement shall be the whole agreement and only agreement with regard to the subordination of the Lease to the lien of the Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the Security Instrument and the Lease, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination of the Lease to a deed or deeds of trust or to a mortgage or mortgages.

AND FURTHER, Tenant individually declares, agrees and acknowledges for the benefit of Lender, that:

1.4 **Use of Proceeds.** Lender, in making disbursements pursuant to the Note, the Security Instrument or any loan agreements with respect to the Property, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part; and

1.5 **Waiver, Relinquishment and Subordination.** Tenant intentionally and unconditionally waives, relinquishes and subordinates all of Tenant's right, title and interest in and to the Property to the lien of the Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Lender and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

2. **ASSIGNMENT**. Tenant acknowledges and consents to the assignment of the Lease by Mortgagor in favor of Lender.

3. **ESTOPPEL**. Tenant acknowledges and represents that:

3.1 **Entire Agreement.** The Lease constitutes the entire agreement between Mortgagor and Tenant with respect to the Property and Tenant claims no rights with respect to the Property other than as set forth in the Lease;

3.2 **No Prepaid Rent.** No deposits or prepayments of rent have been made in connection with the Lease, except as follows (if none, state "None"): _____ _____;

3.3 **No Default.** To the best of Tenant's knowledge, as of the date hereof: (i) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default under the Lease; and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the Lease;

3.4 **Lease Effective.** The Lease has been duly executed and delivered by Tenant and, subject to the terms and conditions thereof, the Lease is in full force and effect, the obligations of Tenant thereunder are valid and binding and there have been no amendments, modifications or additions to the Lease, written or oral; and

3.5 **No Broker Liens**. Neither Tenant nor Mortgagor has incurred any fee or commission with any real estate broker which would give rise to any lien right under state or local law, except as follows (if none, state "None"): _____ _____.

4. **ADDITIONAL AGREEMENTS**. Tenant covenants and agrees that, during all such times as Lender is the Beneficiary under the Security Instrument:

4.1 **Modification, Termination and Cancellation.** Tenant will not consent to any modification, amendment, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent and will not make any payment to Mortgagor in consideration of any modification, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent;

4.2 **Notice of Default.** Tenant will notify Lender in writing concurrently with any notice given to Mortgagor of any default by Mortgagor under the Lease, and Tenant agrees that Lender has the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below and Tenant will not declare a default of the Lease, as to Lender, if Lender cures such default within fifteen (15) days from and after the expiration of the time period provided in the Lease for the cure thereof by Mortgagor; provided, however, that if such default cannot with diligence be cured by Lender within such fifteen (15) day period, the commencement of action by Lender within such fifteen (15) day period to remedy the same shall be deemed sufficient so long as Lender pursues such cure with diligence;

4.3 **No Advance Rents**. Tenant will make no payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease; and

4.4 **Assignment of Rents.** Upon receipt by Tenant of written notice from Lender that Lender has elected to terminate the license granted to Mortgagor to collect rents, as provided in the Security Instrument, and directing the payment of rents by Tenant to Lender, Tenant shall comply with such direction to pay and shall not be required to determine whether Mortgagor is in default under the Loan and/or the Security Instrument.

5. **ATTORNMENT**. In the event of a foreclosure under the Security Instrument, Tenant agrees for the benefit of Lender (including for this purpose any transferee of Lender or any transferee of

Mortgagor's title in and to the Property by Lender's exercise of the remedy of sale by foreclosure under the Security Instrument) as follows:

5.1 **Payment of Rent.** Tenant shall pay to Lender all rental payments;

5.2 **Continuation of Performance.** Tenant shall be bound to Lender in accordance with all of the provisions of the Lease for the balance of the term thereof, and Tenant hereby attorns to Lender as its landlord, such attornment to be effective and self-operative without the execution of any further instrument immediately upon Lender succeeding to Mortgagor's interest in the Lease and giving written notice thereof to Tenant;

5.3 **No Offset.** Lender shall not be liable for, nor subject to, any offsets or defenses which Tenant may have by reason of any act or omission of Mortgagor under the Lease, nor for the return of any sums which Tenant may have paid to Mortgagor under the Lease as and for security deposits, advance rental payments or otherwise, except to the extent that such sums are actually delivered by Mortgagor to Lender; and

5.4 **Subsequent Transfer.** If Lender, by succeeding to the interest of Mortgagor under the Lease, should become obligated to perform the covenants of Mortgagor thereunder, then, upon any further transfer of Mortgagor's interest by Lender, all of such obligations shall terminate as to Lender.

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

7. **MISCELLANEOUS**.

7.1 **Remedies Cumulative.** All rights of Lender herein to collect rental payments on behalf of Mortgagor under the Lease are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender and Mortgagor or others.

7.2 **Notices.** All notices, demands, or other communications under this Agreement and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of Default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

Mortgagor:	SR LAKES WATERFALL, LLC, and REDBIRD SR LAKES WATERFALL DE, LLC In care of Basin Street Properties 50 W. Liberty, Suite 250 Reno, Nevada 89501 Attention: Matthew T. White
Tenant:	COUNTY OF SONOMA General Services Department In care of Facilities Development & Management 2300 County Center Drive, Suite A220 Santa Rosa, California 95403 Attention: Real Estate Manager
Lender:	Wells Fargo Bank, National Association San Francisco Real Estate Banking Group (AU #0002034) 420 Montgomery Street, 6th Floor San Francisco, California 94104 Attention: Peter Angel Loan #:1008340
With a copy to:	Wells Fargo Bank, National Association Minneapolis Loan Center 608 Second Avenue South, 11th Floor Minneapolis, Minnesota 55402 Attention: Andrew J. Douglas

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

7.3 **Heirs, Successors and Assigns.** Except as otherwise expressly provided under the terms and conditions herein, the terms of this Agreement shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto.

7.4 **Headings.** All article, section or other headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.

7.5 **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

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

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

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

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

"MORTGAGOR"

SR LAKES WATERFALL DE, LLC,
a Delaware limited liability company

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

By:_____
Matthew T. White, Manager

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its Manager

By: _____
Bruce J. Cardinal, Trustee

"TENANT"

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

By:_____
Name:_____
Title:_____

"LENDER"

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:_____
Peter M. Angel
Vice President

IF DOCUMENT TO BE RECORDED, ALL SIGNATURES MUST BE ACKNOWLEDGED

EXHIBIT A - DESCRIPTION OF PROPERTY

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

[IF LEASE GUARANTY]
LEASE GUARANTOR'S CONSENT

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

AGREED:

Dated as of: _____

"LEASE GUARANTOR"

[SIGNATURE BLOCK FOR LEASE GUARANTOR]

IF DOCUMENT TO BE RECORDED, ALL SIGNATURES MUST BE ACKNOWLEDGED

Exhibit H

[Phase I Environmental Site Assessment]

Exhibit I

[Form of Memorandum of Lease]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

_____
_____
_____

Above Space for Recorder's Use Only

MEMORANDUM OF LEASE

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

1. **Lease Terms and Premises**. Landlord and County have entered into a Lease dated _____ __, 20__ (the "***Lease***") whereby Landlord leases to County, and County leases from Landlord, that certain building located at **2227 Capricorn Way**, situated in that certain building campus commonly known as The Lakes (the "***Lakes Site***"), located in the city of Santa Rosa, County of Sonoma, for purposes of locating and operating a psychiatric care facility and ancillary medical uses in support of the psychiatric care facility (the Psychiatric Care Facility) therein. The premises that are leased to the County pursuant to the Lease are more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the "***Premises***"). The provisions of the Lease are incorporated herein.

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

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

"LANDLORD": **SR LAKES WATERFALL 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

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

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

By: _____
Caroline Judy, Director
General Services Department

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Marc McDonald, Real Estate Manager
General Services Department

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

State of California)
)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A TO MEMORANDUM OF LEASE

Description of Premises

--End of Lease--

LEASE

BETWEEN

SR LAKES WATERFALL DE, LLC and
REDBIRD SR LAKES WATERFALL DE, LLC

AND

COUNTY OF SONOMA

FOR

2255 Challenger Way
Suites 107, 113 and 119
Santa Rosa, California

DATED

_____, 2017

THE LAKES
MODIFIED FULL SERVICE LEASE
BASIC LEASE INFORMATION

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

DATE:	_____, 2017.
LANDLORD:	**SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, *and* **REDBIRD SR LAKES WATERFALL 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** 1383 N. McDowell Blvd., Suite 220 Petaluma, CA 94954 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 2300 County Center Drive, Suite A220 Santa Rosa, CA 95403 Attention: Marc McDonald, Real Estate Manager Fax: (707) 565-3476 *With a copy to:* **COUNTY OF SONOMA** Department of Health Services 3313 Chanate Road Santa Rosa, CA 95403 Attention: Administration Fax: (707) 565-7849

PREMISES:	7,116 square feet of Rentable Area located at **2255 Challenger Way, Suites 107, 113 and 119, Santa Rosa, California**, as more particularly shown on **Exhibit A** attached hereto.
PROJECT:	That certain office Project located in the City of Santa Rosa, the County of Sonoma, California, commonly referred to as "The Lakes", consisting of 136,565 sq. ft. of Rentable Area.
TERM:	Ten (10) years, with one (1), five-year option to extend the term of the Lease.
Commencement Date	See Section 2.2.
RENT:	
a. Base Rent	$12,808.80 per month for Year 1 of the Lease ($1.80 per sq. ft.)
b. Additional Rent (Operating Expenses and Taxes)	Beginning on Month 13 of the Initial Term, Tenant shall also pay any increase, if applicable, in Operating Expenses and Taxes over the Base Year as set forth in Sections 4.5.1 and 4.5.2.
TOTAL MONTHLY BASE RENT	**$12,808.80 per month for Year 1**
c. Rent abatement	Rent and Additional Rent for Months 1-2 of the Lease shall be abated by Landlord, for a total of **$25,617.60** ($12,808.80 per month x 2 months).
d. Adjustment Date of Monthly Base Rent, Initial Term	At the beginning of the 13th month and every 12 months thereafter of the Initial Term.
e. Rent adjustment, Base Rent, Initial Term and Option terms	Three percent (3%) over the Base Rent amount per sq. ft. for the previous year beginning on the anniversary of the Commencement Date month through the end of the initial term and Option terms.
BASE YEAR:	**2018**
SECURITY DEPOSIT:	$0.00
PERMITTED USE:	General office and governmental office purposes, including, without limitation, use by the Department of Health Services.
PROGRAM OR AGENCY FOR WHICH THE PREMISES IS LEASED:	Behavioral Health services, administration and related programs, provided through the County Department of Health Services
PARKING SPACES:	See Article 8.

REAL ESTATE BROKERS:	None

EXHIBITS AND ADDENDUM:

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

L E A S E

This Lease ("Lease") is made this _____ day of _____, 2017 ("Effective Date"), by and between **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, and **REDBIRD SR LAKES WATERFALL 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 as depicted on **Exhibit A** attached hereto ("**Premises**"), which are located in the building commonly known as **2255 Challenger Way**, ("Building"), situated in that certain building campus commonly known as The Lakes ("Project") located in the city of Santa Rosa, County of Sonoma. Subject to verification as provided in Subsection 1.3.2, the Rentable Area (as defined in Section 1.3.1) and Usable Area (as defined in Section 1.3.1) of the Premises are seven thousand one hundred sixteen (7,116) sq. ft., and ___ _____ (____) square feet, respectively, while the Rentable Area of the Project is one hundred thirty-six thousand, five hundred sixty-five (136,565) square feet. The Project, the Building, the areas servicing the Building (including any adjacent parking structures and parking areas), and the land on which the Building and those areas are located (as shown on the site plan attached to this Lease as **Exhibit B**) are sometimes collectively referred to as the "**Real Property**".

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

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

third-party CalGreen or similarly qualified professional during the design phase through implementation of all work set forth in the Leasehold Improvement Agreement to review all plans, material procurement, demolition, construction and waste management procedures to ensure the leasehold improvement project is in full conformance with Tenant's sustainability practices, and to obtain and maintain compliance with CalGreen on or promptly after the date of Substantial Completion (as defined below). All such costs shall constitute "construction costs" as defined in Section 1.1 of the Leasehold Improvement Agreement, and shall be reimbursed by Tenant pursuant to Section 6.1 of the Leasehold Improvement Agreement.

1.31. Tenant Improvement Allowance. Tenant shall be entitled to an allowance from Landlord of Twenty-Eight and 43/100 Dollars ($28.43) per square foot of Rentable Area of the Premises (equivalent to Two Hundred Two Thousand, Three Hundred Seven and 88/100 Dollars ($202,307.88)) toward Construction Costs (as defined in the Leasehold Improvement Agreement attached to this Lease as **Exhibit D**). Notwithstanding anything to the contrary in this Lease, the Leasehold Improvement Agreement, or the exhibits thereto, Landlord shall have no obligation to pay for any work or provide any additional funding to modify or improve the Premises or the Project for the preparation of the Premises for occupancy, except for payment of the foregoing allowance, pursuant to this Section 1.3.1 of this Lease.

1.3.2 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.

1.3.3 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.

1.3.4 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 1.3.4, 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 1.3.3 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.

1.3.5 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.

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

must approve any such Amendment and execution thereof. If Tenant does not indicate within fifteen (15) business days its agreement to lease the Expansion Space on or around the target commencement date, Landlord thereafter shall have the right to lease or extend the lease covering the Expansion Space to a third party at the rent stated in the notice. The provisions of this Section 1.4 shall be operative each time Landlord determines to lease all or a portion of the Expansion Space to a third party.

ARTICLE 2

TERM

2.1 Term. The term of this Lease ("Lease Term") shall commence on the Commencement Date provided for in Section 2.2 below") and shall end upon the expiration of ten (10) years following said Commencement Date plus the number of days between the Commencement Date and the first day of the next successive calendar month if the Commencement Date occurs on a day other than the first day of a calendar month ("Lease Expiration Date"), subject to any option, renewal or extension rights of Tenant as provided for in this Lease. For purposes of this Lease, the first "Lease Year" shall mean the period commencing on the Commencement Date and ending twelve (12) months thereafter. Thereafter, the term "Lease Year" shall mean a period equal to twelve (12) full calendar months. On **Year 7** of the initial Lease Term, Landlord shall provide Tenant with an allowance of six dollars ($6.00) per rentable square foot of the Premises to be used solely for the purpose of repainting the Premises and installing new carpeting throughout the Premises (including lifting and moving of Tenant's furniture and equipment and relocation).

2.2 Commencement Date. The Lease Term shall commence on the later of the following dates (the "Commencement Date"): (a) June 1, 2018, or (b) the day that is the first Monday following the elapse of thirty (30) days from actual receipt by Tenant of written notice from Landlord that the work to be done in the Premises by Landlord pursuant to the provisions of **Exhibit D** is substantially completed. Notwithstanding the foregoing, if Tenant receives actual written notice from Landlord more than thirty (30) days prior to the date stated in subclause (a) of the preceding sentence that the work to be done in the Premises by Landlord is substantially completed and if Tenant commences operation of its business in the Premises prior to the date stated in said subclause (a), then this Lease shall commence on the date that Tenant commences operation of its business in the Premises. Upon the determination of the Commencement Date, Landlord and Tenant shall execute a written acknowledgment of the Commencement Date and shall attach it to this Lease as **Exhibit E**.

2.3 Substantial Completion of Landlord's Work. The work to be done in the Premises by Landlord pursuant to the provisions of **Exhibit D** shall be "substantially completed" when Landlord has delivered to Tenant a temporary or final certificate of occupancy or equivalent for the Premises and Landlord's work has been substantially performed, although minor details or adjustments that do not interfere with Tenant's use of such space may have not been completed. Landlord shall diligently pursue completion of any minor details or adjustments that have not been performed at the time Landlord gives the aforesaid notice of substantial completion to Tenant. Evidence of when the Landlord's work has been substantially performed shall be a certificate to that effect signed by Landlord's architect. Substantial (Completion of Landlord's Work or "substantially completed" is defined in Section 5.1 of **Exhibit D**.) Landlord agrees to use its best efforts to provide Tenant with at least thirty (30) days' advance notice of the date on which the Premises are expected to be substantially completed. Tenant shall have the right of early access to the Premises for a fixturing period of fifteen (15) business days prior to the Commencement Date for installation of Tenant's furniture, fixtures and equipment. No rent shall be charged to Tenant during the 30-day fixturization and early occupancy period.

2.4 Delay in Commencement. If Landlord, for any reason whatsoever, fails to give Tenant notice by August 1, 2018, subject to extension one (1) day for each day after December 5, 2017 until Tenant submits this Lease to Landlord fully executed by Tenant, that the Landlord's work in the Premises is substantially completed, as provided for above, then the Tenant may extend Landlord's time for completion thereof and delivery of possession to Tenant, and withhold from the first rental payment and subsequent rental payments as may be necessary, as liquidated damages, an amount equal to the Rent otherwise due

for each day after said date during which Landlord has failed to give Tenant such notice of substantial completion. Notwithstanding the foregoing, if Landlord, for any reason whatsoever, fails to give Tenant notice that the Landlord's work in the Premises is substantially completed by August 1, 2018, Tenant at its option shall have the right, by giving Landlord five business (5) days' prior written notice of its intention to do so, to immediately cancel this Lease. Such notice shall be given prior the date that Landlord delivers the Premises to Tenant substantially completed, and any notice given after such deliver shall be void and of no force or effect. This agreement for liquidated damages is entered into because the amount is manifestly reasonable under the circumstances at the time of this Lease, and it would be extremely difficult or impossible to determine, with any degree of accuracy, the actual damages caused by such delay. Landlord's obligation to complete the Premises within the time specified in this Section 2.4 shall be extended for delays caused by Tenant, Tenant's contractors, consultants, architects, strikes, lockouts, fires, floods, war, civil disorder or government regulations. The failure of the Final Plans to be approved by Landlord and Tenant by the date set forth in the Design Schedule shall be grounds for extension of the dates set forth in this Section 2.4 except to the extent such failure is caused by Landlord unreasonably delaying, conditioning or withholding its consent to the Final Plans.

2.5 Options to Extend Term. Landlord grants to Tenant one (1) option to extend the Lease Term ("Extension Option") for a period of five (5) years ("Option Term"), subject to the conditions described in this Section 2.5.

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

2.5.2 Option Rent. Upon exercise of the Extension Option, the Rent payable by Tenant for the Option Term shall be equal to the Rent per square foot of Rentable Area in effect as of the commencement of the Option Term, increased by three percent (3%) per square foot and annually thereafter during the Option Term.

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

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

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

2.7 Termination by Tenant.

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

or agency for which the Premises were leased; or (c) the funding, whether County, State or Federal, for the program or agency for which the Premises were leased is reduced or withdrawn.

2.7.2 Discretionary Termination. At any time after the date which is ten (10) years from the Commencement Date, Tenant shall have the option, by providing Landlord with a Termination Notice, to terminate this Lease with respect to all or part of the Premises, in accordance with Section 2.7.3 below.

2.7.3 Termination Provisions.

2.7.3.1 Exercise of Termination Right. The Premises subject to any Termination Notice shall be referred to as the "Canceled Premises." The termination shall be effective as of one hundred eighty (180) days after Tenant delivers the Termination Notice to Landlord ("Lease Termination Date"). If Tenant terminates the Lease pursuant to this Section 2.7, Tenant's delivery of the Termination Notice to Landlord shall be accompanied by an amount equal to the Lease Termination Fee, as defined in Subsection 2.7.3.2 below.

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

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

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

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

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

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

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

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

(c) One hundred twenty (120) 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 devises 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 Twelve Thousand Eight Hundred Eight and 80/100 Dollars ($12,808.80) (such amount being equal to One and 80/100 Dollars ($1.80) per square foot of Rentable Area per month) in advance on or before the first day of every calendar month during the Lease Term. Payment shall be made at the address set forth in Section 19.3 or at any other place that Landlord may from time to time designate in writing.

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

4.3 Rental Adjustments. Rent shall be adjusted as follows: At the beginning of the 13th month and every twelve (12) months thereafter during the Initial Term, the base rental rate shall be increased by 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 two (2) months' free rent as follows: Beginning on the Commencement Date of the Lease, Rent as defined in Section 4.5 below for the first two (2) full months of the Lease shall be abated, said abatement equal to Rent in the amount of Twelve Thousand Eight Hundred Eight and 80/100 Dollars ($12,808.80) per month times two (2) months, for a total rent abatement of Twenty-Five Thousand Six Hundred Seventeen and 60/100 Dollars ($25,617.60).

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 2018 (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 41% (7,116 rentable square feet /17,482 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 8:00 a.m. to 5:00 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 used 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 and System. Subject to the terms and conditions of the Leasehold Improvement Agreement, Tenant shall have the right to install or have installed in the Premises, a card key access system or other security system. Tenant shall repair any damage caused to the Premises or the Building due to the installation and removal of any such security system.

ARTICLE 7

ALTERATIONS AND IMPROVEMENTS

7.1 Consent Required. Tenant shall not make any alterations, improvements or additions (each, an "Alteration") in, on or about the Premises without Landlord's prior written consent, except that Tenant may make Alterations without Landlord's prior written consent where (i) the reasonably estimated

cost of the Alteration and together with the cost of any other Alteration made during the immediately preceding twelve (12) months does not exceed Fifty Thousand Dollars ($50,000), and (ii) such Alterations do not affect or involve the structural integrity, roof membrane, exterior areas, Building systems or water-tight nature of the Premises, Building or Project. In requesting Landlord's consent, Tenant shall, at Tenant's sole cost, submit to Landlord complete drawings and specifications describing the Alteration and the identity of the proposed contractor. Landlord, without any cost to itself, shall cooperate with Tenant in securing building and other permits and authority necessary from time to time for any work permitted under this Lease. Tenant may at any time remove any equipment and trade fixtures installed by or on behalf of Tenant in the Premises. Improvements made by Tenant at any time to the Premises during the term of this Lease shall be and remain the property of Tenant.

7.2 Conditions

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

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

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

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

(e) 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 3.2 parking spaces for each 1,000 square feet of Rentable Area in the parking area associated with the Building in those spaces as designated on **Exhibit B**. Landlord acknowledges that

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

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

ARTICLE 9

INSURANCE AND INDEMNITY

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

9.2 Indemnity.

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

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

ARTICLE 10

DESTRUCTION AND UNTENANTABILITY OF PREMISES

10.1 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 untenantable, 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 square foot for the space for which the proration is made and any adverse effects and disruptions to Tenant's business caused during the period of such repairs.

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

ARTICLE 11

EMINENT DOMAIN

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

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

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

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

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

11.4.2 Right to Terminate.

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

(ii) In the event that fifty percent (50%) or more of the rentable area of the Building (as it existed on the date of the appropriation) should become untenanted or unoccupied because the appropriation renders such space unavailable or untenantable, 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 lease additional space pursuant to Section 1.5 and the option to extend the Lease Term pursuant to Section 2.5, as if all such options were fully exercised by Tenant and including Tenant's right to terminate as set forth in Section 2.6) in excess of the Rent provided for herein, exclusive of any immovable trade fixtures or improvements; plus (2) any severance damages attributable to the unexpired Lease Term plus (3) the taking of the unamortized or undepreciated value of any leasehold improvements owned by Tenant that Tenant has the right to remove at the end of the Lease Term and that Tenant elects not to remove; plus (4) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if condemnor approves the removal); plus (5) relocation costs under Government Code section 7262, the claim for which Tenant may pursue by separate action independent of this Lease; plus (6) any other amount in addition to the foregoing that does not reduce the amount of the award payable to the Landlord.

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

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

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

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

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

ARTICLE 12

COMPLIANCE WITH LAWS

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

12.2 Compliance with Laws and Orders.

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

(b) Landlord. Landlord, at its expense (subject to Section 4.5.2 of the Lease), shall cause the structural portions of the building, the building systems and the common areas of the Premises to comply with all Laws and Orders (including the 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.

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 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. Such agreements shall be materially in the forms of **Exhibit G** attached hereto. If Tenant has received the nondisturbance agreement and estoppel certificate in the form(s) attached hereto as **Exhibit G**, Tenant shall, within thirty (30) days after Landlord's request, execute any further instruments or assurances in recordable form that Landlord reasonably considers necessary to evidence or confirm the subordination or superiority of this Lease to any such encumbrances or underlying leases. Such subordination instrument(s) shall be strictly limited to matters contained in the nondisturbance

agreement and estoppel certificate, and no such instruments may increase any of Tenant's obligations or decrease any of Tenant's rights under this Lease. Tenant's failure to execute and deliver such instrument(s) shall constitute a default under this Lease only if Landlord has first delivered the nondisturbance agreement and estoppel certificate required hereunder to Tenant.

ARTICLE 15

TRANSFER OF TENANT'S INTEREST

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

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

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

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

15.5 Withholding Consent. Without limiting other situations in which it may be reasonable for Landlord to withhold its consent to any proposed assignment or sublease, Landlord and Tenant agree that it shall be reasonable for Landlord to withhold its consent in any one (1) or more of the following situations: (1) in Landlord's reasonable judgment, the proposed subtenant or assignee or the proposed use of the Premises would materially detract from the status of the Building as a first-class office building, generate vehicle or foot traffic, parking or occupancy density materially in excess of the amount customary for the Building or the Project or result in a materially greater use of the elevator, janitorial, security or other Building services (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 (42 United States Code sections 9601-9675);

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

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

(d) Petroleum products;

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

(f) Asbestos in any form or condition;

(g) Polychlorinated biphenyls 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 Phase I Environmental Site Assessment prepared for The Lakes by Kleinfelder, Inc., dated August 13, 2012, a copy

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 18

INSPECTION AND ENTRY BY OWNER

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

ARTICLE 19

NOTICE

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

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

(a) When personally delivered to the recipient, notice is effective on delivery.

(b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.

(c) When mailed by certified mail with return receipt requested, notice is effective two (2) days following mailing.

(d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery.

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

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

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

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

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

"Landlord": **SR LAKES WATERFALL DE, LLC**, and
REDBIRD SR LAKES WATERFALL DE, LLC
In care of **BASIN STREET PROPERTIES**
Attention: Scott Stranzl, Vice President, Leasing
316 California Ave, #350
Reno, Nevada 89509
Fax No. (775) 954-2917

With a copy to: in care of **BASIN STREET PROPERTIES**
Attention: Stephanie Burlingame, Vice President
Operations and Property Management
1383 N. McDowell Blvd., Suite 220
Petaluma, California 94954
Fax No. (707) 795-6283.

ARTICLE 20

DEFAULTS; REMEDIES

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

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

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

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

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

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

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

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

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

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

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

in and to the Premises, Tenant (and at Landlord's sole election, Tenant's sublessees) shall no longer have any interest in the Premises, and Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises which Landlord in its sole discretion deems reasonable and necessary. The worth, at the time of the award of the amounts referred to in subparagraphs (A) and (B) above is computed by allowing interest at the maximum rate an individual is permitted by law to charge. The worth at the time of award of the amount referred to in subparagraph (C) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

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

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

ARTICLE 21

ESTOPPEL CERTIFICATES/FINANCIAL STATEMENTS

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

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

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

ARTICLE 22

SIGNAGE

Upon the commencement of 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 Department of Health Services 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. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contract, dealing or communication, the party through whom the broker or finder makes his or her claim shall be responsible for said commission or fee and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against the same.

ARTICLE 24

DISPUTE RESOLUTION

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

24.1.1 Qualifications of Arbitrators. The arbitrators shall be retired trial court judges 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 LAKES WATERFALL 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

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company
By: Bruce J. Cardinal Living Trust dated December 15, 1997, Its Manager

By: _____
Bruce J. Cardinal, Trustee

"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 sign this Lease pursuant to Board of Supervisors' Summary Action dated _____, 2017.

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Barbie Robinson, Director
Department of Health Services

_____
Marc McDonald, Real Estate Manager
General Services Department

Certificate of Insurance on file with Department:
Reviewed by:_____Date:_____, 2017.

Exhibit A

PREMISES

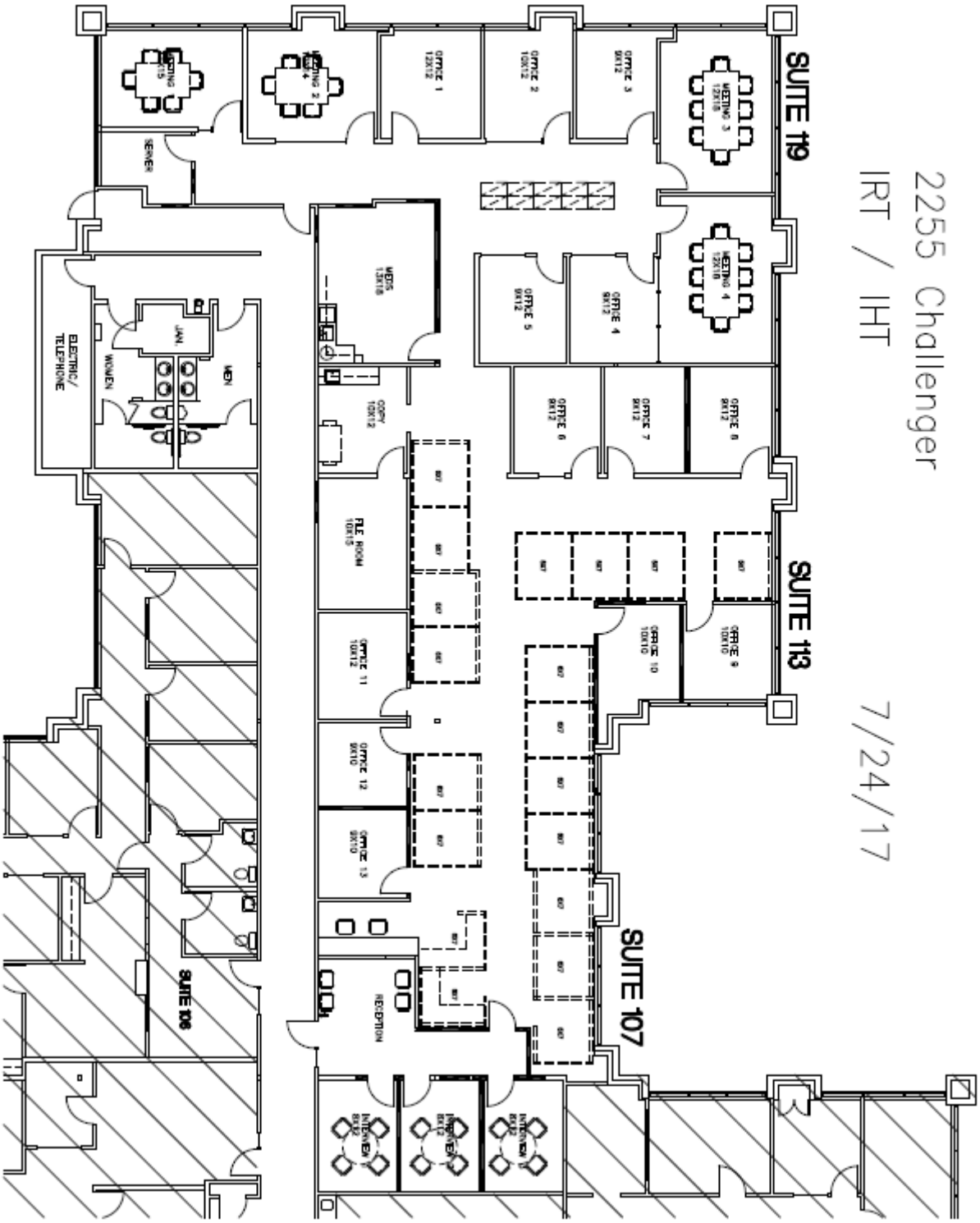

Exhibit B

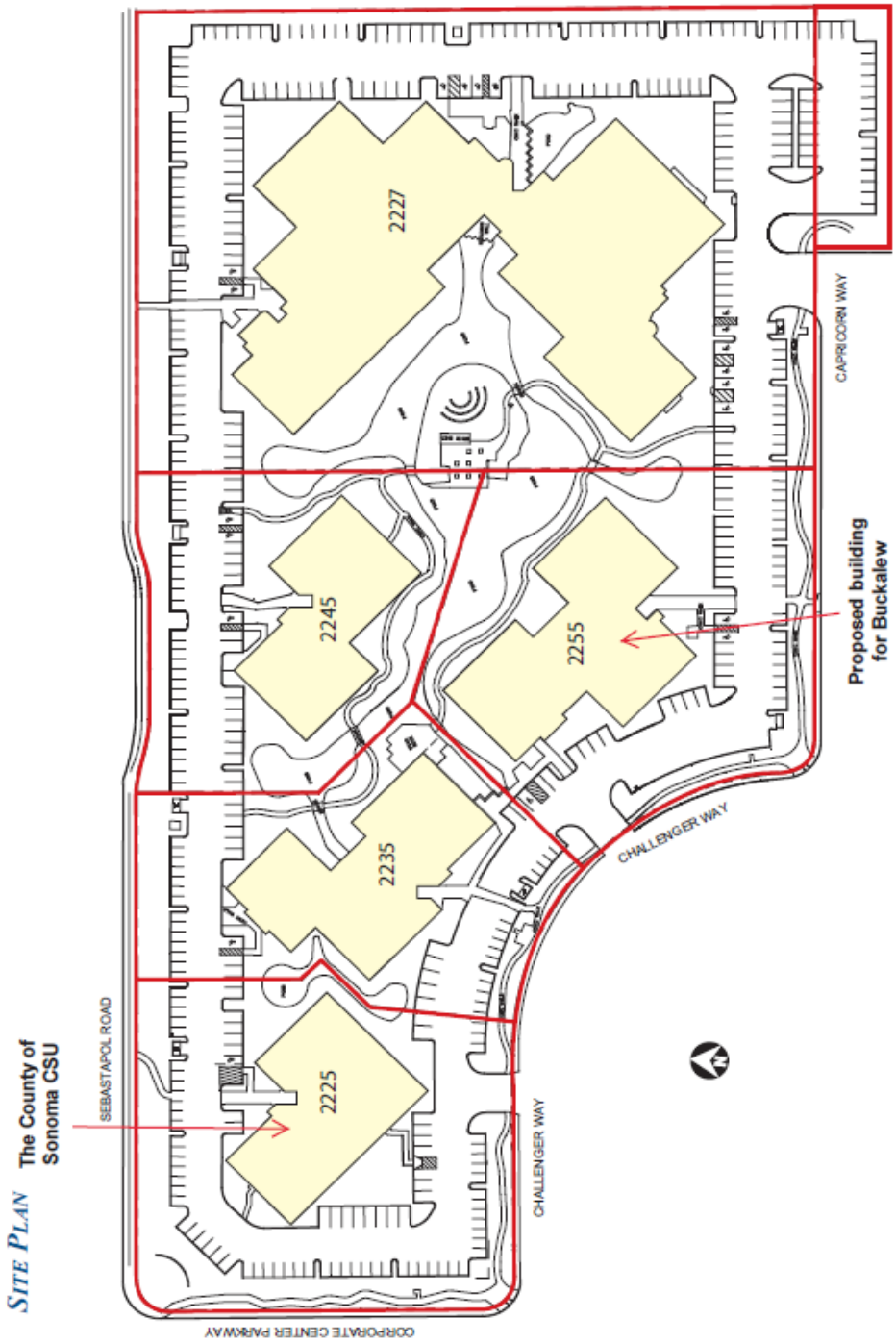
SITE PLAN
The County of Sonoma CSU
SEBASTAPOL ROAD
2225
2235
2245
2227
2255
CHALLENGER WAY
CHALLENGER WAY
CAPRICORN WAY
CORPORATE CENTER PARKWAY
Proposed building for Buckalew

Exhibit C

Rules and Regulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT D

LEASEHOLD IMPROVEMENT AGREEMENT

This Leasehold Improvement Agreement ("Agreement") is dated for reference purposes only as _____, 2017 ("Effective Date"), and is made by and between **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company, and **REDBIRD SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company ("Landlord"), and the **COUNTY OF SONOMA**, a political subdivision of the State of California ("Tenant"), as part of that certain Lease dated as of the same date as this LIA between them, affecting the real property commonly known as **2255 Challenger Way, Suites 107, 113 and 119,** located in the City of Santa Rosa, State of California. Capitalized terms used, but not otherwise defined, in this LIA shall have meanings ascribed to those terms in the Lease. The following provisions are added to the Lease and, in the event of conflict between this LIA and the Lease, this LIA shall prevail.

ARTICLE I

DEFINITIONS

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

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

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

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

a. Payments to Contractors for labor, material, equipment, and fixture supplied pursuant to any construction contract entered into in accordance with this Agreement;

b. Fees paid to Designers for services required by this Agreement;

c. Taxes, fees, charges, and levies by governmental and quasi-governmental agencies for Permits or for inspections of the work;

d. Utilities incurred in the course of the construction;

e. Premiums for builder's risk insurance and other insurance required by this Agreement;

f. Costs incurred for the management and administration of the construction, including without limitation, wages, labor burden, and expediting, procurement, and administrative expenses; and

g. Any and all other costs incurred to complete the Leasehold Improvements.

Construction Documents means this Agreement and the Final Plans.

Design and Construction Schedule means the schedule for preparation, approval, disapproval, modification, and completion of the Final Plans and for obtaining Permits required for the Leasehold Improvements and for the commencement, prosecution, and Substantial Completion of all

Leasehold Improvements, which schedule is attached to this Agreement as **Attachment A**, and incorporated into the Agreement by this reference.

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

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

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

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

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

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

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

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

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

Punchlist is defined in Section 5.2 of this Agreement.

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

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

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

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

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

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

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

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

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

ARTICLE II

DESIGNATION OF REPRESENTATIVES

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

ARTICLE III

CONTRACT DOCUMENTS AND PERMITS

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

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

3.3 Standards for Consent. Tenant shall not unreasonably withhold its approval of the Final Plans, unless the Final Plans do not conform to the Tenant's Design Requirements or unless the Leasehold

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

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

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

ARTICLE IV

PERFORMANCE OF THE WORK

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

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

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

4.4 Standards for Performance of the Work. Landlord shall cause the Leasehold Improvements to be constructed by well-trained, adequately supervised workers, in a good and workmanlike manner, free from design, material and workmanship defects in accordance with all Construction Documents and all Laws and Orders. Notwithstanding anything stated to the contrary in the

Lease or this LIA, Tenant's acceptance of possession of the Leasehold Improvements shall not waive this warranty and Landlord shall promptly remedy all violations of the warranty at its sole cost and expense.

ARTICLE V

COMPLETION OF THE WORK

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

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

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

ARTICLE VI

PAYMENT OF CONSTRUCTION COSTS

6.1 Duty to Pay Construction Costs. The Leasehold Improvements shall be completed by the Landlord, and Landlord shall provide Tenant a tenant improvement allowance for the Construction Costs, pursuant to Section 1.3.1 of the Lease and as referenced in the introductory paragraph of this Agreement. Any additional tenant improvements required by Tenant and approved by Landlord and Tenant by executed Change Order pursuant to Section 3.5 of this Agreement, in excess of the Tenant improvement allowance pursuant to Section 1.3.1 of the Lease, shall be paid for by the Tenant. Tenant shall bear all costs of performing Tenant's Work. In addition, Tenant shall bear all costs of performing Tenant's Work.

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

ARTICLE VII

RISK OF LOSS

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

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

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

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

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

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

LANDLORD: **SR LAKES WATERFALL DE, LLC**, a Delaware limited liability company

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

By: _____
Matthew T. White, Manager

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

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

By: _____
Caroline Judy, Director
General Services Department

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Barbie Robinson, Director
Department of Health Services

_____
Marc McDonald, Real Estate Manager
General Services Department

Attachment A

Design and Construction Schedule

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

CLIENT TARGET MOVE-IN DATE: JUNE 1, 2018

Attachment B

Design Process

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

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

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

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

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

Attachment C

Tenant's Design Requirements/Outline Specifications

I GENERAL REQUIREMENTS

II CONSTRUCTION AND CODE CRITERIA

III DESIGN REQUIREMENTS

Division 2 Sitework
- A Parking

Division 6 Wood and Plastics
- A Cabinets

Division 7 Thermal and Moisture Protection
- A Exterior Walls
- B Roofs

Division 8 Windows and Doors
- A Windows
- B Doors
- C Hardware

Division 9 Finishes
- A Floors
- B Carpet
- C Ceilings
- D Window Coverings
- E Painting

Division 10 Specialties
- A Toilet Room Accessories
- B Signs
- C Modular Systems Furniture (MSF)

Division 13 Special Construction
- A Sound Control

Division 15 Mechanical
- A Plumbing
- B HVAC

Division 16 Electrical

Division 17 Security System

I - GENERAL REQUIREMENTS

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

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

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

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

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

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

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

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

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

II - CONSTRUCTION AND CODE CRITERIA

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

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

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

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

E Where the Tenant occupies any portion, or all of a multi-story building, the Landlord shall provide an emergency evacuation plan for the tenants. The plan shall be coordinated with the tenant agency Emergency Coordinator. In addition to any code required exit signage, Landlord shall provide sufficient "key" floor plans to clearly delineate emergency exit routes, corridor located fire extinguishers and fire alarm pull stations. Key plans shall be located in central traffic areas, wall mounted and framed under glass, minimum size 8" x 10".

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

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

1. MSDS (Material Safety Data Sheets) or other appropriate literature on any hazardous materials (paint thinners, solvents, mastics, etc.) that will be used during construction.

2. Identify any procedures likely to produce vapors, odors, fumes, dust, etc. Such procedures shall only be undertaken during times when adjacent areas are not occupied (i.e. evenings, weekends). Provide adequate ventilation to ensure that all vapors, etc. are expelled from building prior to next business day.

3. Any safety precautions Tenant should take regarding proposed construction.

III - DESIGN REQUIREMENTS

2 – Sitework

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

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

6 - Wood and Plastics

A Cabinets:

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

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

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

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

5. Face of millwork to be high-pressure decorative plastic laminate: NEMA LD-3 grades as required by Tenant Specifications. Use Formica, Wilsonart, Nevamar, or equal, subject to approval by Tenant.

6. Provide 3-way adjustable European-style concealed hinges and wire pulls plated to match hardware.

7. Finishes for casework shall be plastic laminate. Color to be selected by Tenant.

8. Design all casework to meet the requirements of ADA. Work surfaces and counters shall be adjustable in height wherever possible for accessibility and flexibility.

7 - Thermal and Moisture Protection

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

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

8 – Windows and Doors

A Windows:

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

B Doors:

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

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

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

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

C Hardware:

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

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

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

9 - Finishes

A Floors:

1. Concrete floors in janitor closets, heater or utility rooms shall be cleaned and treated with epoxy coating. Office areas throughout shall have carpet or other floor covering per Exhibit A with 4" top-set rubber base, unless otherwise

specified. Floor covering shall extend under counters and cabinets. Colors and patterns shall be as selected or approved by Tenant.

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

B Carpet:

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

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

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

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

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

10 – Specialties

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

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

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

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

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

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

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

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

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

Installation of modular systems furniture may not take place until construction of tenant improvements is substantially complete. Conditions required for said completion are:
a. Building official approval of electrical and cabling systems to the point of connection.
b. Installation of floor covering.
c. Substantial completion of project punch list.

13 - Special Construction

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

15 - Mechanical

A Plumbing: If not shown on plans, provide plumbing fixtures in number and type required by the California Plumbing Code. Provide hot and cold water at each lavatory and sink, per California Plumbing Code and CCR Title 24, Part 5.
Provide one or more Americans with Disabilities Act=compliant refrigerant drinking fountains within close proximity to office Premises or as indicated on plans. Soldered connections on water supply lines shall use ASTM 832, Grade 5A 95-5 Tin Antimony solder. Lead solder is not allowed.

At fixtures provided for the Tenant's exclusive use, provide the following:
1. Set temperature of hot water to lavatories and sinks at maximum 105º F.
2. Water heaters and storage tanks shall be fitted with external insulation blankets rated at a minimum thermal resistance value of R-6 unless the existing insulation jacket is in excess of R-12.

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

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

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

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

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

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

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

A design supply airflow of .75 cfm per SF. in interior of windowless perimeter spaces is acceptable.
Toilet rooms shall be provided with a mechanical exhaust system providing a minimum of 15 air changes per hour. Replacement air shall be supplied from the building system. Individual supply ducts for sound lined jumper ducts are acceptable. Where toilet rooms have individual exhaust fans, the fan operation shall be interlocked with the toilet room light switch. Exhaust air shall be ducted to the outside.

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

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

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

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

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

16 – Electrical

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

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

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

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

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

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

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

Provide motion sensors for all areas.

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

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

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

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

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

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

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

3. Minimum one phone connection at one wall adjacent to each desk. This shall consist of an outlet box in wall with EMT conduit extending from box to 6” above finished ceiling*****. Provide nylon pull cord at each location.

4. Minimum one data connection at one wall adjacent to each data procession table. This shall consist of an outlet box in wall with EMT conduit extending from box to 6" above finished ceiling*****. Provide nylon pull cord at each location.

> ***Note:** When space at ceiling is not accessible for pulling cables, extend conduit and pull wire to location that will allow Tenant to pull wires unimpeded back to phone/data distribution center.

Landlord shall provide and install all conduits, complete with pull wire, necessary for telephone installation, including conduit from exterior of building to junction box location and telephone distribution centers. Provide 2 – 2" conduit from the Main Telephone Room (MPO) to the telecom room in tenant's space. Provide telephone terminal backboard or terminal cabinet of proper size, as directed by Tenant's telephone vendor company. Provide flush cabinets or closets to enclose all telephone backboards, terminal strips, and telephone equipment except where suitable telephone-company-furnished covers will serve to conceal these items. Provide lighting and power outlet(s) in closets as required. Telephone service outlets shall be as shown and conduit provided to serve these locations. NO ELECTRICAL OR ALARM PANELS WILL BE ALLOWED IN THE TEL/COM ROOM.

Provide 30 percent additional electrical capacity to Tenant leased space for future needs.

17 - Security System

Provide outlet boxes and conduit to support tenant-supplied security system, if required in the plans. Locate outlet boxes in wall adjacent to each location and extend 1/2" conduit with pull cord from outlet to space in ceiling above.

END OF SPECIFICATIONS

Exhibit E

[Acknowledgement of Commencement Date]

LANDLORD and TENANT hereby acknowledge that the Commencement Date of that certain Lease dated _____, 2017, for premises located at **2255 Challenger Way, Suites 107, 113 and 119, Santa Rosa, California**, occurred on _____, 20__.

ACKNOWLEDGED BY LANDLORD:

SR LAKES WATERFALL DE, LLC, a Delaware limited liability company,

By: G&W Ventures, LLC, a California limited liability company, its Manager

By: _____
Matthew T. White, Manager

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

ACKNOWLEDGED BY TENANT:

COUNTY OF SONOMA, a political subdivision of the State of California

By: _____
Marc McDonald
Real Estate Manager

Exhibit F

Section I: Insurance Required to be Maintained by Landlord

At all times during the term of this Lease, Landlord shall purchase and maintain, at its own expense, but subject to Section 4.5.2 of the Lease, insurance as described below, unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*.

Tenant reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Lease or failure to identify any insurance deficiency shall not relieve Landlord from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during this Lease.

1. **Workers Compensation and Employers Liability Insurance**
   - **a.** Required if Landlord has employees.
   - **b.** Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
   - **c.** Employers Liability with minimum limits of $1,000,000 per Accident; $1,000,000 Disease per employee; $1,000,000 Disease per policy.
   - **d.** The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Tenant.
   - **e.** *Required Evidence of Insurance*:
     - **i.** Subrogation waiver endorsement; and
     - **ii.** Certificate of Insurance

   If Landlord currently has no employees, Landlord agrees to obtain the above-specified Workers Compensation and Employers Liability insurance should any employees be engaged during the term of this Lease or any extensions of the term.

2. **General Liability Insurance**
   - **a.** Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office Form CG 00 01.
   - **b.** Minimum Limits: $1,000,000 per Occurrence; $2,000,000 General Aggregate; the General Aggregate shall apply separately to each location. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Landlord maintains higher limits than the specified minimum limits, Tenant requires and shall be entitled to coverage for the higher limits maintained by Landlord.
   - **c.** Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds $25,000 it must be approved in advance by Tenant. Landlord is responsible for any deductible or self-insured retention and shall fund it upon Tenant's written request, regardless of whether Landlord has a claim against the insurance or is named as a party in any action involving the Tenant.
   - **d.** **County of Sonoma, its Officers, Agents and Employees** shall be additional insureds for liability arising out of premises owned by or rented to Landlord, (Insurance Services Office endorsement CG 20 26 or equivalent).
   - **e.** The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
   - **f.** The policy shall cover inter-insured suits between Landlord and Tenant and include a "separation of insureds" or "severability" clause which treats each insured separately.
   - **g.** The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Tenant.
   - **h.** *Required Evidence of Insurance*:

i. Copy of the additional insured endorsement or policy language granting additional insured status, and
ii. Certificate of Insurance.

3. Property Insurance for Building

a. The insurance shall cover the Building (excluding land) and all improvements (except property required to be insured by Tenant pursuant to Section II(4)(a) below) and structures on the land.
b. Insured perils shall be "special form" or "all risks".
c. The minimum amount of insurance shall be the full current replacement cost of the building and all improvements and structures on the land, including the cost of debris removal. This amount shall be re-determined annually by Landlord, subject to approval by Tenant.
d. The insurance shall apply on a replacement cost basis, without deduction for depreciation.
e. If the policy has a deductible, Landlord shall be responsible for the full amount of the deductible without contribution from Tenant.
f. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against Tenant.
g. *Required Evidence of Insurance*:
i. Certificate of Property Insurance *or* Evidence of Commercial Property Insurance.

4. Rental Value Insurance

a. The insurance shall cover loss of rents resulting from an insured cause of loss under a "special form" or "all risks" policy.
b. The period of insurance shall be for a minimum of 24 months.
c. The limit shall be one hundred fifty percent (150%) of the annual rents payable by all tenants occupying the building.
d. *Required Evidence of Insurance*: Certificate of Property Insurance or Evidence of Commercial Property Insurance

5. Reserved

6. Standards for Insurance Companies

Insurers shall have an A.M. Best's rating of at least A:VII.

7. Documentation

a. The Certificate of Insurance must include the following reference: **County of Sonoma leased premises located at 2255 Challenger Way, Suites 107, 113 and 119, 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, Attention: Real Estate Manager, 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 Section 7.1), whether pursuant to this Lease or pursuant to any prior lease or other agreement to which Tenant was a party (the "Tenant-Insured Improvements"). 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, warehouser'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 G

TENANT ESTOPPEL CERTIFICATE

Date: _____, 20____.

_____
_____
_____
_____
Attention: _____
and
_____
_____
_____
_____
Attention: _____

RE: Lease dated _____ ("Lease") between _____, a_____ ("Tenant") and _____, a_____("Landlord");
Leased Premises: _____, comprised of _____ rentable square feet ("Leased Premises")

Ladies and Gentlemen:

The undersigned, as Tenant under the above-referenced Lease, hereby represents, warrants and certifies to _____, a _____ ("Buyer") the truth and accuracy of the foregoing descriptions and the following statements:

1. Attached hereto as Schedule 1 is a complete, true and correct copy of the Lease and, except as identified to Buyer in writing and attached hereto together with the Lease, there are no modifications, amendments, supplements or understandings, oral or written, amending, supplementing or changing the terms of the Lease.

2. Tenant has accepted and is in possession of the Leased Premises, and the Lease is in full force and effect, having been duly executed and delivered by Tenant. The Premises consists of approximately _____ rentable square feet.

3. The term of the Lease commenced on _____ and, including any presently exercised option or renewal term, will terminate on _____.

4. Current base monthly rent under the Lease is $_____, which has been paid through and including _____. Tenant is currently making estimated payments of additional rent in the amount of $_____. There is no prepaid rent, except $_____. Tenant has no right to any future rent abatement under the Lease.

5. To Tenant's actual knowledge, there is no default under the Lease on the part of Landlord or any existing conditions which upon giving notice or lapse of time or both would constitute a default under the Lease on the part of Landlord, and Landlord has satisfactorily complied with all requirements to the

commencement of the term of the Lease.

6. Tenant has no claim against Landlord for any security, rental, cleaning or other deposits, except for a security deposit under the Lease in the amount of $_____. [If none, state “none”.]

7. There is no outstanding tenant improvement allowance or any other payments from the Landlord due under the Lease. [The amount of the tenant improvement allowance outstanding under the Lease is $_____.]

8. Tenant has not entered into any sublease, assignment or other agreement transferring any of its interest in the Lease or the Leased Premises, except _____. [If none, state “none”.]

9. Except as set forth in the Lease, Tenant has no options to extend the term of the Lease, no right of first offer or right of first refusal to lease or occupy any other space within the Leased Premises, no right to renew or extend the Lease and no right or option to purchase the Leased Premises and/or the property related thereto.

This Tenant Estoppel Certificate is made to Buyer in connection with the prospective purchase by Buyer of the property containing the Leased Premises. This Tenant Estoppel Certificate may be relied on by _____ and Buyer’s successors and assigns in connection with such purchase.

Very truly yours,

“Tenant”

_____
a _____

By: _____
Name: _____
Title: _____

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Wells Fargo Bank, National Association
SAN FRANCISCO COMMERCIAL REAL ESTATE GROUP (AU#02034)
420 Montgomery Street, 6th Floor
San Francisco, California 94104

Attention: Colleen King
Loan No.
(PROPERTY NAME)

(Space Above For Recorder's Use)

SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF LEASE ASSIGNMENT, ESTOPPEL, ATTORNMENT AND NON-DISTURBANCE AGREEMENT
(Lease to Security Instrument)

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF LEASE ASSIGNMENT, ESTOPPEL, ATTORNMENT AND NON-DISTURBANCE AGREEMENT ("**Agreement**") is made _____, 20__ by and between REDBIRD SR LAKES WATERFALL DE, LLC, a California limited liability company and SR LAKES WATERFALL DE, LLC, a California limited liability company, **OWNERS OF THE REAL PROPERTY HEREINAFTER DESCRIBED** ("**Mortgagor**"), **TENANT NAME** _____ ("**Tenant**") and Wells Fargo Bank, National Association (collectively with its successors or assigns, "**Lender**").

R E C I T A L S

A. Pursuant to the terms and provisions of a lease dated _____("**Lease**"), Mortgagor granted to Tenant a leasehold estate in and to a portion of the property described on Exhibit A attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the "**Property**").

B. **Not Applicable**

C. Mortgagor has executed that certain DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed Of Trust**") securing, among other things, that certain PROMISSORY NOTE SECURED BY DEED OF TRUST dated _____, ("**Original Note**") and as amended and restated by that certain AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEEDS OF TRUST dated _____ in the principal sum of _____ ($_____), the Original Note and the Amended & Restated Promissory Note are collectively referred to herein as the ("**Note**"), in favor of Lender ("**Loan**"). The Deed Of Trust was recorded in the Office of the Sonoma County Recorder on _____, as Document Number _____ and as amended by that certain Memorandum Of Assumption, Modification And Joinder Agreement Amending Deed Of Trust dated _____ ("**Amended Deed Of Trust**") and recorded in the Office of the Sonoma County Recorder on

_____, as Document Number _____, the Deed Of Trust and the Amended Deed Of Trust are collectively referred to herein as the ("**Security Instrument**").

D. As a condition to Lender making the Loan secured by the Security Instrument, Lender requires that the Security Instrument be unconditionally and at all times remain a lien on the Property, prior and superior to all the rights of Tenant under the Lease and that the Tenant specifically and unconditionally subordinate the Lease to the lien of the Security Instrument.

E. Mortgagor and Tenant have agreed to the subordination, attornment and other agreements herein in favor of Lender.

NOW THEREFORE, for valuable consideration and to induce Lender to make the Loan, Mortgagor and Tenant hereby agree for the benefit of Lender as follows:

1. **SUBORDINATION**. Mortgagor and Tenant hereby agree that:

1.1 **Prior Lien.** The Security Instrument securing the Note in favor of Lender, and any modifications, renewals or extensions thereof (including, without limitation, any modifications, renewals or extensions with respect to any additional advances made subject to the Security Instrument), shall unconditionally be and at all times remain a lien on the Property prior and superior to the Lease;

1.2 **Subordination.** Lender would not make the Loan without this agreement to subordinate; and

1.3 **Whole Agreement.** This Agreement shall be the whole agreement and only agreement with regard to the subordination of the Lease to the lien of the Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the Security Instrument and the Lease any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination of the Lease to a deed or deeds of trust or to a mortgage or mortgages.

AND FURTHER, Tenant individually declares, agrees and acknowledges for the benefit of Lender, that:

1.4 **Use of Proceeds.** Lender, in making disbursements pursuant to the Note, the Security Instrument or any loan agreements with respect to the Property, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part; and

1.5 **Waiver, Relinquishment and Subordination.** Tenant intentionally and unconditionally waives, relinquishes and subordinates all of Tenant's right, title and interest in and to the Property to the lien of the Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Lender and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

2. **ASSIGNMENT**. Tenant acknowledges and consents to the assignment of the Lease by Mortgagor in favor of Lender.

3. **ESTOPPEL**. Tenant acknowledges and represents that:

3.1 **Entire Agreement.** The Lease constitutes the entire agreement between Mortgagor and Tenant with respect to the Property and Tenant claims no rights with respect to the Property other than as set forth in the Lease;

3.2 **No Prepaid Rent.** No deposits or prepayments of rent have been made in connection with the Lease, except as follows (if none, state "None"): _____ _____;

3.3 **No Default.** To the best of Tenant's knowledge, as of the date hereof: (i) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default under the Lease; and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the Lease;

3.4 **Lease Effective.** The Lease has been duly executed and delivered by Tenant and, subject to the terms and conditions thereof, the Lease is in full force and effect, the obligations of Tenant thereunder are valid and binding and there have been no amendments, modifications or additions to the Lease, written or oral; and

3.5 **No Broker Liens**. Neither Tenant nor Mortgagor has incurred any fee or commission with any real estate broker which would give rise to any lien right under state or local law, except as follows (if none, state "None"): _____ _____.

4. **ADDITIONAL AGREEMENTS**. Tenant covenants and agrees that, during all such times as Lender is the Beneficiary under the Security Instrument:

4.1 **Modification, Termination and Cancellation.** Tenant will not consent to any modification, amendment, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent and will not make any payment to Mortgagor in consideration of any modification, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent;

4.2 **Notice of Default.** Tenant will notify Lender in writing concurrently with any notice given to Mortgagor of any default by Mortgagor under the Lease, and Tenant agrees that Lender has the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below and Tenant will not declare a default of the Lease, as to Lender, if Lender cures such default within fifteen (15) days from and after the expiration of the time period provided in the Lease for the cure thereof by Mortgagor; provided, however, that if such default cannot with diligence be cured by Lender within such fifteen (15) day period, the commencement of action by Lender within such fifteen (15) day period to remedy the same shall be deemed sufficient so long as Lender pursues such cure with diligence;

4.3 **No Advance Rents**. Tenant will make no payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease; and

4.4 **Assignment of Rents.** Upon receipt by Tenant of written notice from Lender that Lender has elected to terminate the license granted to Mortgagor to collect rents, as provided in the Security Instrument, and directing the payment of rents by Tenant to Lender, Tenant shall comply with such direction to pay and shall not be required to determine whether Mortgagor is in default under the Loan and/or the Security Instrument.

5. **ATTORNMENT**. In the event of a foreclosure under the Security Instrument, Tenant agrees for the benefit of Lender (including for this purpose any transferee of Lender or any transferee of

Mortgagor's title in and to the Property by Lender's exercise of the remedy of sale by foreclosure under the Security Instrument) as follows:

5.1 **Payment of Rent.** Tenant shall pay to Lender all rental payments;

5.2 **Continuation of Performance.** Tenant shall be bound to Lender in accordance with all of the provisions of the Lease for the balance of the term thereof, and Tenant hereby attorns to Lender as its landlord, such attornment to be effective and self-operative without the execution of any further instrument immediately upon Lender succeeding to Mortgagor's interest in the Lease and giving written notice thereof to Tenant;

5.3 **No Offset.** Lender shall not be liable for, nor subject to, any offsets or defenses which Tenant may have by reason of any act or omission of Mortgagor under the Lease, nor for the return of any sums which Tenant may have paid to Mortgagor under the Lease as and for security deposits, advance rental payments or otherwise, except to the extent that such sums are actually delivered by Mortgagor to Lender; and

5.4 **Subsequent Transfer.** If Lender, by succeeding to the interest of Mortgagor under the Lease, should become obligated to perform the covenants of Mortgagor thereunder, then, upon any further transfer of Mortgagor's interest by Lender, all of such obligations shall terminate as to Lender.

6. **NON-DISTURBANCE**. In the event of a foreclosure under the Security Instrument, Lender agrees for itself and its successors and assigns that the leasehold interest of Tenant under the Lease shall not be extinguished or terminated by reason of such foreclosure, but rather the Lease shall continue in full force and effect and Lender shall recognize and accept Tenant as tenant under the Lease subject to the terms and provisions of the Lease except as modified by this Agreement; provided, however, that Tenant and Lender agree that the following provisions of the Lease (if any) shall not be binding on Lender: any option to purchase with respect to the Property; any right of first refusal with respect to the Property; any provision regarding the use of insurance proceeds or condemnation proceeds with respect to the Property which is inconsistent with the terms of the Security Instrument.

7. **MISCELLANEOUS**.

7.1 **Remedies Cumulative.** All rights of Lender herein to collect rental payments on behalf of Mortgagor under the Lease are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender and Mortgagor or others.

7.2 **Notices.** All notices, demands, or other communications under this Agreement and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of Default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

Mortgagor:	SR LAKES WATERFALL DE, LLC, and REDBIRD SR LAKES WATERFALL DE, LLC In care of Basin Street Properties 50 W. Liberty, Suite 250 Reno, Nevada 89501 Attention: Matthew T. White
Tenant:	COUNTY OF SONOMA General Services Department In care of Facilities Development & Management 2300 County Center Drive, Suite A220 Santa Rosa, California 95403 Attention: Real Estate Manager
Lender:	Wells Fargo Bank, National Association San Francisco Real Estate Banking Group (AU #0002034) 420 Montgomery Street, 6th Floor San Francisco, California 94104 Attention: Peter Angel Loan #:1008340
With a copy to:	Wells Fargo Bank, National Association Minneapolis Loan Center 608 Second Avenue South, 11th Floor Minneapolis, Minnesota 55402 Attention: Andrew J. Douglas

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove.

7.3 **Heirs, Successors and Assigns.** Except as otherwise expressly provided under the terms and conditions herein, the terms of this Agreement shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto.

7.4 **Headings.** All article, section or other headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.

7.5 **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

7.6 **Exhibits, Schedules and Riders.** All exhibits, schedules, riders and other items attached hereto are incorporated into this Agreement by such attachment for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

"MORTGAGOR"

SR LAKES WATERFALL DE, LLC,
a Delaware limited liability company

By: G & W Ventures, LLC, a California limited liability company, its Manager

By:_____
Matthew T. White, Manager

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its manager

By: _____
Bruce J. Cardinal, Trustee

"TENANT"

COUNTY OF SONOMA, a political subdivision of the State of California

By:_____
Name:_____
Title:_____

"LENDER"

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:_____
Peter M. Angel
Vice President

IF DOCUMENT TO BE RECORDED, ALL SIGNATURES MUST BE ACKNOWLEDGED

EXHIBIT A - DESCRIPTION OF PROPERTY

All that certain real property located in the City of Santa Rosa, County of Sonoma, State of California, described as follows:

[IF LEASE GUARANTY]
LEASE GUARANTOR'S CONSENT

The undersigned ("**Lease Guarantor**") consents to the foregoing Subordination Agreement; Acknowledgment of Lease Assignment, Estoppel, Attornment and Non-Disturbance Agreement and the transactions contemplated thereby and reaffirms its obligations under the lease guaranty ("**Lease Guaranty**") dated _____. Lease Guarantor further reaffirms that its obligations under the Lease Guaranty are separate and distinct from Tenant's obligations.

AGREED:

Dated as of: _____

"LEASE GUARANTOR"

[SIGNATURE BLOCK FOR LEASE GUARANTOR]

IF DOCUMENT TO BE RECORDED, ALL SIGNATURES MUST BE ACKNOWLEDGED

Exhibit H

[Phase I Environmental Site Assessment]

Exhibit I

[Form of Memorandum of Lease]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

_____
_____
_____

Above Space for Recorder's Use Only

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "***Memorandum***") dated as of _____ , 20__, by and between SR LAKES WATERFALL DE, LLC, a Delaware limited liability company, and REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company (hereinafter called "***Landlord***"), and the COUNTY OF SONOMA, a political subdivision of the State of California ("***County***").

1. **Lease Terms and Premises**. Landlord and County have entered into a Lease dated _____ __, 20__ (the "***Lease***") whereby Landlord leases to County, and County leases from Landlord, that certain building located at **2255 Challenger Way**, situated in that certain building campus commonly known as The Lakes (the "***Lakes Site***"), located in the city of Santa Rosa, County of Sonoma, for purposes of locating and operating a psychiatric care facility and ancillary medical uses in support of the psychiatric care facility (the Psychiatric Care Facility) therein. The premises that are leased to the County pursuant to the Lease are more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the "***Premises***"). The provisions of the Lease are incorporated herein.

2. **Term**. The term of the Lease is for _____ (__) years and commenced on _____. Tenant has the right to exercise two (2) options to extend the term by a period of five (5) years per extension.

3. **Use Restrictions**. The Lease provides that the Premises can only be used for the purpose of operating the Psychiatric Care Facility during the term of the Lease; such use restriction does not apply, however, to the balance of the Lakes Site.

4. **Defined Terms**. All capitalized terms used in this Memorandum but not expressly defined in this Memorandum shall have the meanings ascribed to them in the Lease.

5. **Purpose of Memorandum of Lease**. This Memorandum is prepared solely for purposes of recordation, and in no way modifies the provisions of the Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

6. **Counterparts**. This Memorandum may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Landlord and County have executed this Memorandum as set forth below.

"LANDLORD": **SR LAKES WATERFALL 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

REDBIRD SR LAKES WATERFALL DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997
Its manager

By: _____
Bruce J. Cardinal, Trustee

"TENANT": **COUNTY OF SONOMA**, a political subdivision of the State of California

By: _____
Caroline Judy, Director
General Services Department

APPROVED AS TO FORM FOR TENANT:

_____
Elizabeth Coleman With
Deputy County Counsel

APPROVED AS TO CONTENT FOR TENANT:

_____
Marc McDonald, Real Estate Manager
General Services Department

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A TO MEMORANDUM OF LEASE

Description of Premises

--End of Lease--

SONOMA COUNTY

GENERAL SERVICES DEPARTMENT

CAROLINE JUDY
DIRECTOR

ADMINISTRATIVE SERVICES • ENERGY & SUSTAINABILITY • FACILITIES DEVELOPMENT & MANAGEMENT • FLEET OPERATIONS • PURCHASING

VIA 1st Class Mail and E-mail

[DATE]

SR Lakes Waterfall DE, LLC and Redbird SR Lakes Waterfall DE, LLC
In c/o of Basin Street Properties
Scott Stranzl, Vice President, Leasing
316 California Avenue, Suite 350
Reno, NV 89509
Scott@basin-street.com

Re: Proposed Leases ("Leases") between SR Lakes Waterfall DE, LLC and Redbird SR Lakes Waterfall DE, LLC ("Landlord") and the County of Sonoma ("County") for the premises located at 2235 Challenger Way, 2255 Challenger Way, and 2227 Capricorn Way, Santa Rosa, CA ("Premises")

Dear Mr. Stranzl,

In order to expedite construction for the Premises as defined by the above-referenced proposed Leases, County is willing to guarantee certain costs thereof in the event that the Leases are not executed by County, as outlined below, provided that Landlord diligently proceeds with design of the proposed Premises and applies for all applicable permits.

This guarantee is subject to the following conditions:

(1) In the event the Lease is executed by County on or before December 12, 2017, then this guarantee shall be of no force or effect, and County shall not be required to reimburse Landlord for any costs.

(2) In the event the Lease is not executed by County on or before December 12, 2017, then County shall reimburse Landlord for actual costs incurred in preparing architectural design development and construction drawings based on the preliminary space plans attached to the Leases; provided, however, that in no event shall County be required to reimburse Landlord in an amount greater than Twenty-Five Thousand and No/100 Dollars ($25,000.00), nor shall County be required to reimburse Landlord for any costs incurred after December 12, 2017.

(3) In the event the Lease is executed by County after December 12, 2017, then Landlord shall refund any monies received from County hereunder within thirty (30) days of the execution date of the Leases.

(4) This guarantee shall only be binding on County in the event it is executed by the General Services Director, or her Deputy.

If you are in agreement with the terms of this guarantee, please have the appropriate person sign this letter where indicated below and return a copy of it to me.

Very truly yours,

Caroline Judy, Director
General Services Department
County of Sonoma

"Landlord": **SR Lakes Waterfall DE, LLC**, a Delaware limited liability company

By: G&@ Ventures, LLC, a California limited Liability company, its Managing Member

_____
Matthew T. White, Manager

Redbird SR Lakes Waterfall DE, LLC, a Delaware limited liability company

By: Bruce J. Cardinal Living Trust dated December 15, 1997, its Manager

Name: _____
Bruce J. Cardinal, Trustee

"County": **County of Sonoma**, a political subdivision of the State of California

By: _____
Caroline Judy, Director
General Services Department

Date: _____

C: Michael Kennedy
Marc McDonald
Alma Roger
Rod Stroud
Doug Uyehara

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 16
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors

Board Agenda Date: November 7, 2017

Vote Requirement: 4/5

Department or Agency Name(s): Permit Sonoma

Staff Name and Phone Number:

Tennis Wick, 565-1900
Jennifer Barrett, 565-1900
Jeff Brax, 565-2421

Supervisorial District(s):

All

Title: Emergency and Immediate Housing Needs Created by the Sonoma Complex Fire; Temporary Residential Use of Recreational Vehicles on Agricultural Lands and Lands Under Land Conservation Act Contracts

Recommended Actions:

1) Adopt a Resolution Modifying the Sonoma County Uniform Rules for Agricultural Preserves and Farmland Security Zones to Allow Use and Rental of Recreational Vehicles and Residential Accessory Structures for Temporary Disaster Housing on Land Under Williamson Act Contracts;
2) Adopt an Urgency Ordinance to Revise Chapter 40 of the Sonoma County Code to:
   a) Allow Residential Use of Recreational Vehicles on Agricultural Lands for Temporary Disaster Housing; and
   b) Make Minor Changes to Allow Temporary Residential Use of Recreational Vehicles by Displaced Renters As Well As Property Owners.

Executive Summary:

Staff recommends adoption of a resolution and an urgency ordinance to allow residential use and rental of recreational vehicles as temporary disaster housing on Land Conservation Act (Williamson Act) restricted parcels and other agricultural lands. A minor change to Chapter 40 is also recommended to include displaced renters as well as property owners to use and rent recreational vehicles as temporary disaster housing. This item meets the Board's direction at its October 31, 2017 meeting, and continues the Board's actions to expand the amount of emergency and immediate housing for persons displaced by the Sonoma Complex Fire. Staff has committed to returning to the Board in the coming weeks and months with additional immediate, interim, and long-term solutions to the County's housing crisis.

Discussion:

Background

On October 31, 2017, the Board adopted a resolution and ordinance allowing rental of existing dwellings on agricultural land and contracted parcels for temporary disaster housing. The Board directed staff to return with an additional agenda item allowing residential use of recreational vehicles on contracted parcels as temporary disaster housing. The Board discussed whether to include an affordability restriction on the rental of recreational vehicles and other temporary disaster housing.

Residential Use and Rental of Recreational Vehicles on Williamson Act Parcels

The County has adopted Uniform Rules listing the uses it deems compatible with agricultural uses of contracted land. In order to list uses as compatible, the County must consider the "principles of compatibility" stated in the California Land Conservation Act, at Government Code Section 51238.1(a).

This item recommends listing temporary disaster housing as a compatible use of agricultural land under a Williamson Act contract. The amendment would allow owners of contracted land to use and rent recreational vehicles and residential accessory structures, such as guest quarters and marketing accommodations, for certain temporary disaster housing, so long as it does not displace or impair current or foreseeable future agricultural operations, does not displace agricultural workers, and does not require the extension of urban services or infrastructure. The listing of temporary disaster housing as a compatible use for persons displaced by the Sonoma Complex Fire would automatically expire on December 31, 2019, unless extended or modified by the Board of Supervisors.

The Uniform Rules would still require that all non-agricultural compatible uses on a contracted parcel, including any area devoted to recreational vehicle use or rental, be limited to a total of five acres or 15% of the total parcel, whichever is less, in order to preserve the primary agricultural use and avoid displacing or impairing agricultural operations. All uses of land under a Williamson Act contract must conform to all other applicable restrictions and laws, including the zoning code and state laws and regulations governing recreational vehicles and special occupancy parks, including Executive Order B-43-17 issued by the Governor of California on October 18, 2017.

Staff has consulted with the California Department of Conservation as part of the preparation of this item. Department of Conservation staff did not object to the use of temporary recreational vehicles as temporary disaster housing on Williamson Act lands. Department of Conservation staff indicated a desire to help and work with the County to recover from this unprecedented disaster. County staff is working to formalize this determination for the benefit of future boards and staff.

The proposed amendment allows the County of Sonoma to tailor its Williamson Act program to the unique needs of Sonoma County, and to balance immediate disaster recovery efforts with efforts to sustain agricultural operations and maintain long term protection of agricultural and open space lands in the face of such an unprecedented wildfire disaster.

Rental of Recreational Vehicles on Agricultural Parcels

This item also includes an urgency ordinance to similarly allow use and rental of recreational vehicles on agricultural parcels, by persons displaced by the Sonoma Complex Fire, provided that such use or rental does not displace agricultural employees or farm workers, and subject to the standards applicable to

residential use of such vehicles in other zoning districts that were previously adopted as part of Chapter 40. This provision would similarly expire December 31, 2019, unless extended or modified by the Board of Supervisors.

At present, certain existing state regulations of governing recreational vehicles and special occupancy parks are suspended until April 18, 2018, by Governor Brown's Executive Order No. B-43-17. These regulations cover a variety of health, safety, permitting, and fee requirements. Staff is conferring with HCD to determine whether further permission from or regulation by HCD as special occupancy parks will apply to sites with more than one recreational vehicle after April 18, 2018.

Affordability Restriction
At its October 31, 2017 meeting, the Board discussed whether to include an affordability restriction on the rental of recreational vehicles and other temporary disaster housing. The enclosed resolution and ordinance do not include such a restriction, but staff has prepared language that could be included at the Board's direction. The Board could impose affordability requirements on newly-rented recreational vehicles or on all new temporary disaster housing, or could decline to add affordability housing requirements at this time, pending further analysis by staff.

Factors the Board may wish to consider include the degree to which existing affordable housing was lost, whether there is any new need for affordable housing that is greater than the community's need prior to the fire, the temporary nature of the disaster housing, and the desirability of locating affordable disaster housing units on agricultural lands versus other lands in the unincorporated area. Presently, there are no affordability provisions placed on any temporary disaster housing units located in residential zone districts.

Minor Changes to Allow Temporary Residential Use of Recreational Vehicles by Displaced Renters
The ordinance proposes a minor change to allow displaced renters to use and rent the recreational vehicles allowed by Chapter 40, in addition to owners who are repairing or reconstructing a fire-affected dwelling. The ordinance also clarifies that the temporary residential use of recreational vehicles is not allowed in the coastal zone.

Prior Board Actions:

On October 17, 2017, the Board adopted a resolution waiving permit fees until July 10, 2018 for repair and reconstruction for already-permitted fire damaged residential, commercial, and agricultural structures. On October 24, 2017, the Board placed a temporary moratorium on issuance of new vacation rental and hosted rental permits and added Chapter 40, Sonoma Complex Fire Disaster Recovery, to the Sonoma County Code to provide additional housing opportunities for persons displaced by the Sonoma Complex Fire. On October 31, 2017, the Board adopted modifications to the Uniform Rules and an urgency ordinance allowing rental of existing dwellings on agricultural land and contracted parcels for disaster housing.

Strategic Plan Alignment	Goal 1: Safe, Healthy, and Caring Community

Fiscal Summary			
Expenditures	**FY 17-18 Adopted**	**FY 18-19 Projected**	**FY 19-20 Projected**
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

1. Resolution Modifying the Sonoma County Uniform Rules for Agricultural Preserves and Farmland Security Zones to Allow Use and Rental of Recreational Vehicles and Residential Accessory Structures for Temporary Disaster Housing on Land Under Williamson Act Contracts.
2. Urgency Ordinance to Revising Chapter 40 of the Sonoma County Code to Allow Residential Use of Recreational Vehicles on Agricultural Lands for Temporary Disaster Housing and Making Minor Changes to Allow Temporary Residential Use of Recreational Vehicles by Displaced Renters As Well As Property Owners.

Related Items “On File” with the Clerk of the Board:

County of Sonoma
State of California

Item Number: _____

Date: November 7, 2017 Resolution Number: _____

☐ 4/5 Vote Required

Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Approving An Amendment To Uniform Rule 8.0 of the Sonoma County Uniform Rules For Agricultural Preserves And Farmland Security Zones To List Additional Types of Temporary Disaster Housing As A Compatible Use

Whereas, fast-moving catastrophic fires commenced the 8th day of October, 2017 in Sonoma County and surrounding areas, which are collectively referred to as the Sonoma Complex Fire;

Whereas, on October 9, 2017, the Governor of the State of California proclaimed a State of Emergency for Sonoma and other counties and has declared Sonoma County eligible for Fire Management Assistance Grant and other relief programs;

Whereas, On October 10, 2017, Presidential Declaration of Major Disaster DR-4344 was issued;

Whereas, the Sonoma Complex Fire to date has consumed well over one hundred thousand acres, including land within agricultural preserves, and has led to the destruction of thousands of homes. It is estimated that thousands of households in Sonoma County, including unincorporated Sonoma County and municipal jurisdictions within Sonoma County, are without homes;

Whereas, the housing units destroyed by the Sonoma Complex Fire increased Sonoma County's rental housing shortage by several orders of magnitude and also severely reduced the number of owner-occupied housing units in the County;

Whereas, destruction of housing units in other nearby counties, including Lake, Napa, Solano and Mendocino Counties further exacerbates the ability of persons who live and work in Sonoma County and have been displaced by the Sonoma Complex Fire to relocate to other housing;

Whereas, the preservation of a maximum amount of the limited supply of agricultural land is necessary to the conservation of the state's economic

resources, and is necessary not only for the maintenance of the agricultural economy of the state, but also for the assurance of adequate, healthful and nutritious food for residents of the state and the nation;

Whereas, the California Legislature enacted the California Land Conservation Act of 1965, also known as the Williamson Act, (Government Code §51200 et seq.), which authorizes counties to establish agricultural preserves and to enter into voluntary contracts with owners of qualifying land within the preserves to restrict the use of land to agricultural use, open space use, and uses compatible with agricultural or open space uses, in exchange for property tax savings;

Whereas, pursuant to the California Land Conservation Act, Government Code §51231, the Board of Supervisors shall adopt uniform rules to govern the administration of the County's agricultural preserve program;

Whereas, the Board of Supervisors, after making certain findings under Government Code Section 51238.1, may list in its uniform rules certain uses of contracted land as uses that are compatible with the agricultural use of contracted lands;

Whereas, consistent with Government Code Section 51220.5, in determining the type of uses to be deemed "compatible uses," the Board of Supervisors recognizes that the Legislature has found that agricultural operations are often hindered or impaired by uses which increase the density of the permanent or temporary human population of the agricultural area;

Whereas, on December 13, 2011, by Resolution Number 11-0678, the Sonoma County Board of Supervisors adopted updated Uniform Rules for Agricultural Preserves and Farmland Security Zones ("Uniform Rules") to govern local administration of the County's agricultural preserve program;

Whereas, since December 2011, the Board of Supervisors amended the Uniform Rules three times: on July 31, 2012, by Resolution Number 12-0379; on May 7, 2013, by Resolution Number 13-0186; and on December 20, 2016 by Resolution Number 16-0485;

Whereas, in consideration of the need to balance the agricultural, open space, and residential needs of the community, the Board of Supervisors presently desires to amend the Uniform Rules to permit limited temporary disaster housing that meets certain criteria as an allowed "compatible use" on agricultural land restricted by a Land Conservation Act contract to aid in disaster recovery in a way that does not impair agricultural operations or uses in the short or long term;

Whereas, the allowance of limited temporary disaster housing on contracted land in agricultural preserves is an essential component of the County of Sonoma's larger

housing strategy that seeks to address the need to house an unprecedented number of displaced households, while also avoiding long term or permanent conversion of agricultural lands to residential purposes for the benefit of the public;

Whereas, on October 31, 2017 the Board of Supervisors adopted a resolution to add subsection 5 to Section 8.3 of Rule 8.0 of the Uniform Rules to allow as a compatible use certain temporary housing of persons displaced by the Sonoma Complex Fire on land under a Land Conservation Contract; and

Whereas, the County desires to further modify the Uniform Rules to allow as compatible uses additional temporary housing options for persons displaced by the Sonoma Complex Fire;

Now, Therefore, Be It Resolved that the Board of Supervisors finds that the foregoing recitals are true and correct; and

Be It Further Resolved that Board of Supervisors finds that adding limited temporary disaster housing to the Uniform Rules as a compatible use is desirable and will appropriately tailor Sonoma County's agricultural preserve program to meet local, regional, state, and national needs for assuring adequate, healthful and nutritious food for future residents; and

Be It Further Resolved that the Board of Supervisors makes the following findings concerning the use of contracted land for temporary disaster housing, where the land qualifies for a Land Conservation Contract based on qualifying agricultural use of the land:

1. The use will not significantly compromise the long-term productive agricultural capability of contracted lands in agricultural preserves in Sonoma County because the current requirement that contracted land must be devoted to agricultural use will remain unchanged, and because the area that all compatible uses may collectively occupy for any parcel of agricultural contracted land will remain limited to 5 acres or 15% of the land, whichever is less, unless an exception is granted by the Board of Supervisors after making certain findings to ensure compatibility; and

2. The use will not significantly displace or impair current or reasonably foreseeable agricultural operations on contracted lands in agricultural preserves because temporary disaster housing is only permitted as a compatible use if it does not displace current or reasonably foreseeable agricultural operations, and because the Uniform Rules limit the area that all compatible uses may collectively occupy for any parcel of contracted land is limited to 5 acres or 15% of the land, whichever is less, unless an exception is granted by the Board of Supervisors after making certain findings to ensure compatibility; and

3. The use will not result in the significant removal of adjacent contracted lands from agricultural or open space uses because temporary disaster housing as a compatible use will be limited due to the Uniform Rules' limitation on the area that all compatible uses may collectively occupy for any parcel of contracted land, which is 5 acres or 15% of the land under contract, whichever is less, unless an exception is granted by the Board of Supervisors after making certain findings to ensure compatibility; and

4. The use will not result in an increase in the density of the permanent or temporary human population of the agricultural area in a way that hinders or impairs agricultural operations because the proposed use is significantly limited in scope and duration, will not result in the removal of land from agricultural use, will not displace agricultural workers, no additional permanent residential structures will be allowed, only one recreational vehicle for temporary disaster housing is permitted, and the temporary disaster housing uses is not expected to result in the extension of urban services or infrastructure to agricultural areas.

Be It Further Resolved that the Board of Supervisors amends Uniform Rule 8.0 of the Sonoma County Uniform Rules for Agricultural Preserves and Farmland Security Zones, Section 8.3, A. "Residential Uses," to rescind subsection 5 adopted on October 31, 2017, and replace it with a new section 6 as follows:

6. Temporary disaster housing.

   a. The temporary disaster housing allowed under this subsection 6 may not displace or impair current or foreseeable agricultural operations, may not displace agricultural workers, and may not require the extension of urban services or infrastructure.

   b. Primary dwellings and farm family dwellings listed in subsections 1 and 2 of this Rule 8.3.A, may be temporarily used to house persons who were displaced by wildfires covered by Presidential Declaration of Major Disaster DR-4344.

   c. Guest quarters and pool houses that are allowed as residential accessory structures under subsection 5 of this Rule 8.3.A, may be temporarily used to house persons who were displaced by wildfires covered by Presidential Declaration of Major Disaster DR-4344.

d. Marketing accommodations that are allowed under subsection 2 of Rule 8.3.B, may be temporarily used to house persons who were displaced by wildfires covered by Presidential Declaration of Major Disaster DR-4344.

e. If adequate water, wastewater, and approved source of electricity are available on the parcel to support recreational vehicles, then recreational vehicles may be temporarily located on the contracted land in order to house persons who were displaced by wildfires covered by Presidential Declaration of Major Disaster DR-4344.

f. Nothing in this subsection 6 of Rule 8.3.A. removes or suspends regulatory requirements or authority of the State Department of Housing and Community Development to regulate residential use of recreational vehicles as special occupancy parks or otherwise, other than as such provisions are suspended or modified by State law and/or an Executive Order or emergency proclamation by the Governor.

g. Every recreational vehicle placed on contracted land as temporary disaster housing under this subsection 6 of Rule 8.3.A, and any temporary installation or hook up for water, wastewater, or electric service, shall be removed no later than the expiration date of this subsection 6 of Rule 8.3.A.

h. As used in this subsection 6, “displaced person(s)” means a county resident or residents whose residential dwelling has been destroyed or damaged by the Sonoma Complex Fire, such that the resident(s) cannot occupy the dwelling. Displaced person(s) may be required to provide verification to the county to substantiate their eligibility for temporary disaster housing under this subsection 6 of Rule 8.3.A. Evidence may consist of verification by Federal Emergency Management Agency (FEMA) registration or damage assessment, and/or a driver’s license or other government-issued identification card or utility bill, etc. with a physical address showing the resident resided on a legal parcel impacted by the

Sonoma Complex Fire, as determined by the county. Such determination may be made by the director or other county personnel.

i. As used in this subsection 6, "recreational vehicle," means a motor home, travel trailer, truck camper or camping trailer that is (1) self-contained and designed for human habitation for recreational or emergency occupancy; (2) self-propelled, truck-mounted, or permanently towable on California roadways; and (3) a California Department of Motor Vehicles licensed vehicle; or a similar vehicle or structure as determined by the director.

j. This subsection 6 of Rule 8.3.A. expires on December 31, 2019, unless extended or modified by resolution of the Board of Supervisors."

Be It Further Resolved that adoption of this Resolution is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(3) regarding projects to maintain, repair, restore, or replace property or facilities damaged or destroyed as a result of a declared disaster and Section 21080(b)(4) regarding actions to mitigate or prevent an emergency, and CEQA Guidelines Section 15269(a) regarding maintaining, repairing, restoring, demolishing, or replacing property or facilities damaged or destroyed as a result of a disaster stricken area in which a state of emergency has been proclaimed by the Governor pursuant to the California Emergency Services Act, commencing with Section 8550 of the Government Code; and

Be It Further Resolved that the Board of Supervisors hereby directs the Permit and Resource Management Department (Permit Sonoma) to submit this amendment to the Department of Conservation; and

Be It Further Resolved that the Board of Supervisors designates the Clerk of the Board as the custodian of the documents and other materials which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the office of the Clerk of the Board, 575 Administration Drive, Room 100-A, Santa Rosa, California 95403; and

Be It Further Resolved that staff shall take all steps necessary to effectuate this action of the Board of Supervisors.

IN REGULAR SESSION of the Board of Supervisors of the County of Sonoma, introduced, passed, and adopted this 7th day of November, 2017, on regular roll call of the members of said Board by the following vote:

Supervisors:

Gorin:	Rabbitt:	Gore:	Hopkins:	Zane:

Ayes:	Noes:	Absent:	Abstain:

So Ordered.

ORDINANCE NO. ( )

AN URGENCY ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, MODIFYING CHAPTER 40, SONOMA COMPLEX DISASTER FIRE RECOVERY, OF THE SONOMA COUNTY CODE TO ALLOW RESIDENTIAL USE OF RECREATIONAL VEHICLES ON AGRICULTURAL LANDS FOR TEMPORARY DISASTER HOUSING AND MAKE OTHER MINOR CHANGES
: 4/5 VOTE REQUIRED

The Board of Supervisors of the County of Sonoma, State of California, ordains as follows:

Section I. Emergency Findings. This urgency ordinance is adopted pursuant to California Government Code sections 25123(d) and 25131 and shall take effect immediately upon its approval by at least a four-fifths vote of the Board of Supervisors. The Board finds that this ordinance is necessary for the immediate preservation of the public peace, health and safety, based upon the following facts:

1. Conditions of extreme peril to the safety of persons and property within the County were caused by fast-moving and widespread fires, referred to as the Sonoma Complex Fire, commencing on the 8th day of October, 2017.

2. California Government Code section 8630 and Sonoma County Code section 10-5 empower the County Administrator to proclaim the existence of a local emergency when the county is affected or likely to be affected by a public calamity, subject to ratification by the Board of Supervisors at the earliest practicable time.

3. On October 9, 2017, the County Administrator of the County of Sonoma proclaimed the existence of a local emergency within the Sonoma County Operational Area and also requested that the Governor of the State of California make available California Disaster Act Assistance and seek all available forms of disaster assistance and relief programs, including a request for a Presidential Declaration of a Major Disaster.

4. On October 9, 2017, the Governor of the State of California proclaimed a State of Emergency for Sonoma and other counties and has declared Sonoma County eligible for Fire Management Assistance Grant and other relief programs.

5. On October 10, 2017, the Board of Supervisors adopted Resolution No. 17-0389 ratifying the County Administrator's proclamation of the existence of a local emergency with the Sonoma County Operation Area and requesting that the Governor of the State of California make available California Disaster Act Assistance and seek all available forms of disaster assistance and relief programs, including a request for a Presidential Declaration of a Major Disaster.

6. On October 10, 2017, the President declared the existence of a major disaster in the State of California and ordered Federal aid to supplement state and local recovery efforts in the areas affected by wildfires, including the Sonoma Complex Fire, beginning on October 8, 2017, and continuing.

7. The Sonoma Complex Fire to date has consumed well over one hundred thousand acres and has led to the destruction of thousands of homes. It is estimated that thousands of households in Sonoma County, including unincorporated Sonoma County and municipal jurisdictions within Sonoma County, are without homes.

8. The Board of Supervisors has previously found that Sonoma County is experiencing a housing crisis. Even prior to the Sonoma Complex Fire, there existed in the unincorporated county area a severe lack of rental housing that is affordable to lower and moderate income residents.

9. The housing units destroyed by the Sonoma Complex Fire increased this rental housing shortage by several orders of magnitude and also severely reduced the number of owner-occupied housing units in the County.

10. Destruction of housing units in other nearby counties, including Lake, Napa, Solano and Mendocino Counties further exacerbates the ability of persons who live and work in Sonoma County and have been displaced by the Sonoma Complex Fire to relocate to other housing.

11. On October 24, 2017, the Board of Supervisors adopted an urgency ordinance adding Chapter 40, Sonoma Complex Fire Disaster Recovery, to the Sonoma County Code, to remain in effect until December 31, 2019, unless extended or modified by the Board of Supervisors.

12. On October 31, 2017, the Board of Supervisors adopted a resolution modifying the County's Uniform Rules for Agricultural Preserves and Farmland Security Zones and an urgency ordinance to allow rental of existing dwellings on contracted agricultural parcels to persons displaced by the Sonoma Complex Fire.

13. It is essential that the changes made by this ordinance to the Sonoma County Code and various County housing, permitting and health and safety policies related to use and occupancy of residential dwellings be implemented immediately to allow the fastest possible transition of homeless and displaced residents to interim and long term shelter.

Section II. Chapter 40 of the Sonoma County Code, Sonoma Complex Fire Disaster Recovery, is hereby modified to read in full as set forth in Exhibit A to this ordinance, to remain in effect until December 31, 2019, unless extended or otherwise modified by the Board of Supervisors.

Section III. Adoption of this Ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(3) regarding projects to maintain, repair, restore, or replace property or facilities damaged or destroyed as a result of a declared disaster and Section 21080(b)(4) regarding actions to mitigate or prevent an emergency, and CEQA Guidelines Section 15269(a) regarding maintaining, repairing, restoring, demolishing, or replacing property or facilities damaged or destroyed as a result of a disaster stricken area in which a state of emergency has been proclaimed by the Governor pursuant to the California Emergency Services Act, commencing with Section 8550 of the Government Code.

Section IV. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and every section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

Section V. This Ordinance shall be and the same is hereby declared to be in full force and effect immediately upon its passage by a four-fifths (4/5) or greater vote. A fair and accurate summary of this ordinance shall be published once before the expiration of fifteen (15) days after said passage, with the names of the Supervisors voting for or against the same, in *The Press Democrat*, a newspaper of general circulation published in the County of Sonoma, State of California. Pursuant to Government Code section 25124, a complete copy of Exhibit "A" to this ordinance is on file with the Clerk of the Board of Supervisors and is available for public inspection and copying during regular business hours in the office of the Clerk of the Board of Supervisors, 575 Administration Drive, Room100A, Santa Rosa.

In regular session of the Board of Supervisors of the County of Sonoma, introduced and passed on the 7th day of November, 2017, on regular roll call of the members of said Board by the following vote:

SUPERVISORS:

Gorin: ___ Rabbitt: ____ Gore: ____ Hopkins: ____ Zane:___

Ayes: _____ Noes: _____ Absent: _____ Abstain: ____

WHEREUPON, the Chair declared the above and foregoing Ordinance duly adopted and

SO ORDERED.

_____
Chair, Board of Supervisors
County of Sonoma

ATTEST:

_____

Sheryl Bratton,
Clerk of the Board of Supervisors

EXHIBIT A
CHAPTER 40
SONOMA COMPLEX FIRE DISASTER RECOVERY

Article 02. – General.

Sec. 40.02.010. – Title.

This chapter shall be known as the Sonoma Complex Fire Disaster Recovery Ordinance.

Sec. 40.02.020. – Purpose.

This chapter is enacted for the purpose of modifying and/or temporarily suspending various county housing, permitting and health and safety codes and policies to allow the fastest possible transition of residents made homeless or displaced by the Sonoma Complex Fire to interim and long term shelter.

Sec. 40.02.030. – Administration.

This chapter shall be administered under the direction of the board of supervisors, by and through the director and other departments specified herein.

Sec. 40.02.040. – Effective Period.

A. The provisions in this chapter shall remain in effect until December 31, 2019, unless otherwise specified herein, subject to extension or modification by the board of supervisors. Unless extended or modified by the board of supervisors, this chapter shall expire on December 31, 2019, and be of no further force or effect.

B. Unless otherwise provided herein, no residential recreational vehicle use or interim housing authorized pursuant to this chapter shall be used for permanent housing after the expiration date of this ordinance.

Article 3. – Glossary.

Sec. 40.03.010. – Purpose.

This article provides definitions of terms and phrases used in this chapter that are technical or specialized, or that may not reflect common usage. If any of the definitions in this article conflict with definitions in other provisions of this code, these definitions shall control for the purposes of this chapter. If a word is not defined in this article, or in other provisions of this code, the director shall determine the correct definition.

Sec. 40.03.020 – Definitions.

CalOES. The California Governor's Office of Emergency Services or successor agency.

Director. The director of the permit and resource management department of the county or his or her authorized representative.

Displaced person(s). A county resident or residents whose residential dwelling has been destroyed or damaged by the Sonoma Complex Fire, such that the resident(s) cannot occupy the dwelling. Displaced person(s) may be required to provide verification to the county to substantiate their eligibility for uses, permits and/or approvals described in this chapter. Evidence may consist of verification by Federal Emergency Management Agency (FEMA) registration or damage assessment, and/or a driver's license or other government-issued identification card or utility bill, etc. with a physical address showing the resident resided on a legal parcel impacted by the Sonoma Complex Fire, as determined by the county. Such determination may be made by the director or other county personnel.

Effective Date. The date of board adoption of this ordinance.

FEMA. The Federal Emergency Management Agency or successor agency.

Recreational vehicle. A motor home, travel trailer, truck camper or camping trailer that is (1) self-contained and designed for human habitation for recreational or emergency occupancy; (2) self-propelled, truck-mounted, or permanently towable on California roadways; and (3) a California Department of Motor Vehicles licensed vehicle; or a similar vehicle or structure as determined by the director.

Sonoma Complex Fire. The series of fires that swept Sonoma County beginning on October 8, 2017, as referenced in board of supervisors resolution number 17-0389, adopted October 10, 2017, and which were the subject of the Proclamation of a State of Emergency by Governor Edmund J. Brown and the Major Disaster Proclamation for California issued by President Donald J. Trump.

Article 4. – Residential Use of Recreational Vehicles.

Sec. 40.04.010. – Residential Use of Recreational Vehicles.

A. Initial use. For a period of 45 days from the Effective Date, residential use and occupancy of recreational vehicles on any residential lot in any zoning district outside of the area affected by the Sonoma Complex Fire shall be allowed without county approval, zoning or building permit, provided that such lots and/or vehicles have temporary septic holding capacity and/or portable toilets that are serviced through routine pumping services or use of dump stations.

B. Recreational vehicles for reconstruction or repair of damaged dwellings. The use of recreational vehicles in any residential zoning district <u>outside of the coastal zone</u> during the term of this ordinance shall be allowed, subject to county approval or permit as applicable, for use by <u>persons</u> displaced ~~persons~~ <u>by the Sonoma Complex Fire</u> ~~who are~~

~~repairing or reconstructing a fire-damaged dwelling on the same or another parcel~~, subject to the standards in Section 40.04.010.

C. Standards. Other than as provided in Section 40.04.010.A, all residential use of recreational vehicles shall meet the following standards.

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1. The property owner or the property owner's authorized agent shall obtain a county temporary use approval or permit and all other required permits. Written consent of the property owner is required in all cases.

2. Residential use of recreational vehicles is limited to vehicles not on a permanent foundation and used to house displaced persons during the Effective Period set forth in Section 40.02.040.

3. Residential use of recreational vehicles shall be located outside the boundaries of any recorded easements.

4. The recreational vehicle shall be connected to an approved source of water meeting one of the following criteria:

   a. Public water supply;

   b. Existing well provided that it has been approved by the director as safe for domestic consumption; or

   c. Other water source approved by the director.

5. The recreational vehicle shall be connected to an approved sewage disposal system meeting one of the following criteria:

   a. Public sewer system;

   b. Existing on-site sewage disposal system that has been approved by the director to be intact, adequately sized, and functioning following the disaster;

   c. Temporary holding tank with a contract with a pumping company for regular pumping. A copy of the contract shall be provided to the director; or

   d. Other method of sewage disposal approved by the director.

6. The recreational vehicle shall be connected to an approved source of electricity meeting one of the following criteria:

   a. Permitted electrical service hook-up; or

b. Other power source approved by the director.

7. Residential use of recreational vehicles under this ordinance shall not be allowed in an area with health and safety hazards as determined by the director.

8. Recreational vehicles for residential use on fire-affected sites shall meet the following additional standards:

a. Residential use of recreational vehicles on fire-affected sites shall be permitted only on parcels on which a permitted or legally established residence was destroyed, or damaged and rendered uninhabitable as determined by the director as a result of the Sonoma Complex Fire. Proof that a destroyed or damaged residence was permitted or legally established shall be verified by the director based on prior final building permit or assessor's records, or other documentation satisfactory to the director.

b. Except as provided herein, no county approval or permit for residential use of a recreational vehicle shall be issued until the site is approved for reconstruction by the county, CalOES or FEMA.

c. Recreational vehicles may be located within Zoning Ordinance setback areas, other than riparian setbacks, such that placement of the recreational vehicle will allow for unobstructed reconstruction on the site.

9. Recreational vehicles for residential use on lots not affected by the Sonoma Complex Fire shall comply with all Zoning Ordinance and riparian setback requirements.

D. Removal and disconnection. Every recreational vehicle placed on any site for residential use as permitted by this Chapter shall be disconnected from sewer, septic, water and/or power connections and removed from the site on which it is located no later than the expiration date of this ordinance.

Article 5 – Additional Housing Provisions

Sec. 40.05.010. – Suspension of Occupancy Limits on Seasonal Farmworker Housing.

This code currently allows seasonal farmworker housing and extended seasonal farmworker housing in certain agricultural districts, to be occupied for not more than one hundred eighty (180) days in any calendar year and subject to regulation pursuant to Title 25 of the California Code of Regulations. Notwithstanding any contrary provision in this code, seasonal farmworker housing and extended seasonal farmworker housing may be occupied for up to 365 days in any calendar year, provided that such seasonal farmworker housing or extended seasonal farmworker housing shall remain subject to all other existing regulations and limitations, standards, except

that the park and traffic mitigation fees described in County Code section 26-88-010(l)(13) shall not become due or payable as the result of interim housing use.

Sec. 40.05.020. – Rental of Existing Guest Houses, Pool Houses and Residential Accessory Structures.

Notwithstanding any contrary provision in this code, existing guest houses, pool houses, and residential accessory structures may be rented as interim housing for persons displaced by the Sonoma Complex Fire, but shall remain subject to all other existing regulations and limitations.

Sec. 40.05.030. – Rental of Existing Promotional or Marketing Accommodations, Farmstays, Bed and Breakfast Inns, Resorts, Retreats, Camps or other similar uses.

Notwithstanding any contrary provision in this code or use permit conditions, existing rental or residential occupancy of promotional or marketing accommodations, farmstays, bed and breakfast inns, resorts, retreats, camps or other similar visitor serving uses shall be allowed as interim housing for persons displaced by the Sonoma Complex Fire.

Sec. 40.05.035. – Use and Rental of ~~Certain~~ Existing Dwellings and Recreational Vehicles on Agricultural Parcels.

A. Existing dwellings. Notwithstanding any contrary provision in this code, ~~or the contrary terms of any agricultural easement or land conservation contract made pursuant to this code~~, existing main or primary dwellings and farm family dwellings on agricultural parcels may be used by or rented to persons displaced by the Sonoma Complex Fire, provided that such use or rental does not displace agricultural employees or farm workers.

B. Recreational vehicles. Notwithstanding any contrary provision in this code, one or more recreational vehicles as defined herein may be placed on LIA, LEA and/or DA parcels outside of the coastal zone for use or rental by persons displaced by the Sonoma Complex Fire, subject to county permit or approval, and subject to the following standards.

1. All installations of recreational vehicles for residential use shall meet the standards for wastewater disposal, water and electrical power connections set forth in Section 40.04.010.C.

2. Additional capacity for disposal of wastewater may be achieved by placement of holding tank(s) on the parcel consistent with Section 40.04.010.C.

C. Nothing in this ordinance removes or suspends regulatory requirements or authority of the State Department of Housing and Community Development to regulate residential use of recreational vehicles as special occupancy parks or otherwise, other than as such provisions are suspended or modified by State law and/or an Executive Order or emergency proclamation by the Governor.

Sec. 40.05.040. – Fee Waivers for Accessory Dwelling Units.

A. Purpose. The code currently requires payment of permit processing fees and development fees in connection with applications for new accessory dwelling units (ADUs). Notwithstanding any contrary provision in this code, for fire-affected parcels where the primary dwelling is reconstructed, new ADU applications shall be eligible for fee waivers in accordance with this section.

B. Internal conversions. When a reconstructed single-family dwelling that was previously connected to public sewer service is built to the originally permitted dimensions without changing the footprint or square footage of the original dwelling, building permit processing fees shall be waived for an accessory dwelling unit (ADU) that is incorporated into the interior of the dwelling. No development fees are applicable. The ADU shall conform with all other applicable codes and standards, including Sec. 26-88-060, and shall be identified in the application submittal.

C. Detached ADUs. For any other new ADU that is constructed with a reconstructed single-family dwelling, fees shall be waived as follows, provided that the new ADU is consistent with zoning and meets applicable standards of Sec. 26-88-060 (accessory dwelling units):

1. Building and zoning permit fees.

2. Development fees:

a. New ADUs up to 750 square feet: development fees waived.

b. New ADUs between 751-1000 square feet: 50% of development fees waived.

Sec. 40.05.050. – Safe Parking.

A. Safe Parking at Designated County-Owned Facilities. Notwithstanding any contrary provision of Chapter 18 of this code, overnight parking shall be permitted at designated safe parking program sites on county-owned property, subject to the following basic requirements:

1. The site has been approved and designated by the Department of General Services as a “safe parking” site, subject to maximum capacity limitations and any other criteria deemed necessary or appropriate by General Services.

2. Overnight parking shall not be permitted except on designated sites that are actively managed and operated by a legal entity that has been approved by the Director of the Community Development Commission (CDC) and General Services as a safe parking program site manager. The safe parking program site

manager shall ensure that its safe parking site provides the level of services and security commensurate with the overnight parking capacity of the safe parking site, as determined by CDC and General Services.

3. Registration is required for overnight parking at safe parking program sites. Registration shall not exceed the designated capacity of the site. Displaced persons shall have registration priority over other members of the public.

B. Safe Parking Programs on Privately Owned Sites. A safe parking program may be operated on privately owned sites in any zoning district with the permission of the property owner, subject to approval by the Director of CDC and further subject to compliance with any additional requirements that may be deemed reasonably necessary by the Director of CDC in consultation with County Counsel.

Sec. 40.05.060. – Waiver of County Use Permit Requirement for Relocation of Damaged Child Care and Educational Facilities.

Notwithstanding any contrary provision in this code, relocation of any day care center, child care facility, elementary school, junior high school, high school or institution of higher education housed in premises made uninhabitable by the Sonoma Complex Fire may be relocated to existing buildings in MP (Industrial Park), C1 (Commercial Neighborhood), CO (Administrative and Professional Office, PF (Public Facilities), or to any site within an existing religious facility, subject only to a zoning permit, and if required, a building permit for renovations. Nothing in this ordinance waives or affects any State law requirements applicable to such facilities.

Sec. 40.05.070. – Legal Nonconforming Uses and Structures.

A. Structures that Exceed Allowable Density. Notwithstanding any contrary provision of this code, nonconforming residential structures that exceed allowable density may be rebuilt and reconstructed and expanded in floor area by 10% of the original floor area.

B. Structures Damaged or Destroyed by the Sonoma Complex Fire. Notwithstanding any contrary provision of this code, nonconforming residential structures damaged or destroyed by the Sonoma Complex Fire need not be rebuilt on the original foundation footprint. Structures that conform to allowable density may be rebuilt and expanded subject to lot coverage and setback requirements and to all other applicable requirements of the code, provided that the improvements do not increase the existing nonconforming portion of the structure.

County of Sonoma
Permit & Resource Management Department

Sonoma County Project Review and Advisory Committee
ACTIONS

Sonoma County Permit and Resource Management Department
2550 Ventura Avenue, Santa Rosa, CA 95403
(707) 565-1900 FAX (707) 565-1103

Date: November 2, 2017

COMMITTEE MEMBERS
Keith Hanna, Sanitation - Vice Chair
Blake Hillegas, Planning - Secretary
Shelley Janek, Agricultural Commissioner's Office
Andrew Manalastas, Department of Transportation and Public Works
Yoash Tilles, Grading and Storm Water
Becky Ver Meer, Health Specialist
Leonard Gabrielson, Surveyor - Chair

CONSENT CALENDAR

Item No:	1
Time:	9:05 a.m.
File No.:	MNS15-0006
Staff:	Melinda Grosch
Applicant:	Adobe Associates, Attn: Aaron Smith
Owner:	Ernest Deniz
Con't from:	N/A
Env. Doc:	Mitigated Negative Declaration
Proposal:	Request for a Minor Subdivision of 168 acres creating a 40 acre lot and a Designated Remainder. The parcel is currently under a Land Conservation (Williamson) Act Contract for grazing land.
Location:	1925 Lynch Road, Petaluma
APN:	137-100-013
District:	2
Zoning:	DA (Diverse Agriculture) 40 acres per dwelling unit/3 acre minimum parcel size, Z (Accessory Dwelling Unit Exclusion), LG/MTN (Local Guidelines – Taylor/ Sonoma/ Mayacamas Mountain), RC 50/50 (Riparian Corridor 50 foot setback for structures/50 foot setback for agriculture)
Action:	Blake Hillegas moved to recommend the Findings and Conditions, as modified by the committee, to the Board of Supervisors as an A.M item. Seconded by Yoash Tilles and passed with a 5-0-2 vote.
Appeal Deadline:	N/A

Sonoma County Project Review and Advisory Committee Actions
November 2, 2017

Vote:

Keith Hanna:	Absent
Blake Hillegas:	Aye
Shelley Janek:	Absent
Andrew Manalastas:	Aye
Yoash Tilles:	Aye
Becky Ver Meer:	Aye
Leonard Gabrielson:	Aye

Ayes:	5
Noes:	0
Absent:	2
Abstain:	0