



SPECIAL MEETING NOTICE, CALL, AND AGENDA

**El Dorado Water Agency
Board of Directors**
4330 Golden Center Drive, Suite C
Placerville, California 95667

Lori Parlin, Chair, Board of Supervisors
David Peterson, First Vice Chair, South Tahoe P.U.D.
Wendy Thomas, Second Vice Chair, Board of Supervisors
George Turnboo, Board of Supervisors
Mike Thornbrough, Georgetown Divide Public Utility District

Kenneth V. Payne, P.E., General Manager
Tami Scowcroft, Deputy Clerk/Business Services Officer

Monday, September 19, 2022

10:30 a.m.

**HYBRID – IN PERSON AND VIRTUAL MEETING –
See Instructions Below**

Mission Statement
***“Ensure El Dorado County has
adequate water for today and in the future.”***

Agendas, Supplemental Materials and Minutes of the Board of Directors are available on the internet at:
<http://www.EDWaterAgency.org>

PUBLIC PARTICIPATION INSTRUCTIONS: Consistent with California Government Code Section 54953(e) the Meeting will be conducted as a hybrid in person and teleconference meeting. The Agency's boardroom will be open to in person attendance and remote participation is available to Board members and the public due to the COVID-19 state of emergency proclamation and state and local recommendations for social distancing. The public is invited to listen, observe, and provide comments during the meeting using either teleconference method provided below.

By participating in this meeting, you acknowledge that you are being recorded.

Meeting number: 886 5628 4260

Password: 360060

Join Zoom Meeting

<https://us06web.zoom.us/j/88656284260?pwd=UGozd2VUSTdHSjI4NFllSWFleDIJUT09>

One Tap Mobile:

+16694449171,,88656284260# US

+12532158782,,88656284260# US (Tacoma)

Dial by your location

+1 669 444 9171 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 720 707 2699 US (Denver)

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 301 715 8592 US (Washington DC)

+1 309 205 3325 US

Meeting ID: 886 5628 4260

Find your local number:

<https://us06web.zoom.us/j/kfKDSKx22>

If the public wishes to participate in the meeting on a desktop, please click on the link and click “join meeting” to watch the meeting in real time:

<https://us06web.zoom.us/j/88656284260?pwd=UGozd2VUSTdHSjI4NFllSWFleDIJUT09>

If you are joining the meeting via Zoom and wish to make a comment on an item, move your mouse key over your name or number and you will have the option to “raise your hand.” If you are joining the meeting by phone, and wish to make a comment, staff will call you by your “call in user number.” Speakers will be limited to 3 minutes.

If you choose not to observe the El Dorado Water Agency Board of Directors meeting but wish to make a comment on a specific agenda item, please submit your comment via email by 4:00 p.m. on the Sunday prior to the Board meeting. Please submit your comment to the Deputy Clerk of the Board at tami.scowcroft@edcgov.us. Your comment will be placed into the record and forwarded to the Board of Directors.

The Deputy Clerk of the Board is here to assist you, please call 530-621-6678 if you need any assistance with the above directions to access the meeting.

PROTOCOLS FOR PUBLIC COMMENT: Public comment will be received at designated periods as called by the Board Chair.

Public comment on items scheduled for Closed Session will be received before the Board recesses to Closed Session.

Except with the consent of the Board, individuals shall be allowed to speak to an item only once.



Time for public input will be provided at every Board of Directors meeting. Individuals will have three minutes to address the Board. Individuals authorized by organizations will have three minutes to present organizational positions and perspectives and may request additional time, up to five minutes. At the discretion of the Board, time to speak by any individual may be extended.

Individual Board members may ask clarifying questions but will not engage in substantive dialogue with persons providing input to the Board.



CALL TO ORDER and ROLL CALL

PLEDGE OF ALLEGIANCE TO THE FLAG

OPEN FORUM: Public comments during open forum are limited to three (3) minutes.

ADOPTION OF AGENDA AND APPROVAL OF CONSENT CALENDAR

At this time the Board will make any necessary additions, deletions, or corrections to the Agenda; determine matters to be added to or removed from the Consent Calendar; and with one motion adopt the Agenda and approve the Consent Calendar.

CONSENT CALENDAR: Determination of matters to be added to or removed from the Consent Calendar and Board action on the Consent Calendar.

1. Receive information and make findings related to teleconference meetings due to the COVID-19 State of Emergency Proclamation

RECOMMENDED ACTION: Staff recommends the Board approve Resolution WA-15-2022 making findings and declaring its intent to continue remote meetings pursuant to Government Code section 54953(e) due to the Governor's COVID-19 State of Emergency Proclamation and state and local recommendations related to physical distancing.

END CONSENT CALENDAR

DISCUSSION CALENDAR:

2. Building Lease at 1107 Investment Blvd, Suite #240, El Dorado Hills, CA The El Dorado Water Agency's current lease expires November 30, 2022. After looking at numerous office spaces, it has been determined that the office space located at 1107 Investment Blvd, Suite #240 in El Dorado Hills will best suit the Agency's growing needs. General Counsel has met with the property representatives and negotiated the terms for the lease.

RECOMMENDED ACTION: It is recommended that the Board: 1) Approve the lease agreement for 1107 Investment Blvd., Suite #240, El Dorado Hills, CA in the form as substantially set forth in the attached proposed lease; 2) Authorize the General Manager to sign the lease; and 3) Direct staff to take the necessary steps to execute the agreement and move office locations.

CLOSED SESSION

3. Closed session – Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel - Existing Litigation - Water Rights Application before the State Water Resources Control Board: 2008 Water Right Application for Partial Assignment Petition of Applications 5644 and 5645.

BOARD OF DIRECTOR'S COMMUNICATIONS/DIRECTION TO STAFF

GENERAL MANAGERS REPORT

ADJOURN



NEXT REGULAR SCHEDULED MEETING: October 12, 2022, 10:00 a.m., at the South Tahoe Public Utility District 1275 Meadow Crest Dr, South Lake Tahoe, CA 96150.





AGENDA REQUEST
Special Meeting, September 19, 2022

TO: Board of Directors

FROM: DeeAnne Gillick, General Counsel

DATE: September 15, 2022

SUBJECT: Receive information and make findings related to teleconference meetings due to the COVID-19 State of Emergency Proclamation

BACKGROUND/DISCUSSION:

The Agency approved Resolution No. WA-8-2021 on November 10, 2021, making findings and declaring its intent to continue remote teleconference meetings pursuant to Government Code section 54953(e) due to the Governor's COVID-19 State of Emergency Proclamation, County of El Dorado Public Health Officer local recommendations and state regulations related to physical distancing. It is requested that the Board continue the findings to allow remote teleconference meetings during the COVID-19 emergency proclamation.

RECOMMENDATION:

Staff recommends the Board approve Resolution WA-15-2022 making findings and declaring its intent to continue remote meetings pursuant to Government Code section 54953(e) due to the Governor's COVID-19 State of Emergency Proclamation and state and local recommendations related to physical distancing.

ACTION OF AGENCY ON:

VOTE:

Unanimous _____ or

Ayes:

Date _____

Noes:

Attest:

Abstentions:

By _____
 Clerk of the Agency

Absent:

BACKGROUND

Effective October 1, 2021, Assembly Bill (AB) 361 modified the provisions of the Brown Act related to holding teleconference meetings during a proclaimed state of emergency when state or local officials have imposed or recommended measures related to physical distancing which warrant holding meetings remotely.

The modifications to the requirements of the Brown Act related to open public meetings which due to the COVID-19 pandemic and which may continue under AB 361 include the following:

- Waiving the requirement that there be a physical meeting location open to the public to attend Board meetings and comment during the meeting.
- Waiving the requirement that the agenda identify and notice each teleconference location of each member of the Board that is participating by teleconference.
- Waiving the requirement that each teleconference location be accessible to the public.
- Waiving the requirement that members of the public be able to address the Board at each teleconference location.
- Waiving the requirement that local agencies post agendas at all teleconference locations.
- Waiving the requirement that at least a quorum of the Board participate from within the boundaries of the territory of the Board's jurisdiction.

El Dorado County Public Health Officer's Recommendations for Safe Board and Commission Meetings During COVID-19 Pandemic dated September 30, 2021 makes the following recommendations to allow virtual -attendance meetings to continue:

- Offer attendees a remote access option to the extent possible, while meeting the intent of the Brown Act about transparency and full participation.
- Arrange seating to encourage staff and members of the public to physically distance.
- Clearly post messages instructing people not to enter meeting venues when they feel unwell and to follow current guidelines for face-coverings, vaccination, and testing, when applicable.
- Consider use of voluntary attendance sheets to collect names and contact information to assist in contact tracing, should any cases be linked to public meetings.

DISCUSSION

If the Board desires to continue to meet utilizing the relaxed teleconference meeting rules, AB 361 requires an ongoing finding every 30 days that the Board has reconsider the circumstances of the state of emergency and that the emergency continues to impact the ability to "meet safely in person," or that state or local officials continue to recommend measures to promote social distancing. Gov. Code § 54953(e)(3).

While many of the provisions related to COVID-19 have been eliminated there remains a substantial risk of COVID-19 infection and state and local health recommendations related to COVID-19 remain in place.

The Governor's March 4, 2020 State of Emergency Proclamation as it related to the COVID-19 pandemic remains active. Section 3205 of the CalOSHA Emergency Temporary Standards continues to regulate Close Contacts, within 6 feet of another, and physical distancing continues to be recommended. Furthermore, the County of El Dorado Public Health Officer's September 30, 2021 recommendations related to AB 361 meetings remains in place. Based on these regulations the findings to support teleconference meetings pursuant to section 54953(e)(1) can continue to be made.

Although there is an indication that adverse cases and impacts are decreasing, there remains risks associated with COVID-19 and the State regulations continue to impose or recommend measures to promote social distancing. In addition, offering hybrid meetings allows board members, staff and the public to participate in these public meetings remotely when they unexpectedly don't feel well on the day of the meetings. Remote meetings allow participants to comply with state and local requirements to isolate when a person is experiencing COVID-19 symptoms.

Agency staff is continuing to monitor the status of the Governor's state of emergency proclamation, state regulations and orders related to social distancing, and health and safety conditions related to COVID-19, and confirms that said conditions continue to exist that warrant remote teleconference meetings.

It is recommended that the board find that state and local officials continue to impose or recommend measures to promote social distancing, and the conditions continue to impact the ability to meet safely in person; therefore, the Agency Board meetings will continue as hybrid remote meetings and that the Board will continue to consider the status of the ongoing emergency and facts related to the health and safety of meeting attendees due to COVID-19.



RESOLUTION NO. WA-15-2022

**of the Board of Directors of the
EL DORADO COUNTY WATER AGENCY**

Resolution Making Findings and Declaring its Intent to Continue Remote Teleconference Meetings pursuant to Government Code Section 54953(e) due to the threat of COVID-19

WHEREAS, the El Dorado County Water Agency ("Agency") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the Board of Directors are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and observe the Board conduct its business; and

WHEREAS, the Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the State; and

WHEREAS, such conditions now exist in the State, specifically, the Governor of the State of California proclaimed a state of emergency on March 4, 2020, related to the threat of COVID19, which remains in effect, as amended by subsequent Executive Orders; and

WHEREAS, on September 30, 2021, the County of El Dorado Public Health Officer recommended social distancing measures to allow for virtual-attendance meetings of the Board to continue after September 30, 2021; and

WHEREAS, the California Division of Occupational Safety and Health ("Cal/OSHA") regulations at Title 8 Section 3205 recommends physical distancing in the workplace as precautions against the spread of COVID-19 and imposes certain restrictions and requirements due to a "close contact" which occurs when individuals are within six feet of another in certain circumstances; and

WHEREAS, the Board of Directors previously adopted Resolution No. WA-08-2021 on November 10, 2021, finding that the requisite conditions exist for the legislative bodies of the Agency to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953 of the Government Code; and

WHEREAS, the COVID-19 virus continues to pose imminent risk to health and safety and directly impacts the ability of the public and the Board to meet safely in person, accordingly, the Board hereby recognizes the proclamation of state of emergency by the Governor of the State of California and the regulations of Cal/OSHA recommending physical distancing;

WHEREAS, as a consequence of the emergency related to COVID-19, to allow for physical distancing and to allow for meeting participants to isolate when experiencing COVID-19 symptoms, the Board intends to continue to invoke the provisions of AB 361 as provided in Government Code section 54953, subd. (e) and such meetings of the Agency shall comply with the requirements to provide the Board members and the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the Board meetings will be accessible to the public to attend electronically or via phone.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the El Dorado County Water Agency Board of Directors does hereby find and resolve as follows:

1. The foregoing recitals are true and correct.
2. The meetings of the Board, including this meeting, may be held with relaxed teleconference rules pursuant to the provisions of subdivision (e) of Government Code section 54953 due to the impacts of COVID-19, the Governor's state of emergency proclamation, state and local recommendations and the importance of physical distancing to minimize any potential adverse health and safety risks.
3. The Board of Directors hereby considers the current conditions of the state of emergency and the state and local recommendations and regulations related to social distancing and reauthorizes remote teleconference meetings.
3. Staff is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings of the Board in accordance with subdivision (e) of Government Code section 54953 and other applicable provisions of the Brown Act for remote teleconference meetings.
4. Staff is further directed to continue to monitor the conditions and health and safety conditions related to COVID-19, the status of the Governor's state of emergency, the local orders related to physical distancing, and the state regulations related to social distancing, and present to the Board at its next regularly scheduled meeting the related information and recommendations for remote meetings pursuant to the provisions of Government Code section 54953(e)(3) and to extend the time during which the Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED BY THE Board of Directors of the El Dorado County Water Agency at a special meeting of said Board, held on September 19, 2022, by the following vote of said Board:

Ayes:

Noes:

Abstain:

Absent:

ATTEST:

By _____
Clerk of the Agency

By _____
Chair, Board of Directors

I CERTIFY THAT:

THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.

DATE _____


ATTEST:

By _____
Clerk of the Agency



AGENDA REQUEST
Special Meeting, September 19, 2022

TO: Board of Directors

FROM: Kenneth V. Payne, P.E., General Manager 

DATE: September 16, 2022

SUBJECT: **Building Lease at 1107 Investment Blvd, Suite #240, El Dorado Hills, CA**

BACKGROUND/DISCUSSION:

The El Dorado Water Agency's current lease expires November 30, 2022. After looking at numerous office spaces, it has been determined that the office space located at 1107 Investment Blvd, Suite #240 in El Dorado Hills will best suit the Agency's growing needs. General Counsel has met with the property representatives and negotiated the terms for the lease. Attached is the proposed lease, which has been approved by Agency Counsel.

KVP/TDS/DMG

RECOMMENDATION:

It is recommended that the Board: 1) Approve the lease agreement for 1107 Investment Blvd., Suite #240, El Dorado Hills, CA in the form as substantially set forth in the attached proposed lease; 2) Authorize the General Manager to sign the lease; and 3) Direct staff to take the necessary steps to execute the agreement and move office locations.

ACTION OF AGENCY ON:

VOTE:

Unanimous _____ or

Ayes:

Noes:

Abstentions:

Absent:

I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Directors, El Dorado County Water Agency.

Date _____

Attest:

By _____

Clerk of the Agency

The initial term of the existing Agency office lease expires on November 30, 2022 and there is an option to extend the existing lease an additional term of five years. Due to the approaching initial term expiration, Agency staff investigated available office space within the vicinity. After viewing multiple locations, staff recommends the location in the El Dorado Hills Business Park as providing the best suitable space with a cost savings to the Agency compared to other locations and compared to renewing the existing office lease.

The recommended office space located at 1107 Investment Blvd, Suite #240 in El Dorado Hills increases the Agency's office size from the existing 1,413 sq. ft. to 2,210 sq. ft. of usable office space. This provides individual offices for all current full-time Agency staff as well as a conference/meeting space. In addition, the proposed office building includes a common, larger conference room that may be utilized by the Agency, as needed and available. A diagram of the proposed office space is included as Exhibit A to the attached Lease Agreement.

The proposed lease provides a turn key office space with all improvements and operating costs and utilities provided by the landlord, except telephone and internet service which will be the Agency's responsibility. All building maintenance, operations, insurance and taxes are included in the base rent, with no expected additional rent charges payable by the Agency. There is a provision in the proposed lease that in unanticipated circumstances if the landlord's building operating expenses increase more than expected then the Agency may be responsible for a pro rate share of the increased operating expenses which are capped at a 4% increase a year. The landlord indicates there are currently no additional fees charged to tenant's and it is not anticipated that this provision will be implemented, but given our unusual recent events and operating costs the provision is included within the lease, with the 4% cap on any incremental charges. This differs from the existing Agency office space which charges the Agency a base rent plus a monthly fee for the maintenance, insurance and taxes associated with the office space building.

The proposed office space rent will be \$5,000 a month for the first year, with an approximate 4% increase each year for a five-year term, with an option to extend an additional five years. This calculates to approximately \$2.05 a square foot for the initial year reaching \$2.40 a square foot in year five of the proposed lease. The current Agency rent for its existing office space is \$2.80 a square foot which would increase after November 2022 to \$3.10 a square foot if the Agency extended the existing office space lease. Given the existing Agency staffing and office needs, a larger office area is preferred, and the proposed lease provides such office space at a reduced rent compared to the existing Agency office space location.

It is anticipated that the proposed office space will be available with all landlord improvements on November 1, 2022 which allows for a reasonable transition period for the Agency to relocate to its new office location.

LEASE AGREEMENT
Full Service with Base Year Increases

PREMISES:

1107 Investment Blvd. Suite 240

LANDLORD:

SCHOOL OF URBAN MISSIONS, A LOUISIANA NONPROFIT CORPORATION

TENANT:

El Dorado County Water Agency

LEASE AGREEMENT

THIS LEASE AGREEMENT (the “**Lease**”) dated September __, 2022 for reference purposes only, is made and entered by and between: School of Urban Missions, a Louisiana nonprofit corporation (“**Landlord**”) and El Dorado County Water Agency (“**Tenant**”).

The following exhibits and attachments are incorporated into and made a part of the Lease:

- Exhibit A (Outline and Location of Premises)
- Exhibit B (Example Commencement Memorandum)
- Exhibit C (Rules and Regulations)
- Exhibit D (Additional Provisions)
- Exhibit E (Tenant Improvements Exhibit)
- Exhibit E-1 (Landlord’s Work Diagram)
- Exhibit F (Intentionally Omitted)
- Exhibit G (Operating Expenses)

1. Basic Lease Information.

1.02 “**Building**” shall mean the two-story building located at 1107 Investment Blvd, El Dorado Hills, CA 95762. The total “**Rentable Square Footage of the Building**” is 64,274 square feet. The Building is located within the center commonly known as the Investment Plaza (the “**Center**”).

1.03 “**Premises**” shall mean the area shown on Exhibit A to this Lease. The Premises is located on the second floor and known as Suite 240, with an address of 1107 Investment Blvd, Suite 240, El Dorado Hills, CA 95762, consisting of 2,438 “**Rentable Square Footage**”. Rentable Square Footage referenced herein includes a prorated share of the common areas of the building. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Building and the Rentable Square Footage of the Premises are correct. As used herein, the “**Common Areas**” shall mean all areas and facilities outside the Premises and within the exterior boundary line of the Center and interior utility raceways within the Premises that are provided and designated by the Landlord from time to time for the general non-exclusive use of Landlord, Tenant and other tenants of the Center and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas. As an appurtenant right to Tenant's right to the use and occupancy of the Premises, Tenant shall have the non- exclusive right to use the Common Areas within the Center which are not otherwise subject to the exclusive use of other tenants within the Center in conjunction with its use of the Premises.

1.04 “**Base Rent**”: Subject to proration and the other terms of Section 4.01 below, the Base Rent set forth in the schedule below is payable on the first day of each month commencing on the Commencement Date. [Base Rent for the first month that Base Rent is due is payable upon Lease execution.]

MONTHS	MONTHLY RENT
1-12	\$5,000.00
13-24	\$5,200.00
25-36	\$5,400.00
37-48	\$5,625.00
49-60	\$5,850.00

1.05 **“Term”**: The Term is estimated to (i) commence on November 1, 2022 (the **“Commencement Date”**) and, (ii) unless terminated early in accordance with this Lease and subject to the Option(s) to Extend the Lease Term if such provision is specifically set forth in Exhibit D attached hereto, end on the last day of the month Sixty (60) full calendar months following the Commencement Date estimated to be October 30, 2027 (the **“Termination Date”**). The Commencement Date shall be subject to Section 3.01 below and confirmed upon occupancy by the Tenant and Landlord on the Commencement Memorandum form approved in Exhibit B herein.

1.06 **“Allowance(s)”**: If there is an allowance, in addition to the Landlord’s Work spelled out and defined in Exhibit E herein, then it shall be as follows: Landlord shall provide the tenant second (2nd) month free rent (estimated as December 2022).

1.07 **“Security Deposit”**: \$10,000, as more fully described in Section 6. [Security Deposit is payable within thirty (30) days of Lease execution by Tenant.]

1.08 **“Broker(s)”**: American Commercial Real Estate- Marilyn Gautschi represents Tenant exclusively; Colliers International Inc. (Dan Green and Scott Bennett). represents Landlord exclusively.

The Brokers/Agents and the parties to this Lease hereby confirm that they have received, read and executed that certain Disclosure Regarding Real Estate Agency Relationship form as required under California Civil Code Sections 2079.13 through 2079.24, inclusive.

Upon the Commencement Date and/or the first month that Base Rent is due is payable, Landlord shall pay to said Broker(s) jointly, or in such separate shares as they may mutually designate in writing, a fee as set forth in a separate written agreement between Landlord and said Broker(s).

1.09 **“Permitted Use”**: Tenant shall use the Premises as general office use.

1.10 **“Notice Address(es)”**:

Tenant:	Landlord:
<p>Prior to Commencement Date:</p> <p>4330 Golden Center Dr. Suite D Placerville, CA 95667</p>	<p>School of Urban Missions Attn: Lisa Goddard 1101 Investment Blvd., Suite 200 El Dorado Hills, CA 95762</p> <p>With copy to: George Neau 1101 Investment Blvd. Suite 200</p>
<p>After Commencement Date:</p> <p>1107 Investment Blvd., Suite 240 El Dorado Hills, CA 95762</p>	

1.11 **“Business Days”** are Monday through Friday of each week, exclusive of New Year’s Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day (**“Holidays”**). Landlord may designate additional Holidays that are commonly recognized by other office buildings in the area where the Building is located. **“Building Service Hours”** are 7:00 A.M. to 7:00 P.M. on Business Days and

8:00 A.M. to 1:00 P.M. on Saturdays.

1.12 **“Landlord Work”** means the work that Landlord is obligated to perform in the Premises (if any); **“Tenant Work”** means the work that Tenant is obligated to perform in the Premises (if any); all pursuant to the terms and conditions set forth in Exhibit E attached hereto (the **“Tenant Improvements Exhibit”**).

1.13 **“Property”** means the Building, the Common Areas and the parcel(s) of land on which it is located and the parking facilities and other improvements, if any, serving the Building and the parcel(s) of land on which they are located.

1.14 Intentionally Omitted.

1.15 **Early Occupancy.** [*Check here ☐ if not applicable*]. Tenant shall have the right to occupy the Premises totally or partially for the installation of furniture, fixtures and equipment for 14 days prior to the Commencement Date (the **“Early Possession Period”**), and the obligation to pay Base Rent shall be abated for the period of such early occupancy. All other terms of this Lease, however, (including but not limited to the obligations to carry the insurance required by Section 14) shall be in effect during the Early Possession Period. Any such early possession shall not affect nor advance the Termination Date of the initial Term. During any Early Possession Period, (i) Tenant shall not interfere or interrupt Landlord’s ability to perform and complete the Landlord Work, if any, (ii) Tenant shall not operate any business within the Premises, but shall be allowed to install/set up Tenant-installed equipment and trade fixtures, and (iii) Tenant shall be solely responsible for the security of Tenant’s property within the Premises and any losses thereto, and Landlord shall have no responsibility therefor.

1.16 **Parking.** Tenant shall be entitled to (i) the nonexclusive use of four (4) parking spaces per 1,000 square feet of lease space on those portions of the Common Areas designated from time to time by Landlord for parking. All parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks. Notwithstanding the foregoing, Tenant’s invitees may use parking spaces from time to time while attending meetings at the Premises, to the extent that parking spaces are then available.

1.17 **“Additional Provisions”:** See Exhibit D, if any.

1.18 **“Tenant’s Pro Rata Share”:** 3.79%.

1.19 **“Base Year”** for Operating Expenses (defined in Exhibit G): 2022.

1.20 **Services and Utilities.**

(a) Landlord shall provide janitorial services, to Tenant no less than five (5) days per week. Landlord shall not, however, be required to provide janitorial services to storage areas included within the Premises. Landlord may impose a reasonable charge for the use of any additional or unusual janitorial services required by Tenant because of any unusual Tenant Improvements or Alterations, the carelessness of Tenant or the nature of Tenant's business (including hours of operation).

(b) Landlord shall pay for Tenant’s electricity usage, however, if Tenant’s usage of electricity exceeds the Building's standard electrical usage for the Permitted Use, Landlord may determine the amount of such excess use by any reasonable means (including the installation by Landlord but at Tenant's expense of a separate meter or other measuring device) and charge Tenant for the cost of such excess usage.

(c) Landlord shall furnish heat, ventilation and air-conditioning (**“HVAC”**) during the Business Service Hours. Upon request by Tenant in accordance with the procedures established by Landlord from time to time for furnishing HVAC and/or electricity service at times other than Business Service Hours on Business Days, Tenant may override the HVAC and/or electricity system for additional heating, cooling and electricity. Such

additional HVAC and/or electricity usage shall be electronically monitored, and Tenant shall pay Landlord's charges therefore on demand. If such extended service is not a continuation of that furnished during regular Business Service Hours as described above, Landlord may require that Tenant pay for a minimum of three (3) hours of such service.

(d) If there is any HVAC or other cooling system located in the Premises that is dedicated to Tenant's computers or other equipment (such dedicated system is referred to in this Lease as a "**Dedicated HVAC Unit**"), Landlord may determine the amount of gas, electricity or other utility costs attributable to such Dedicated HVAC Unit by any reasonable means (including the installation by Landlord but at Tenant's expense of a separate meter or other measuring device) and charge Tenant for such costs.

(e) Tenant shall be solely responsible for the furnishing and direct payment (including, without limitation, hook-up and connection charges) of all other utilities which are separately metered or separately charged (including, without limitation, telephone, internet, cable television and any other special utility requirements of Tenant if available), if any, to the Premises or to Tenant and shall make such payments to the respective utility companies prior to the delinquency.

2. Lease Grant. The Premises are hereby leased to Tenant from Landlord, together with the right to use the Common Areas that are designated by Landlord for the common use of tenants and others (the "**Common Areas**").

3. Adjustment of Commencement Date; Possession.

3.01 If Landlord is required to perform Landlord Work prior to the Commencement Date: (a) the date set forth in Section 1.05 as the Commencement Date shall instead be defined as the "**Target Commencement Date**", (b) the actual Commencement Date shall be the date on which the Landlord Work is Substantially Complete (defined below); and (c) the Termination Date will be the last day of the Term as determined based upon the actual Commencement Date. Landlord's failure to Substantially Complete the Landlord Work by the Target Commencement Date shall not be a default by Landlord or otherwise render Landlord liable for damages. Promptly after the determination of the Commencement Date, Landlord and Tenant shall enter into a Commencement Memorandum in the form attached as Exhibit B. Tenant's failure to execute and return the Commencement Memorandum, or to provide written objection to the statements contained in the letter, within thirty (30) days after the date of the letter shall be deemed an approval by Tenant of the statements contained therein. If the Termination Date does not fall on the last day of a calendar month, Landlord and Tenant may elect to adjust the Termination Date to the last day of the calendar month in which the Termination Date occurs by the mutual execution of a Commencement Memorandum setting forth such adjusted date. The Landlord Work shall be deemed to be "**Substantially Complete**" upon issuance of a Certificate of Occupancy (if required) and on the date that all Landlord Work has been performed, other than any details of construction, mechanical adjustment or any other similar matter, the non-completion of which does not materially interfere with Tenant's use of the Premises. If Landlord is delayed in the performance of the Landlord Work as a result of the acts or omissions of Tenant, the Tenant Related Parties (defined in Section 13.01) or their respective contractors or vendors, including, without limitation, changes requested by Tenant to approved plans, Tenant's failure to comply with any of its obligations under the Lease, or the specification of any materials or equipment with long lead times (a "**Tenant Delay**"), the Landlord Work shall be deemed to be Substantially Complete on the date that Landlord could reasonably have been expected to Substantially Complete the Landlord Work absent any Tenant Delay.

3.02 If Tenant takes possession of the Premises before the Commencement Date, such possession shall be subject to the terms and conditions of this Lease and Tenant shall pay Rent (defined in Section 4.01) to Landlord for each day of possession before the Commencement Date. However, except for the cost of services requested by Tenant (e.g. freight elevator usage), Tenant shall not be required to pay Rent for any days of possession before the Commencement Date during which Tenant, with the approval of Landlord, is in possession of the Premises for the sole purpose of performing improvements or installing furniture, equipment or other personal property. (See Section 1.15 above).

3.03 Subject to Landlord's obligation, if any, to perform Landlord Work, the Premises are accepted by Tenant in an "as-is" condition and configuration without representations or warranties by Landlord. By taking possession of the Premises, Tenant agrees that the Premises are in good order and satisfactory condition. Tenant hereby acknowledges: (a) that it has been advised by the Broker(s) to satisfy itself with respect to the condition of the Premises (including but not limited to the electrical and fire sprinkler systems, security, environmental aspects, seismic and earthquake requirements, and compliance with the CC&Rs and Laws (as those terms are defined in this Lease) and the present and future suitability of the Premises for Tenant's intended use; (b) that Tenant has made such investigation as it deems necessary with reference to such matters, is satisfied with reference thereto, and assumes all responsibility therefore as the same relate to Tenant's occupancy of the Premises and/or the terms of this Lease; and (c) that neither Landlord, nor any of Landlord's agents, has made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease.

4. Rent.

4.01 Tenant shall pay Landlord, without any setoff or deduction, unless expressly set forth in this Lease, all Base Rent and Additional Rent due for the Term (collectively referred to as "**Rent**"). "**Additional Rent**" means all sums (exclusive of Base Rent) that Tenant is required to pay Landlord under this Lease. Tenant shall pay and be liable for all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Rent. Base Rent and recurring monthly charges of Additional Rent shall be due and payable in advance in the first day of each calendar month without notice or demand, provided that the installment of Base Rent for the first full month of the Term shall be payable upon the execution of this Lease by Tenant. Rent shall be made payable to the entity, and sent to the address, Landlord designates and shall be made by good and sufficient check or by other means acceptable to Landlord. Rent not received by Landlord within twenty (20) days following the date on which it was due shall accrue interest at ten percent (10%) per annum. Landlord's acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due. Rent for any partial month during the Term shall be prorated. No endorsement or statement on a check or letter accompanying payment shall be considered an accord and satisfaction. Tenant's covenant to pay Rent is independent of every other covenant in this Lease.

4.02 Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by the terms of any ground lease, mortgage or deed of trust covering the Premises. Accordingly, and except as provided below, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within twenty (20) days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant (other than interest and attorneys' fees and costs). Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's Default or Breach with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

4.03 Tenant shall pay Tenant's Pro Rata Share of the amount, if any, by which Operating Expenses for each calendar year during the Term exceed Operating Expenses for the Base Year Operating Expenses, subject to the Cap on Controllable Operating Expenses specified in Exhibit D of this Lease, with such Operating Expenses described in Exhibit G of this Lease.

5. **Compliance with CC&Rs and Laws; Use.** The Premises shall be used for the Permitted Use and for no other use whatsoever. Tenant shall comply with all covenants, conditions and restrictions covering the Property ("**CC&Rs**"), statutes, codes, ordinances, orders, permits, rules and regulations of any municipal or governmental entity whether in effect now or later, including the Americans with Disabilities Act ("**Laws**"), regarding the

operation of Tenant's business and the use, condition, configuration and occupancy of the Premises. In addition, Tenant shall, at its sole cost and expense, promptly comply with any CC&Rs and Laws that relate to the "Base Building" (defined below), but only to the extent such obligations are triggered by Tenant's use of the Premises, other than for general office use, or Alterations or improvements in the Premises performed or requested by Tenant. "**Base Building**" shall include the structural portions of the Building, the public restrooms and the Building mechanical, electrical and plumbing systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located. Tenant shall promptly provide Landlord with copies of any notices it receives regarding an alleged violation of Law. Tenant shall comply with the rules and regulations of the Building attached as Exhibit C and such other reasonable rules and regulations adopted by Landlord from time to time, including rules and regulations for the performance of Alterations (defined in Section 9).

6. Security Deposit. The Security Deposit shall be delivered to Landlord within thirty (30) days from the date of the execution of this Lease by Tenant and held by Landlord without liability for interest (unless required by Law) as security for the performance of Tenant's obligations. The Security Deposit is not an advance payment of Rent or a measure of damages. Landlord may use all or a portion of the Security Deposit to satisfy past due Rent or to cure any Default (defined in Section 18) by Tenant, or to satisfy any other loss or damage resulting from Tenant's Default as provided in Section 19. If Landlord uses any portion of the Security Deposit, Tenant shall, within 5 days after demand, restore the Security Deposit to its original amount. Landlord shall return any unapplied portion of the Security Deposit to Tenant within thirty (30) days after the later to occur of: (a) determination of the final Rent due from Tenant; or (b) the later to occur of the Termination Date or the date Tenant surrenders the Premises to Landlord in compliance with Section 25. Landlord may assign the Security Deposit to a successor or transferee and, following the assignment, Landlord shall have no further liability for the return of the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, or any similar or successor Laws now or hereinafter in effect.

7. Building/Premises Services and Utilities.

7.01 Landlord shall furnish Tenant with the Services and Utilities as designated in Section 1.20 above and the following additional Services and Utilities: (a) elevator service (if any); (b) water for use in the Base Building lavatories; (c) customary heat and air conditioning in season during Building Service Hours in accordance with the terms and conditions in Section 1.20; (d) electricity (with payment of electricity usage as set forth in Section 1.20) in accordance with the terms and conditions in Section 7.02; (e) access to the Building for Tenant and its employees 24 hours per day/7 days per week, subject to the terms of this Lease and such protective services or monitoring systems, if any, as Landlord may reasonably impose, including, without limitation, sign-in procedures and/or presentation of identification cards; and (f) such other services as Landlord reasonably determines are necessary or appropriate for the Property.

7.02 Landlord's failure to furnish, or any interruption, diminishment or termination of services due to the application of CC&Rs and Laws, the failure of any equipment, the performance of repairs, improvements or alteration, utility interruptions or the occurrence of an event of Force Majeure (defined in Section 27.03) (collectively a "**Service Failure**") shall not render Landlord liable to Tenant, constitute eviction of Tenant, give rise to an abatement of Rent, nor relieve Tenant from the obligation to fulfill any covenant or agreement. However if the Premises, or a material portion of the Premises, are made untenantable for a period in excess of seven (7) consecutive Business Days as a result of a Service Failure that is reasonably within the reasonable control of Landlord to correct, then Tenant, as its sole remedy, shall be entitled to receive an abatement of Rent payable hereunder during the period beginning on the 8th consecutive Business Day of the Service Failure and ending on the day the service has been restored. If the entire Premises have not been rendered untenantable by the Service Failure, the amount of abatement shall be equitably prorated.

8. Leasehold Improvements. All improvements in and to the Premises, including any Alterations (defined in Section 9.03) (collectively, "**Leasehold Improvements**") shall remain upon the Premises at the end of the Term

without compensation to Tenant, provided that Tenant, at its expense, in compliance with the National Electric Code or other applicable Law, shall remove any Cable (defined in Section 9.01 below). In addition, Landlord, by written notice to Tenant at least thirty (30) days prior to Termination Date, may require Tenant, at its expense, to remove any Landlord Work/Tenant Work or Alteration that, in Landlord's reasonable judgment, are of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard office improvements (the Cable and such other items collectively are referred to as "**Required Removables**"). Required Removables shall include, without limitation, personal baths and showers, vaults, rolling file systems and structural alterations and modifications. Required Removables shall not include any bookcases that are installed in the Premises. The Required Removables shall be removed by Tenant before the Termination Date. Tenant shall repair damage caused by the installation or removal of Required Removables. If Tenant fails to perform its obligation in a timely manner, Landlord may perform such work at Tenant's expense. Tenant, at the time it requests approval for a proposed Alteration, including any initial Alterations or Landlord Work/Tenant Work, as such terms may be defined in the Tenant Improvements Exhibit, may request in writing that Landlord advise Tenant whether the Alteration, including any initial Alterations or Landlord Work/Tenant Work, or any portion thereof, is a Required Removable. Within ten (10) days after receipt of Tenant's request, Landlord shall advise Tenant in writing as to which portions of the alteration or other improvements are Required Removables.

9. Repairs, Maintenance and Alterations.

9.01 Tenant shall keep the Premises in good condition and repair, reasonable wear and tear excepted, and shall periodically inspect the Premises to identify any conditions that are dangerous or in need of maintenance or repair. Tenant shall promptly provide Landlord with notice of any such conditions. Landlord shall, at its sole cost and expense, perform all maintenance and repairs to the Premises (except as to matters (i) caused by Tenant's neglect or wrongdoing, or (ii) Tenant's express responsibility under this Lease). Tenant's repair and maintenance obligations include, without limitation, repairs to: (a) Tenant's fixtures and equipment; and (b) electronic, fiber, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant (collectively, "**Cable**"). Subject to the terms of Section 15 below, to the extent Landlord is not reimbursed by insurance proceeds, Tenant shall reimburse Landlord for the cost of repairing damage to the Building caused by the acts of Tenant, Tenant Related Parties and their respective contractors and vendors.

9.02 Subject to Tenant's obligation to reimburse Landlord Tenant's Pro Rata share of the Operating Expenses, Landlord shall keep and maintain in good repair and working order and perform maintenance upon the: (a) structural elements of the Building; (b) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building in general; (c) Common Areas; (d) roof of the Building; (e) exterior windows of the Building; and (f) elevators serving the Building. Landlord shall promptly make repairs for which Landlord is responsible. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932, and Sections 1941 and 1942 of the California Civil Code, or any similar or successor CC&Rs and Laws now or hereinafter in effect.

9.03 Tenant shall not make alteration, repairs, additions or improvements or install any Cable (collectively referred to as "**Alterations**") without first obtaining the written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria (a "**Cosmetic Alteration**"): (a) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; (b) is not visible from the exterior of the Premises or Building; (c) will not affect the Base Building; and (d) does not require work to be performed inside the walls or above the ceiling of the Premises. Cosmetic Alterations shall be subject to all the other provisions of this Section 9.03. Prior to starting work, Tenant shall furnish Landlord with plans and specifications; names of contractors reasonably acceptable to Landlord (provided that Landlord may designate specific contractors with respect to Base Building); required permits and approvals; evidence of contractor's and subcontractor's insurance in amounts reasonably required by Landlord and naming Landlord as an additional insured; and any security for performance in amounts reasonably required by Landlord. Changes to the plans and specifications must also be

submitted to Landlord for its approval. Alterations shall be constructed in a good and workmanlike manner using materials of a quality reasonably approved by Landlord. Tenant shall reimburse Landlord for any sums paid by Landlord for third party examination of Tenant's plans for non-Cosmetic Alterations. Upon completion, Tenant shall furnish "as-built" plans for non-Cosmetic Alterations, completion affidavits and full and final waivers of lien. Landlord's approval of an Alteration shall not be deemed a representation by Landlord that the Alteration complies with Law. Tenant further agrees that any future Alterations made by Tenant to the Premises shall comply with the ADA. Tenant shall indemnify, defend, protect and hold Landlord harmless from any claims or causes of actions resulting from its failure to comply with the foregoing obligations.

10. Entry by Landlord. Landlord may enter the Premises with twenty-four (24) hour written notice to inspect, or show the Premises or to perform or facilitate the performance of repairs, alterations or additions to the Premises, except that no advanced notice shall be required in the event of an emergency. Landlord shall use reasonable efforts to minimize any interference with Tenant's use of the Premises. Landlord may temporarily close all or a portion of the Premises to perform required repairs, alterations and additions. Entry by Landlord shall not constitute a constructive eviction or entitle Tenant to an abatement or reduction of Rent.

11. Assignment and Subletting.

11.01 Except in connection with a Permitted Transfer (defined in Section 11.04) Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use any portion of the Premises (collectively or individually, a "**Transfer**") without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Any Transfer in violation of this Section shall, at Landlord's option, be deemed a Default by Tenant as described in Section 18, and shall be voidable by Landlord. No Transfer, including a Permitted Transfer, shall release or relieve Tenant from any obligation under this Lease. Landlord may withhold its consent to a Transfer whereby the proposed transferee intends to use the Premises for a use that is exclusive to any other tenant of the Building.

11.02 Tenant shall provide Landlord with financial statements for the proposed transferee, a fully executed copy of the proposed assignment, sublease or other Transfer documentation and such other information as Landlord may reasonably request. Within seven (7) Business Days after receipt of the required information and documentation, Landlord shall either: (a) consent to the Transfer by execution of a consent agreement in a form reasonably designated by Landlord; or (b) reasonably refuse to consent to the Transfer in writing. Tenant shall pay Landlord a review fee of \$1,500.00 for Landlord's review of any Permitted Transfer or requested Transfer.

11.03 Tenant shall pay Landlord one hundred percent (100%) of all rent and other consideration which Tenant receives as a result of a Transfer that is in excess of the Rent payable to Landlord for the portion of the Premises and Term covered by the Transfer. Tenant shall pay Landlord for Landlord's share of the excess within thirty (30) days after Tenant's receipt of the excess. Tenant may deduct from the excess all reasonable and customary expenses directly incurred by Tenant attributable to the Transfer. If Tenant is in Default, Landlord may require

that all sublease payments be made directly to Landlord, in which case Tenant shall receive a credit against Rent in the amount of Tenant's share of payments received by Landlord.

11.04 Tenant may assign this Lease to a successor to Tenant by purchase, merger, consolidation or reorganization (an "**Ownership Change**") or assign this Lease or sublet all or a portion of the Premises to an Affiliate without the consent of Landlord, provided that all of the following conditions are satisfied (a "**Permitted Transfer**"): (a) Tenant is not in Default; (b) in the event of an Ownership Change, Tenant's successor shall own substantially all of the assets of Tenant and have a net worth which is at least equal to Tenant's net worth as of the date of this Lease, or in the event of a Transfer to an Affiliate (defined below), Tenant continues to have a net worth equal to or greater than Tenant's net worth at the date of this Lease or the Affiliate has a net worth equal to Tenant's net worth at the date of this Lease; (c) the Permitted Use does not change; (d) Tenant shall give Landlord

written notice at least (15) Business Days prior to the effective date of the Permitted Transfer; and © such assignment shall not relieve Tenant's obligations hereunder. Tenant's notice to Landlord shall include information and documentation evidencing the Permitted Transfer and showing that each of the above conditions has been satisfied. If requested by Landlord, Tenant's successor shall sign a commercially reasonable form of assumption agreement. "**Affiliate**" shall mean an entity controlled by, controlling or under common control with Tenant. Tenant shall pay Landlord a review fee of \$1,500.00 for Landlord's review of any Permitted Transfer or requested Transfer and the reasonable attorneys' fees incurred by Landlord.

12. Liens. Tenant shall not permit mechanics' or other liens to be placed upon the Property, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of Tenant or its transferees. Tenant shall give Landlord notice at least fifteen (15) days prior to the commencement of any work in the Premises to afford Landlord the opportunity, where applicable, to post and record notices of non-responsibility. Tenant, within ten (10) days of notice from Landlord, shall fully discharge any lien by settlement, by bonding or by insuring over the lien in the manner prescribed by the applicable lien Law and, if Tenant fails to do so, Tenant shall be deemed in Default under this Lease and, in addition to any other remedies available to Landlord as a result of such Default by Tenant, Landlord, at its option, may bond, insure over or otherwise discharge the lien. Tenant shall reimburse Landlord for any amount paid by Landlord, including, without limitation, reasonable attorney's fees.

13. Indemnity and Waiver of Claim.

13.01 Except to the extent caused by the gross negligence or willful misconduct of Landlord or any Landlord Related Parties (defined below), Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties harmless against and from all liabilities, obligation, damages, penalties, claims, actions, cost, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law) (collectively referred to as "**Losses**"), which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties by any third party and arising out of or in connection with: (a) the acts or omissions of Tenant, its agents, contractors, employees or invitees in or about the Property (the "**Tenant Related Parties**"); (b) any Hazardous Substance brought onto the Premises by or for Tenant or by anyone under Tenant's control; and (c) any construction or other work undertaken by Tenant on the Premises (including any design defects). The foregoing shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against Landlord) litigated and/or reduced to judgment. In case any action or proceeding is brought against Landlord by reason of any of the foregoing matters, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord and Landlord shall cooperate with Tenant in such defense. Tenant's obligations under this Section shall survive the expiration or termination of the Lease.

13.02 Except to the extent caused by the intentional or willful misconduct of Landlord, Tenant hereby agrees that Landlord and its trustees, managers, members, principles, beneficiaries, partners, officers, directors, employees, Lenders (defined in Section 23) and management agents (the "**Landlord Related Parties**") shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the improvements, trade fixtures, contents, goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, including any negligent act of Landlord or Landlord's agents or contractors, and whether said injury or damage results from conditions arising upon the Premises. Tenant expressly acknowledges that this liability exemption is including any injury or damages that may arise due to the Premises being located in a flood hazard area. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of Landlord. Notwithstanding Landlord's negligence or breach of this Lease, Landlord shall under no circumstances be liable for injury to Tenant's business or for any loss of income or profit therefrom. Instead, it is intended that Tenant's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Tenant is required to

maintain pursuant to the provisions of Section 14.

14. Insurance. Tenant shall maintain the following insurance (“**Tenant’s Insurance**”): (a) Commercial General Liability Insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, a minimum combined single limit of \$2,000,000.00; (b) Property Insurance written on an All Risk or Special Cause of Loss Form, at replacement cost value (“**Tenant’s Property**”) and any Leasehold improvements performed by or for the benefit of Tenant; (c) Workers’ Compensation Insurance in amounts required by Law; (d) Employers Liability Coverage of at least \$1,000,000.00 per occurrence; and (e) Any company writing Tenant’s Insurance shall have an A.M. Best rating of not less than A-VIII. All Commercial General Liability insurance policies shall name as additional insureds Landlord (or its successors and assignees), the managing agent for the Building (or any successor), and their respective members, principals, beneficiaries, partners, officers, directors, employees, and agents, and other designees of Landlord and its successors as the interest of such designees shall appear. All policies of Tenant’s Insurance shall contain endorsements that the insurer(s) shall give Landlord and its designees at least thirty (30) days’ advance written notice of any cancellation, termination, material change or lapse of insurance. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant’s Insurance prior to the earlier to occur of the Commencement Date or the date Tenant is provided with possession of the Premises, and thereafter as necessary to assure that Landlord always has current certificates evidencing Tenant’s Insurance. So long as the same is available at commercially reasonable rates, Landlord shall maintain so called All Risk property insurance on the Building at eighty percent (80%) replacement cost value as reasonably estimated by Landlord, together with such other insurance coverage as Landlord, in its reasonable judgment, may elect to maintain and which are ordinarily maintained by other landlords of similar type properties in the county in which the Premises are located.

15. Subrogation. Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all right of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant’s Property, Leasehold Improvements, the Building, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance. For the purposes of the waiver, any deductible with respect to a party’s insurance shall be deemed covered by and recoverable by such party under valid and collectable policies of insurance.

16. Casualty Damage.

16.01 If all or any portion of the Premises becomes untenable by fire or other casualty to the Premises (collectively a “**Casualty**”), Landlord, with reasonable promptness, shall cause a general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required using standard working methods to Substantially Complete the repair and restoration of the Premises and any Common Areas necessary to provide access to the Premises (“**Completion Estimate**”). If the Completion Estimate indicates that the Premises or any Common Areas necessary to provide access to the Premises cannot be made tenantable within six (6) months from the date the repair is started, then either party shall have the right to terminate this Lease upon written notice to the other within ten (10) days after receipt of the Completion Estimate. Tenant, however, shall not have right to terminate this Lease if the Casualty was caused by the negligence or intentional misconduct of Tenant or any Tenant Related Parties. In addition, Landlord, by notice to Tenant within thirty (30) days after the date of the Casualty, shall have the right to terminate this Lease if: (1) the Premises have been materially damaged and there is less than one (1) year of the Term remaining on the date of the Casualty; (2) any Lender requires that the insurance proceeds be applied to the payment of the mortgage debt; or (3) a material non-covered loss to the Building or Premises occurs.

16.02 If this Lease is not terminated, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord’s reasonable control, restore the Premises and Common Areas. Such restoration shall be to substantially the same condition that existed prior to the Casualty, except for modifications required by Law or any other modifications to the Common Areas deemed desirable by Landlord. Upon notice from Landlord, Tenant shall assign or endorse over to Landlord (or to any party designated by {3583111.DOCX:3}

Landlord) all property insurance proceeds payable to Tenant under Tenant's insurance with respect to any Leasehold Improvements performed by or for the benefit of Tenant, if any. In no event shall Landlord have any obligation to repair or restore beyond the extent of insurance proceeds actually received by Landlord, or for any of Tenant's personal property, fixtures or trade fixtures, other than those constructed by Landlord in accordance with the Tenant Improvements Exhibit attached hereto as Exhibit E. Within fifteen (15) days of demand, Tenant shall also pay Landlord for any additional excess costs that are determined during the performance of the repairs. In no event shall Landlord be required to spend more for the restoration than the proceeds received by Landlord, whether insurance proceeds or proceeds from Tenant. Landlord shall not be liable for any inconvenience to Tenant, or injury to Tenant's business resulting in any way from the Casualty or the repair thereof. Provided that Tenant is not in Default, during any period of time that all or a material portion of the Premises is rendered untenable as a result of a Casualty, the Rent shall not abate for the portion of the Premises that is untenable and not used by Tenant.

16.03 The provisions of this Lease, including this Section 16, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises or the Property, and any Laws, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any similar or successor Laws now or hereinafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises or the Property.

17. Condemnation. Either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "**Taking**"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Property which would have a material adverse effect on the Landlord's ability to profitably operate the remainder of the Building. The terminating party shall provide written notice of termination to the other party within forty-five (45) days after it first receives notice of the Taking. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Base Rent and Tenant's Pro Rata Share shall be appropriately adjusted to account for and reduction in the square footage of the Building or Premises. All compensation awarded for a Taking shall be the property of Landlord. The rights to receive compensation or proceeds are expressly waived by Tenant; however, Tenant may file a separate claim for Tenant's Property and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the amount of Landlord's award. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure, or any similar or successor Laws.

18. Events of Default. In addition to any other default specifically described in this Lease, each of the following occurrences shall be a "**Default**": (a) Tenant's failure to pay any portion of Rent when due, if the failure continues for five (5) days after the due date ("**Monetary Default**"); (b) Tenant's failure (other than a Monetary Default) to comply with any term, provision, condition or covenant of this Lease, if the failure is not cured within fifteen (15) days after written notice to Tenant provided, however, if Tenant's failure to comply cannot reasonably be cured within fifteen (15) days, Tenant shall be allowed additional time (not to exceed thirty (30) days) as is reasonably necessary to cure the failure so long as Tenant begins the cure within ten (10) days and diligently pursues the cure to completion; (c) Tenant permits a Transfer without Landlord's required approval or otherwise in violation of Section 11 of this Lease; (d) Tenant fails to maintain the insurance required under Section 14 of this Lease; (e) Tenant or any Guarantor becomes insolvent, makes a transfer in fraud of creditors, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts when due or forfeits or loses its right to conduct business; (f) the leasehold estate is taken by process or operation of Law; (g) Tenant does not take possession of or abandons or vacates all of any portion of the Premises; or (h) Tenant is in default beyond any notice and cure period under any other lease or agreement with Landlord at the Building or Property. If Landlord provides Tenant with notice of Tenant's failure to comply with any specific provision of this Lease on

two (2) separate occasions during any twelve (12) month period, Tenant's subsequent violation of such provisions shall, at Landlord's option, be an incurable Default by Tenant. All notices sent under this Section shall be in satisfaction of, and not in addition to, notice required by Law.

19. Remedies.

19.01 Upon the occurrence of and Default under this Lease, whether enumerated in Section 18 not, Landlord shall have the option to pursue any one or more of the following remedies without notice (except as expressly prescribed herein) or demand whatsoever (and without limiting the generality of the foregoing, Tenant hereby specifically waives notice and demand for payment of Rent or other obligations, except for those notices specifically required pursuant to the terms of Section 18 or this Section 19:

(a) Terminate this Lease and Tenant's right to possession of the Premises and recover from Tenant an award of damages equal to the sum of the following:

(i) The Worth at the Time of Award of the unpaid Rent which had been earned at the time of termination;

(ii) 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 Tenant affirmatively proves could have been reasonably avoided;

(iii) 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 Tenant affirmatively proves could be reasonably avoided;

(iv) And other amount necessary to compensate Landlord for all the detriment either proximately cause by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(v) All such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable law.

The "**Worth at the Time of Award**" of the amounts referred to in parts (i) and (ii) above, shall be computed by allowing interest at the lesser of a per annum rate equal to: (A) the greatest per annum rate of interest permitted from time to time under applicable law, or (B) the Prime Rate plus five percent (5%). For purposes hereof, the "**Prime Rate**" shall be the per annum interest rate publicly announced as its prime or base or base rate by federally insured bank selected by Landlord in the State of California. The "Worth at the Time of Award" of the amount referred to in part (iii), above, shall be 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%).

(b) Employ the remedy described in California Civil Code 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations); or

(c) Notwithstanding Landlord's exercise of the remedy described in California Civil Code § 1951.4 in respect of an event or events of default, at such time thereafter as Landlord may elect in writing, to terminate the Lease and Tenant's right to possession of the Premises and recover an award of damages as provided above in Section 19.01(a).

19.02 The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of {3583111.DOCX:3}

acceptance of such Rent. No waiver by Landlord of any breach hereof shall be effective unless such waiver is in writing and signed by Landlord.

19.03 TENANT HEREBY WAIVES ANY AND ALL RIGHTS CONFERRED BY SECTION 3275 OF THE CIVIL CODE OF CALIFORNIA AND BY SECTIONS 1174 (c) AND 1179 OF THE CODE OF CIVIL PROCEDURE OF CALIFORNIA AND ANY AND ALL OTHER LAWS AND RULES OF LAW FROM TIME TO TIME IN EFFECT DURING THE LEASE TERM PROVIDING THAT TENANT SHALL HAVE ANY RIGHT TO REDEEM, REINSTATE OR RESTORE THIS LEASE FOLLOWING ITS TERMINATION BY REASON OF TENANT'S BREACH. TENANT ALSO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE.

19.04 No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing by agreement, applicable law or in equity. In addition to other remedies providing in this Lease, Landlord shall be entitled, to the extent permitted by applicable law, to injunctive relief, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or and other remedy allowed to Landlord at law or in equity. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default.

19.05 If Tenant is in Default of any of its non-monetary obligations under the Lease, Landlord shall have the right to perform such obligations. Tenant shall reimburse Landlord for the cost of such performance upon demand together with an administrative charge equal to ten percent (10%) of the cost of the work performed by Landlord.

19.06 Any agreement by Landlord for free or abated rent or other charges applicable to the Premises, or for the giving or paying by Landlord to or for Tenant of any cash or other bonus, inducement or consideration for Tenant's entering into this Lease (including without limitation, any Allowance), all of which concessions are hereinafter referred to as "**Inducement Provisions**" shall be deemed conditioned upon Tenant's full and faithful performance of all of the terms, covenants and conditions of this Lease to be performed or observed by Tenant during the Term. Upon the failure of Tenant to timely cure any Default, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Landlord under such an Inducement Provision shall be immediately due and payable by Tenant to Landlord, and recoverable by Landlord, as additional Rent due under this Lease, notwithstanding any subsequent cure of said Default by Tenant.

19.07 This Section 19 shall be enforceable to the maximum extent such enforcement is not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable and other portion.

20. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LANDLORD (AND ANY SUCCESSOR LANDLORD) SHALL BE LIMITED TO THE LESSER OF (A) THE INTEREST OF LANDLORD IN THE PROPERTY, OR (B) THE EQUITY INTEREST LANDLORD WOULD HAVE IN THE PROPERTY IF THE PROPERTY WERE ENCUMBERED BY THIRD PARTY DEBT IN AN AMOUNT EQUAL TO 70% OF THE VALUE OF THE PROPERTY. TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE PROPERTY FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD OR AND LANDLORD RELATED PARTY. NEITHER LANDLORD NOR ANY LANDLORD RELATED PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY, AND IN NO EVENT SHALL LANDLORD OR ANY LANDLORD RELATED PARTY BE LIABLE TO TENANT FOR ANY LOST PROFIT, DAMAGE TO OR LOSS OF BUSINESS OR ANY FORM OF SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGE. BEFORE FILING SUIT FOR AN ALLEGED DEFAULT BY LANDLORD,

TENANT SHALL GIVE LANDLORD AND THE LENDERS WHOM TENANT HAS BEEN NOTIFIED HOLD SECURITY DEVICES (DEFINED IN SECTION 23 BELOW), NOTICE AND REASONABLE TIME TO CURE THE ALLEGED DEFAULT. ADDITIONALLY, TENANT ACKNOWLEDGES AND AGREES THAT: (I) NO CLAIM MAY BE MADE AGAINST LANDLORD FOR CONSEQUENTIAL DAMAGES RESULTING FROM THE BREACH OF ANY WARRANTY EXPRESSLY MADE BY LANDLORD HEREIN; AND (II) LANDLORD HAS SET THE RENT AMOUNTS AND ENTERED INTO THIS LEASE IN RELIANCE UPON THE DISCLAIMERS OF WARRANTY AND THE LIMITATIONS OF LIABILITY SET FORTH HEREIN, THAT THE SAME REFLECT AN ALLOCATION OF RISK BETWEEN THE PARTIES (INCLUDING THE RISK THAT A CONTRACT REMEDY MAY FAIL OF ITS ESSENTIAL PURPOSE AND CAUSE CONSEQUENTIAL LOSS), AND THAT SUCH ALLOCATION OF RISK FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES.

21. Relocation. Landlord, at its expense, at any time before or during the Term, may relocate Tenant from the Premises to space of reasonably comparable size and utility (“**Relocation Space**”) within the Building or other buildings within the same project upon 60 days’ prior written notice to Tenant. From and after the date of the relocation, the Base Rent and Tenant’s Pro Rata Share shall be adjusted based on the rentable square footage of the Relocation Space. Landlord shall pay Tenant’s reasonable costs of relocation, including all costs for moving Tenant’s furniture, equipment, supplies and other personal property, as well as the cost of printing and distributing change of address notices to Tenant’s customers and one month’s supply of stationery showing the new address.

22. Holding Over. If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant’s occupancy shall be subject to all the terms and provisions of the Lease and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 150% of the sum of the Base Rent and Additional Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term of payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. If Landlord is unable to deliver possession of the Premises to a new tenant or to perform improvements for a new tenant as a result of Tenant’s holdover and Tenant fails to vacate the Premises within fifteen (15) days after notice from Landlord, Tenant shall be liable for all the damages that Landlord suffers from the holdover.

23. Subordination; Attornment; and Estoppel Certificates.

23.01 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, “**Security Device**”), now or hereafter placed by Landlord upon the real property of which the Premises are a part, to any and all advances made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof. Tenant agrees that the lenders (“**Lenders**”) holding any such Security Device shall have no duty, liability or obligation to perform any of the obligations of Landlord under this Lease, but that in the event of Landlord's default with respect to any such obligation, Tenant will give any Lender whose name and address have been furnished Tenant in writing for such purpose notice of Landlord's default. If any Lender shall elect to have this Lease granted hereby superior to the lien of its Security Device and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

23.02 Attornment. In the event that Landlord transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Tenant shall, subject to the non-disturbance provisions of Section 23.03, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of such new owner, this Lease shall automatically become a new Lease between Tenant and such new owner, upon all of the terms and conditions hereof, for the remainder of the

term hereof, and (ii) Landlord shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Landlord's obligations hereunder, except that such new owner shall not: (a) be liable for any act or omission of any prior landlord or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which tenant might have against any prior landlord; or (c) be bound by prepayment of more than one month's rent. Tenant waives its right under any current or future law which gives or purports to give Tenant any right to terminate or otherwise adversely affect this Lease as a result of any sale of the Premises or the foreclosure or termination of any Security Device.

23.03 Non-Disturbance. With respect to Security Devices entered into by Landlord after the execution of this Lease, Landlord shall use reasonable, good faith efforts to receive a commercially reasonable subordination and non-disturbance agreement (a "**Subordination and Non-Disturbance Agreement**") from the Lender which Subordination and Non-Disturbance Agreement provides that Tenant's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Tenant is not in default hereof and attorns to the record owner of the Premises. Tenant acknowledges that the Subordination and Non-Disturbance Agreement may contain the limitations on liability of the succeeding owner set forth in Section 23.02 above, and will be in the form that the Lender typically provides tenants such as Tenant, taking into account the terms of this Lease, the creditworthiness of Tenant and such criteria as its Lender customarily applies. Such Subordination and Non-Disturbance Agreement may provide, among other things, that (i) such Lender shall be entitled to receive notice of any Landlord default under this Lease plus a reasonable opportunity to cure such default; (ii) such Lender shall not be bound by any modification or amendment to this Lease, or any cancellation or surrender of this Lease, without such Lender's consent, (iii) such Lender shall not be bound by any obligation under this Lease or any agreement to perform or pay for any improvements to the Premises; and (iv) such Lender or any successor landlord shall not: (a) be liable for any act or omission of any prior landlord or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Tenant might have against any prior landlord; (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior landlord. Landlord shall have no obligation to negotiate the terms of the Subordination and Non-Disturbance Agreement on Tenant's behalf, or to incur any legal fees or other out-of-pocket expenses in obtaining the Subordination and Non-Disturbance Agreement. Tenant shall execute and deliver to Landlord and Lender such Subordination and Non-Disturbance Agreement within ten (10) days after receipt of a written request from Landlord and or Lender.

23.04 Estoppel Certificates. Landlord and Tenant shall each, within ten (10) days after receipt of a written request from the other, execute and deliver a commercially reasonable estoppel certificate to those parties as are reasonably requested by the other (including a Mortgagee or prospective purchaser). Without limitation, such estoppel certificate may include a certification as to the status of this Lease, the existence of any defaults and the amount of Rent that is due and payable

23.05 Self-Executing. The agreements contained in this Section 23 shall be effective without the execution of any further documents; provided, however, that upon written request from Landlord or a Lender in connection with a sale, financing or refinancing of Premises, Tenant and Landlord shall execute such further writings as may be reasonably required to separately document any such subordination or non-subordination, attornment and/or non-disturbance agreement as is provided for herein. Without prejudice to any remedies provided for in this Lease, if Tenant fails to timely provide the documents/agreements contained in this Section 23 in accordance with this Section, then upon an additional five (5) days' notice from Landlord, Tenant will pay to Landlord as Additional Rent a late charge of \$500.00 per day for each day thereafter until such documents are provided.

24. Notice. All demands, approvals, consents or notices (collectively referred to as a "**notice**") shall be in writing and delivered by hand or sent by registered or certified mail with return receipt requested or sent by overnight or same day courier service at the party's respective Notice Address(es) set forth in Section 1. Each notice shall be deemed to have been received on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises or any other Notice Address of Tenant without providing a new Notice Address, three (3) days after notice is deposited in the U.S. mail or with a courier service in the manner

described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address.

25. Surrender of Premises. At the termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's Property from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Landlord is obligated to repair hereunder excepted. If Tenant fails to remove any of Tenant's property within two (2) days after Termination of this Lease or Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's Property. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's Property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred. If Tenant fails to remove Tenant's Property from the Premises or storage, within fifteen (15) days after notice, Landlord may deem all or any part of Tenant's Property to be abandoned and title to Tenant's Property shall vest in Landlord.

26. ADA Disclosure [CC§1938].

(a) Pursuant to California Civil Code §1938, Landlord hereby discloses to Tenant: ☒ an inspection of the Premises has not been performed by a Certified Access Specialist (CASp); or ☐ an inspection of the Premises has been performed by a Certified Access Specialist (CASp) and the Premises ☐ has been or ☐ has not been determined to meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.53.

(b) If the Premises have undergone inspection by a CASp and, to the best of Landlord's knowledge, there have been no modifications or alterations completed or commenced between the date of the inspection and the date of this Lease which have impacted the Premises' compliance with construction-related accessibility standards, Landlord has provided prior to execution of this Lease, a copy of any report prepared by the CASp with the agreement from Tenant that information in the report shall remain confidential, except as necessary for Tenant to complete repairs and corrections of violations of construction-related accessibility standards that Tenant agrees to make. Making any repairs or modifications necessary to correct violations of construction-related accessibility standards that are noted in a CASp report is presumed to be the responsibility of Landlord, unless otherwise mutually agreed upon by Landlord and Tenant, and this shall confirm that Landlord shall not be responsible to correct violations of construction-related accessibility standards that are noted in a CASp report. Tenant hereby acknowledges that Tenant had the opportunity to review any CASp report prior to execution of this Lease, and that such report was provided to Tenant at least 48 hours prior to execution of this Lease. If Tenant did not have the opportunity to review any CASp report prior to execution of this Lease, Tenant shall have the right to rescind this Lease, based upon the information contained in the report, for 72 hours after execution of this Lease. If the Premises have been issued an inspection report by a CASp, as described in paragraph (1) of subdivision (a) of Section 55.53, indicating that it meets applicable standards, as defined in paragraph (4) of subdivision (a) of Section 55.52, Landlord shall provide a copy of the current disability access inspection certificate and any inspection report to Tenant not already provided pursuant to subdivision (b) within seven days of the date of the execution of this Lease

(c) If the Premises have not been issued a disability access inspection certificate, as described in subdivision (e) of Section 55.53, a Certified Access Specialist (CASp) can inspect the Premises and determine whether the Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Tenant, if requested by Tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

(d) After the Commencement Date, in the event that Tenant's use of the Premises requires
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modifications or additions to the Premises in order to be in compliance with ADA, Tenant agrees to make any such necessary modifications and/or additions at Tenant's expense. Notwithstanding the above, if there are changes to ADA after the Commencement Date which require compliance, Landlord shall make such changes to the Building or Project, with the cost thereof to be included as an Operating Cost and subject to the provisions of Paragraph 4.03 above.

27. Miscellaneous.

27.01 This Lease shall be interpreted and enforced in accordance with the Laws of the state or commonwealth in which the Building is located and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state or commonwealth. If any term or provision of this Lease shall to any extent be void or unenforceable, the remainder of this Lease shall not be affected. If there is more than one Tenant or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities, and requests or demands from any one person or entity comprising Tenant shall be deemed to have been made by all such persons or entities. Notices to any one person or entity shall be deemed to have been given to all persons and entities. Tenant represents and warrants to Landlord that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant and that Tenant is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, (i) in violation of any laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/tllsdn.pdf> or any replacement website or other replacement official publication of such list.

27.02 If either party institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Lease, the prevailing party shall be entitled to reimbursement of all of its costs and expenses, including, without limitation, reasonable attorneys' fees. Either party's failure to declare a default immediately upon its occurrence, or delay in taking action for a default, shall not constitute a waiver of the default, nor shall it constitute an estoppel.

27.03 Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant (other than the payment of the Security Deposit or Rent), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond the reasonable control of the performing party ("**Force Majeure**").

27.04 Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Building and Property. Upon transfer Landlord shall be released from any further obligations hereunder and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations, provided that, any successor pursuant to a voluntary, third party transfer (but not as part of an involuntary transfer resulting from a foreclosure or deed in lieu thereof) shall have assumed Landlord's obligations under this Lease.

27.05 Landlord has delivered a copy of this Lease to Tenant for Tenant's review only and the delivery of it does not constitute an offer to Tenant or an option. Tenant represents that it has dealt directly with and only with the Broker as a broker in connection with this Lease. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Lease. Landlord shall indemnify and hold Tenant and the Tenant Related Parties harmless from all claims of any brokers claiming to have represented Landlord in connection with this Lease.

27.06 Time is of the essence with respect to Tenant's exercise of any expansion, renewal or extension rights granted to Tenant. The expiration of the Term, whether by lapse of time, termination or otherwise, shall not

relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

27.07 Tenant may peacefully have, hold and enjoy the Premises, subject to the terms of this Lease, provided tenant pays the Rent and fully performs all of its covenants and agreements. This covenant shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building.

27.08 This Lease does not grant any rights to light or air over or about the Building. Landlord excepts and reserves exclusively to itself any and all rights not specifically granted to Tenant under this Lease. This Lease constitutes the entire agreement between the parties and supersedes all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents. Neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be modified only by a written agreement signed by an authorized representative of Landlord and Tenant.

27.09 This Lease may be executed in any number of counterparts, each of which shall be effective only upon delivery, including delivery by facsimile, Portable Document Format (pdf) email transmission and/or any electronic signature transmission format, and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Lease may be detached from any counterpart of this Lease without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Lease identical in form hereto but having attached to it one or more additional signature pages. Signatures transmitted via facsimile, e-mail and/or by any electronic signature format as defined under the US Federal ESIGN Act (ex. DocuSign, HelloSign, Adobe Sign, and the like) shall be considered original, authentic and binding, and each party waives the right to assert that such copies fail to comply with the Best/Secondary Evidence Rule in any legal forum.

27.09. Disclosure of Energy Consumption Data. With regard to maintaining efficient energy within the Building, Tenant acknowledges and agrees that: (a) Energy efficiency is a primary concern for Landlord; (b) Tenant's maintenance of energy saving measures is a condition of this Lease; (c) Landlord has the right to monitor Tenant's energy use; and (d) Landlord may restrict the use of certain energy inefficient appliances such as space heaters. If Landlord is required to upload the Building's energy usage data to the US Environmental Protection Agency's ENERGY STAR Portfolio Manager Website, Tenant shall fully authorize all utility companies utilized by Tenant at the Premises to release Tenant's energy use data for upload to the Portfolio Manager website. In accordance with California Public Resource Code § 25402.10, Landlord ☐ has deliver to Tenant prior to the execution of this Lease, or ☒ is not required to deliver to Tenant: the United States Environmental Protection Agency's ENERGY STAR Portfolio Manager benchmarking data and ratings for the most recent 12-month period with regard to the Building. For more information on the Nonresidential Building Energy Use Disclosure Program, Tenant is advised to go to <http://www.energy.ca.gov/2010publications/CEC-400-2010-004/CEC-400-2010-004-CMF.pdf>.

IN WITNESS WHEREOF, the parties have executed this Lease as of the dates set forth below.

LANDLORD:	TENANT:
School of Urban Missions, a Louisiana nonprofit corporation	El Dorado County Water Agency
By: _____	By: _____
Name: _____	Name: <u>Kenneth V. Payne</u>
Title: _____	Title: <u>General Manager</u>
Date: _____	Date: _____

EXHIBIT A
OUTLINE AND LOCATION OF PREMISES



EXHIBIT B

EXAMPLE ONLY DO NOT FILL OUT

LEASE COMMENCEMENT MEMORANDUM

LANDLORD:

TENANT:

PREMISES:

LEASE DATE:

The undersigned Tenant hereby certifies the following to Landlord:

1. That the undersigned Tenant occupies the above-described Premises.
2. That Landlord delivered possession of the Premises to the undersigned Tenant on _____, 20____.
3. That the Lease Term commenced on _____, 20____ and shall expire on _____, 20____, subject to (_____) option(s) to renew the initial Term of the Lease for period(s) of _____ (_____) years each.
4. That the Base Rent of \$ _____ has been paid as the first month's rent.
5. That a security deposit of \$ _____ has been paid by Tenant to Landlord.
6. That as of the date hereof, the undersigned Tenant is entitled to no credit, offset or deduction in Base Rent or other rent.
7. That all construction to be performed by Landlord is complete and has been accepted by Tenant.
8. That the undersigned Tenant claims no right, title or interest in the above-described Premises, or right to the possession of said Premises other than under the terms of said Lease, and that there are no written or oral agreements affecting tenancy other than the Lease.
9. That Landlord is not in default or breach of any of Landlord's obligations under the Lease.

<p>TENANT: El Dorado County Water Agency</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>APPROVED BY LANDLORD: School of Urban Missions, a Louisiana nonprofit corporation</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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EXHIBIT C

BUILDING RULES AND REGULATIONS

This Exhibit is attached to and made a part of the Lease Agreement by and between the Landlord and Tenant named therein for space in the Building located at the Premises described therein.

The following rules and regulations shall apply, where applicable, to the Premises, the Building, the parking facilities (if any), the Property and the appurtenances. In the event of a conflict between the following rules and regulations and the remainder of the terms of the Lease, the remainder of the terms of the Lease shall control. Capitalized terms have the same meaning as defined in the Lease.

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit Tenant's employees to loiter in Common areas or elsewhere about the Building or Property, except in designated smoking areas.
2. Plumbing fixtures and appliances shall be used only for the purposes for which designed and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed in the fixtures or appliances.
3. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Landlord's cost and expense, using the standard graphics for the Building. Except in connection with the hanging of lightweight pictures and wall decorations, no nails, hooks or screws shall be inserted into any part of the Premises or Building except by the maintenance personnel without Landlord's prior approval, which approval shall not be unreasonably withheld.
4. Landlord may provide and maintain in the first floor (main lobby) of the Building an alphabetical directory board or other directory device listing tenants and no other directory shall be permitted unless previously consented to by Landlord in writing.
5. Tenant shall not place any lock(s) on any door in the Premises or Building without Landlord's prior written consent, which consent shall not be unreasonably withheld, and Landlord shall have the right at all times to retain and use keys or other access codes or devices to all locks within and into the Premises. A reasonable number of keys to the locks on the entry doors in the Premises shall be furnished by Landlord to Tenant at Tenant's cost and Tenant shall not make any duplicate keys. All keys shall be returned to Landlord at the expiration or early termination of the Lease.
6. All contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time.
7. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by Tenant of merchandise or materials requiring the use of elevators, stairways, lobby areas or loading dock areas, shall be restricted to hours reasonably designated by Landlord. Tenant shall obtain Landlord's prior approval by providing a detailed listing of the activity, which approval shall not be unreasonably withheld. If approved by Landlord, the activity shall be under the supervision of Landlord and performed in the manner required by Landlord. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the

activity. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage, loss or injury.

8. Landlord shall have the right to approve the weight, size, or location of heavy equipment or articles in and about the Premises, which approval shall not be unreasonably withheld. Damage to the Building by the installation, maintenance, operation, existence or removal of Tenant's Property shall be repaired at Tenant's sole expense.

9. Corridor doors, when not in use, shall be kept closed.

10. Tenant shall not: (1) make or permit any improper, objectionable or unpleasant noises or odors in the Building, or otherwise interfere in any way with other tenants or persons having business with them; (2) solicit business or distribute or cause to be distributed, in any portion of the Building, handbills, promotional materials or other advertising; or (3) conduct or permit other activities in the Building that might, in Landlord's sole opinion, constitute a nuisance.

11. No animals, except those assisting handicapped persons, shall be brought into the Building or kept in or about the Premises.

12. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building or about the Property, except for those substances as are typically found in similar premises used for general office purposes and are being used by Tenant in a safe manner and in accordance with all applicable CC&Rs and Laws. Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Property, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law which may now or later be in effect. Tenant shall comply with all CC&Rs and Laws pertaining to and governing the use of these materials by Tenant and shall remain solely liable for the costs of abatement and removal.

13. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises, the Building or the Center. Tenant shall not use, or permit any part of the Premises to be used for lodging, sleeping or for any illegal purpose.

14. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building or Center ("**Labor Disruption**"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall pickets removed and, at request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall not have any claim for damages against Landlord or any of the Landlord Related Parties nor shall the Commencement Date of the Term be extended as a result of the above actions.

15. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electric or gas heating devices, without Landlord's prior written consent.

16. Tenant shall not operate or permit to be operated a coin or taken operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for machines for the exclusive use of Tenant's employees and invitees.

17. Bicycles and other vehicles are not permitted inside the Building or on the walkways outside the Building, except in areas designated by Landlord. No overnight parking is permitted except as expressly permitted by Landlord.
18. Landlord may from time to time adopt systems and procedures for the security and safety of the Building and Property, its occupants, entry, use and contents. Tenant, its agents, employees, contractors, guests and invitees shall comply with Landlord's systems and procedures.
19. Landlord shall have the right to prohibit the use of the name of the Building/Center or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or its desirability. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.
20. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the Common Areas, unless a portion of the Common Areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the Common Areas or any other part of the Building. Landlord shall have the right to designate the Building (including the Premises) as a non-smoking building.
21. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform exterior appearance. Tenant shall ensure, to the extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun.
22. Deliveries to and from the Premises shall be made only at the times in the areas and through the entrances and exits reasonably designated by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice.
23. The work of cleaning personnel (engaged by other tenants or by Landlord if required under the Lease) shall not be hindered by Tenant after 5:30 P.M., and cleaning work may be done at any time when the offices are vacant. Windows, doors and fixtures may be cleaned at any time. Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service.

EXHIBIT D

ADDITIONAL PROVISIONS

This Exhibit "D" is attached to and made a part of the Lease Agreement by and between the Landlord and Tenant named therein for space in the Building located at the Premises described therein.

The following provisions ("Additional Provisions") are hereby incorporated into the Lease Agreement.

ADDITIONAL PARAGRAPH AS FOLLOWS:

1. **Cap on Controllable Operating Expenses.** Annual increases in the controllable Operating Expenses (excludes common utilities and insurance premiums only) shall be subject to a four percent (4%) cap over the prior year's controlling operating expense pass-throughs, on a non-cumulative basis. Property Taxes shall also be subject to the 4% cap.

2. **Option to Extend Term.** Landlord hereby grants to Tenant the option (then "**Option**") to extend the Term and renew this Lease and all the provisions, conditions and terms contained therein, except monthly Base Rent, for one (1) additional five (5) year period (the "**Extension Term**") immediately following the expiration of the initial Term, subject to the following, each of which shall be a condition to Tenant's exercise of its rights under this Paragraph 1:

(a) This Lease shall be in full force and effect at the time the Notice of Exercise of Option is given.

(b) Tenant shall not be in default under any provision of this Lease beyond any cure period at the time the Notice of Exercise of Option, or any time during the term of this Lease beyond any cure period.

(c) Tenant shall give Landlord a written notice irrevocably exercising the Option (the "**Notice of Exercise of Option**") at least one hundred eighty (180) days prior to the last day of the Lease Term. If Tenant does not exercise an Option within the time period provided, Tenant shall forfeit the Option, and the Option shall become null and void and be of no further effect.

(d) The monthly Base Rent for the Extension Term shall be the Fair Market Rent for renewal tenants at the time the Notice of Exercise of Option is given, provided, however, that in no event shall the monthly Base Rent be decreased below the monthly Base Rent received for the last month of the immediately preceding Term. In determining the "**Fair Market Rent**" for the applicable Extension Term, the parties shall, for a period of ten (10) days after Tenant gives Landlord the written Notice of Exercise of Option, attempt to agree as to the Fair Market Rent. The Fair Market Rent shall be based on the prevailing fair market rental value for properties within El Dorado Hills similar to the Premises and Building in quality, size, floor level, age, location and use on the date of exercise of an option, taking into account the term of the Lease, the extent of services provided thereunder, without any rent concessions, tenant improvements, Tenant's creditworthiness and quality, and any other relevant term or condition, including bona fide written offers made to Landlord by unrelated third parties at an arms-length basis to lease comparable space taking into account renewal leases (other than renewals exercised pursuant to a lease option that establishes a fixed rent or ceiling). The rental rate shall also include market rate annual increases. Landlord will not be obligated to pay any tenant allowance and Tenant shall not be entitled to any period of free rent. If the parties are unable to agree within said time period, then Landlord and Tenant, at their separate cost and expense, shall each appoint a Licensed Real Estate Broker in commercial real estate whose office is located within a 25-mile radius of the Premises and is familiar with the rental market of property similar to the Premises. If, within fifteen (15) days from their selection, such Brokers are unable to agree as to the Fair Market Rent, such Brokers shall select another Broker of the same qualifications. Together, the three Brokers shall determine the Fair Market Rent of the Premises for the Extension Term. The decision of two of the three Brokers shall control. Landlord and Tenant agree to share equally in any costs and fees reasonably charged by the third broker. In the event of any inconsistency or conflict between the terms and provisions of these Additional Provisions and/or the terms and provisions of the Lease Agreement, the terms and provisions of these Additional Provisions

3. Tenant shall be permitted to post public meeting notifications as required by California law ("Public Meeting Notices") by affixing said Public Meeting Notices to the interior of the window near the front entrance of the Building such that said notifications can be viewed by the public when the Building is locked. Public Meeting Notices shall be typed and printed on paper that is no larger than 8.5 x 11 inches. Tenant shall remove Public Meeting Notices promptly upon the conclusion of any public meeting. In the event that any Public Meeting Notice is removed by anyone other than Tenant, Landlord shall not be liable to Tenant and Tenant shall not be relieved from its obligations to pay Rent or to fulfill any covenant or agreement of this Lease.

4. In the event that Tenant receives assistance by the County of El Dorado's information technology or facilities personnel within the Premises, Tenant shall not be required to first obtain Landlord's consent, unless said assistance pertains to an Alteration of the Premises as defined in Paragraph 9.03 of the Lease.

In the event of any inconsistency or conflict between the terms and provisions of these Additional Provisions and/or the terms and provisions of the Lease Agreement, the terms and provisions of these Additional Provisions shall prevail.

EXHIBIT E

TENANT IMPROVEMENTS EXHIBIT

This Exhibit is attached to and made a part of the Lease Agreement by and between the Landlord and Tenant named therein for space in the Building located at the Premises described therein.

1. Tenant Improvements. Prior to the Commencement Date, Landlord shall, at Landlord's sole expense, provide a "turnkey buildout" per the space plan shown on Exhibit A attached to this Lease, all of which is referred to as "**Landlord's Work**". As used herein, a "**turnkey buildout**" shall include space planning, and all architectural, permits, fees, profit and overhead, costs associated with construction, and Landlord supervision. Landlord's Work shall include the installation of the improvements identified within Exhibit E-1.

2. Additional Work. In the event that Tenant requests any changes or additions to the Work ("**Additional Work**"), and Landlord approves such Additional Work in its sole discretion, then Landlord will engage Landlord's Contractor to perform such Additional Work, at Tenant's sole cost and expense, on the following terms and conditions. Landlord shall cause Landlord's Contractor to submit to Landlord and Tenant an Additional Work Request which shall identify the scope of the Additional Work, Landlord's Contractor's cost proposal for performing such Additional Work, and any resulting delays to the completion of the Work. Landlord shall have no obligation to perform the Additional Work until Tenant executes and returns the Additional Work request. Tenant shall pay to Landlord the cost of any Additional Work upon completion of such Additional Work; provided, however, that Landlord reserves the right to require Tenant to prepay the cost of the Additional Work.

EXHIBIT E-1

LANDLORD'S WORK DIAGRAM

P-1 Base wall color- SW Moon Mist SW 9144 In Egg Shell Sheen
P-2 Highlight wall - SW 9145 Sleepy Hollow In Egg Shell Sheen
Base Roppe 4" Black

△ Ring & String for low voltage wiring by tenant
⊕ Additional outlets required

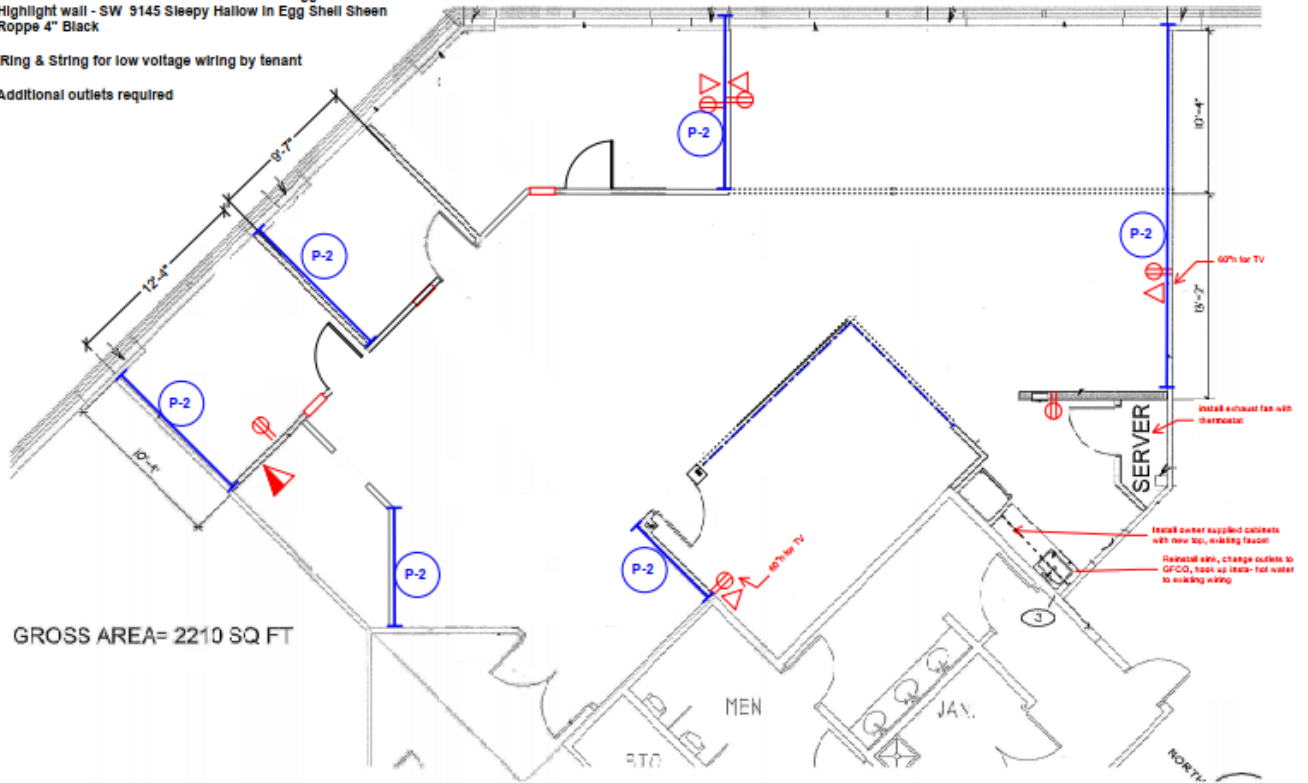


EXHIBIT F

INTENTIONALLY OMITTED

EXHIBIT G

OPERATING EXPENSES

This Exhibit is attached to and made a part of the Lease Agreement by and between the Landlord and Tenant named therein for space in the Building located at the Premises described therein.

1. Payments.

(a) Tenant shall pay Tenant's Pro Rata share of the Operating Expenses (defined below) for each calendar year during the Term which exceed the Operating Expenses for the Base Year.

(b) As soon as is practical following the end of each calendar year, Landlord shall furnish Tenant with a statement of the actual Operating Expenses for the prior calendar year which exceed the amount of the Operating Expenses for the Base Year (the "**Operating Expense Excess**"), and Tenant shall pay Landlord within thirty (30) days after its receipt of the statement of the Operating Expense Excess Tenant's Pro Rata share of any Operating Expense Excess. Tenant's liability in connection with the payment of Tenant's Pro Rata share of any Operating Expense Excess shall be prorated on the basis of a three hundred sixty-five (365)-day year to account for any fractional portion of a year included in the term at its commencement and/or expiration.

2. Operating Expenses. "**Operating Expenses**" shall mean all of the following:

(a) All costs and expenses incurred in each calendar year in connection with operating, maintaining, cleaning, repairing, and managing the Building and the Property. Expenses include, without limitation: (a) all labor and labor related costs, including wages, salaries, bonuses, taxes, insurance, uniforms, training, retirement plans, pension plans and other employee benefits; (b) management fees; (c) the cost of equipping, staffing and operating an on-site and/or off-site management office for the Building, provided if the management office services one or more other buildings or properties, the shared costs and expenses of equipping, staffing and operating such management office(s) shall be equitably prorated and apportioned between the Building and the other buildings or properties; (d) accounting costs; (e) the cost of services, including without limitation, janitorial services; (f) rental and purchase cost of parts, supplies, tools and equipment; (g) electricity, gas and other utility costs; and (h) the amortized cost of capital improvements (as distinguished from replacement parts or components installed in the ordinary course of business) made subsequent to the Base Year which are: (1) performed primarily to reduce current or future Operating Expenses costs, upgrade Building security or otherwise improve the operating efficiency of the Property; or (2) required to comply with any CC&Rs and Laws that are enacted, or first interpreted to apply to the Property, after the date of this Lease. The cost of any repair or replacement which would be required to be capitalized under generally accepted accounting principles (GAAP) shall be performed by Landlord and the cost thereof shall be amortized in accordance with GAAP over the useful life of the capital improvement as determined by guidelines issued by the Internal Revenue Service. The amortized cost of the capital improvement may, at Landlord's option, include actual or imputed interest at the rate that Landlord would reasonably be required to pay to finance the cost of the capital improvement. Landlord, by itself or through an affiliate, shall have the right to directly perform, provide and be compensated for any services under this Lease. If Landlord incurs Operating Expenses for the Building or Property together with one or more other buildings or properties, whether pursuant to a reciprocal easement agreement, common area agreement or otherwise, the shared costs and expenses shall be equitably prorated and apportioned between the Building and Property and the other buildings or properties.

(b) The cost of all insurance policies maintained by Landlord in connection with Landlord's ownership of the Property, including without limitation, (a) policy or policies of insurance covering loss or damage to the Premises, in the amount of no less than ninety percent (90%) of the replacement value thereof, as the same may exist from time to time against all perils included within the classification of special form coverage (formerly

known as all risk insurance) with extended coverage insurance, including vandalism, malicious mischief, sprinkler leakage and earthquake coverage (or a separate earthquake insurance policy, if required by Lender); (b) liability insurance with coverage amounts as reasonably determined by Landlord, in addition to and not in lieu of, the insurance required to be maintained by Tenant, with Tenant not being named as an additional insured therein; and (c) a policy of rental income insurance covering a period of one (1) year, with loss payable to Landlord, which insurance shall also cover all Operating Expenses, Taxes and Insurance Costs (as defined below) for said period but not in duplication of any insurance required to be maintained by Tenant. All such insurance shall have deductibles in the amounts not less than \$5,000.00.

(c) All “**Taxes**” paid by Landlord, which shall mean; (a) all real property taxes and other assessments on the Building and/or Property, including, but not limited to, gross receipts taxes, assessments for special improvement districts and building improvement districts, governmental charges, fees and assessments for police, fire, traffic mitigation or other governmental service of purported benefit to the Property, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Property’s share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Property; (b) all personal property taxes for property that is owned by Landlord and used in connection with the operation, maintenance and repair of the Property; and (c) all costs and fees incurred in connection with seeking reductions in any tax liabilities described in (a) and (b), including, without limitation, any reasonable costs incurred by Landlord for compliance, review and appeal of tax liabilities. Without limitation, Taxes shall not include any income, capital levy, transfer, capital stock, gift, estate or inheritance tax.

(d) Operating Expenses shall not include: depreciation; principal payments of mortgage and other non-operating debts of Landlord; the cost of repairs or other work to the extent Landlord is reimbursed by insurance or condemnation proceeds; costs in connection with leasing space in the Building, including brokerage commissions; lease concessions, rental abatements and construction allowances granted to specific tenants; costs incurred in connection with the sale, financing or refinancing of the Building; fines, interest and penalties incurred due to the late payment of Operating Expenses; or organizational expenses associated with the creation and operation of the entity which constitutes Landlord.

(e) If at any time during a calendar year the Building is not at least 95% occupied or Landlord is not supplying services to at least 95% of the total Rentable Square Footage of the Building, Operating Expenses shall, at Landlord’s option, be determined as if the Building had been 95% occupied and Landlord had been supplying services to 95% of the Rentable Square Footage of the Building. If Operating Expenses for a calendar year are determined as provided in the prior sentence, Operating Expenses for the Base Year shall also be determined in such manner.

3. Audit Rights. Tenant, within sixty (60) days after receiving Landlord’s statement of the Operating Expense Excess, may give Landlord written notice (“**Review Notice**”) that Tenant intends to review Landlord’s records of the Operating Expense Excess for the calendar year to which the statement applies. Within a reasonable time after receipt of the Review Notice, Landlord shall make all pertinent records available for inspection that are reasonably necessary for Tenant to conduct its review. If any records are maintained at a location other than the management office for the Building, Tenant may either inspect the records at such other location or pay for the reasonable cost of copying and shipping the records. If Tenant retains an agent to review Landlord’s records, the agent must be a CPA firm licensed to do business in the state where the Property is located. The accountant must not charge a fee based on the amount of Tenant’s Pro Rata share of Operating Expense Excess that the accountant is able to save Tenant by the inspection. Tenant shall be solely responsible for all costs, expenses and fees incurred for the audit. Within thirty (30) days after the records are made available to Tenant, Tenant shall have the right to give Landlord written notice (an “**Objection Notice**”) stating in reasonable detail any objection to Landlord’s statement of the Operating Expense Excess for that year. If Tenant fails to give Landlord an Objection Notice within the thirty (30) day period described above, Tenant shall be deemed to have approved Landlord’s statement of the Operating Expense Excess and shall be barred from raising any claims regarding the Operating Expense

Excess for that year. If Tenant provides Landlord with a timely Objection Notice, Landlord and Tenant shall work together in good faith to resolve any issues raised in Tenant's Objection Notice. If Landlord and Tenant determine that the Operating Expense Excess for the calendar year is less than reported, Landlord shall provide Tenant with a credit against the next installment of Rent in the amount of the overpayment by Tenant. Likewise, if Landlord and Tenant determine that the Operating Expense Excess for the calendar year is greater than reported, Tenant shall pay Landlord the amount of any underpayment within ten (10) days. The records obtained by Tenant shall be treated as confidential. In no event shall Tenant be permitted to examine Landlord's records or to dispute any statement of the Operating Expense Excess unless Tenant has paid and continues to pay all Rent when due.