

## LEASE

This Lease is made and entered into as of March 1, 2009, by and between **MCF Property Holdings, Inc.**, a California nonprofit corporation ("**Landlord**") and **Marin Telecommunications Agency, Marin Emergency Radio Authority, Marin General Services Agency**, all nonprofit Joint Powers Agencies (each, a "**Tenant Party**", or together, "**Tenant**"). Landlord and Tenant hereby agree as follows:

### Recitals

A. MCF Property Holdings, Inc., a California nonprofit corporation, owns the Building as defined below.

B. Tenant desires to lease the Premises (as defined below) from Landlord, and Landlord desires to lease the Premises to Tenant, subject to all of the terms and conditions contained in this Lease.

C. The Marin nonprofit resource center ("**MNRC**") is a consortium of tenants housed in the Building.

### Agreement

1. **DEFINITIONS.** Words not defined in this Section 1 or elsewhere in this Lease have their customary meanings in American English usage. Defined terms will appear with initial capitals in this Lease. Words in initial capitals in the Definitions section of this Lease will be defined later in this Lease.

1.1 "**Adjoining Property**" means any parcel of property respecting which any portion of the parcel comes within 50 linear yards of any part of the Property.

1.2 "**Agents**" includes employees, agents, guests, invitees and, when applied to Tenant, also includes subtenants and assignees.

1.3 "**Alteration**" includes additions, deletions, modifications and changes (including utility installations such as ducting, power panels, lighting fixtures, base heaters, conduit and wiring).

1.4 "**Approval**" requires reasonable conduct by the acting party.

1.5 "**Base Monthly Rent**" means the minimum monthly rent paid for the use of the Premises as set forth below.

1.6 "**Building**" means the structure located at the Property and in which the Premises are located.

1.7 "**Building Shell**" means the Building's exterior surface or skin and the structural components required to support it.

1.8 "**Commencement Date**" is the first Day of the Initial Term; the Commencement Date shall be **March 1, 2009**.

1.9 “**Common Area**” means those parts of the Property intended for nonexclusive use by all Building tenants including exterior amenities, janitorial closets, service rooms (such as electrical mechanical, elevator, telecommunications and technology); and ground floor halls, lobbies, and rest rooms.

1.10 “**Condemnation**” includes any taking by exercise of governmental power or the transfer to any condemnor under threat of or during the condemnation proceedings.

1.11 “**Consent**” requires reasonable conduct by the acting party unless otherwise specified.

1.12 “**Day**” means a calendar day.

1.13 “**Furniture, Fixtures and Equipment**” provided to Tenant with the Premises for the Term or as earlier terminated in accordance with the provisions of this Lease as set forth in Exhibit F (“**FF&E**”).

1.14 Intentionally deleted.

1.15 “**Force Majeure**” means any act of God, act of nature, act of war, act of terrorism, labor strike or other circumstance outside of Landlord’s reasonable control.

1.16 “**Landlord’s Prior Written Consent**” shall mean the prior written consent of the Landlord.

1.17 “**Lease Year**” means consecutive 12-month periods starting on the Commencement Date.

1.18 “**Litigation**” includes judicial actions, arbitrations and administrative proceedings.

1.19 “**MNRC Area**” consists of 11,097 square feet of area as more particularly described on Exhibit B attached hereto and incorporated herein by reference. Tenant shall have access to and use of all areas of the MNRC Area that are not leased, or intended to be leased, to other tenants for use on an exclusive basis (“**Shared Space**”), together with exclusive use of the Premises, as more particularly described in Paragraph 1.20, below and Exhibit A, attached hereto and incorporated herein by reference. It is intended that Tenant’s use of Shared Space be roughly proportionate to the Tenant’s Premises as a percentage of the total MNRC Area.

1.20 “**Premises**” means the part of the Building leased to Tenant for its exclusive use, as shown on Exhibit A.

1.21 “**Pro Rata Share**” shall only be used to determine Tenant’s Utility Expenses (as defined below), and shall be calculated as provided in this Paragraph 1.21.

(a) The following terms shall have the following definitions:

(i) “**MNRC Ratio**” is the total MNRC Area divided by the MNRC Area plus all Usable Areas (as defined below), and is equal to 51.22%

(ii) “**Tenant’s MNRC Ratio**” is the Tenant’s Premises divided by the total of all the leased, or intended to be leased, Tenant Premises in the MNRC Area and is equal to **8.20%**.

(iii) Therefore the Pro Rata Share is the Tenant’s MNRC Ratio multiplied by the MNRC Ratio and is equal to **4.20%**.

(b) Notwithstanding the foregoing, Landlord may adjust Tenant’s Pro Rata Share if Landlord reasonably determines that Tenant’s usage exceeds normal usage for typical general office uses or is disproportionate in relation to other MNRC Area tenants and warrants an adjustment. In such case Landlord shall advise Tenant of such adjustment and the basis therefor.

- 1.22 “**Property**” includes the Building and land on which it stands, commonly known as **555 Northgate Drive, San Rafael, California**.
- 1.23 “**Regulation**” includes all laws, ordinances, statutes, regulations and requirements adopted by duly constituted public authorities now in force or hereafter adopted.
- 1.24 “**Rent**” means the Base Monthly Rent and all Additional Rent imposed by the provisions of this Lease.
- 1.25 Intentionally deleted.
- 1.26 “**Substantial Completion**” means the point in time at which work on the Tenant Improvements is completed sufficiently to enable the issuance of an occupancy permit (or equivalent) for the Premises.
- 1.27 “**Tax**” or “**Taxes**” means any form of tax, assessment, license, fee, levy, or penalty imposed by any authority now or hereafter having direct or indirect taxing powers (including Improvement Districts) against the Property, Landlord’s interest in the Property or personal property used in the operation of the Property and/or Landlord’s business of leasing, renting or operating the Property (including the costs of contesting any Tax), any Tax on rents or revenues received from leases or the Property, and any taxes and assessments levied in substitution or supplementation in whole or in part of any of the foregoing. When used in connection with an assessment against Tenant, “Tax” means any form of assessment, license, fee, rent, tax, levy or penalty assessed against Tenant’s use of the Premises and/or Tenant’s property located in the Premises or on the Property.
- 1.28 “**Telcom Services**” means telecommunications services provided by Landlord to Tenant initially as set forth in Exhibit G, and as upgraded, supplemented, added, modified, and deleted as set forth in Paragraph 9.3 throughout the Term or as earlier terminated in accordance with the provisions of this Lease.

- 1.29 “**Tenant Delay**” means any delay resulting directly and primarily from Tenant’s failure to cooperate or to timely cooperate, timely approve plans or drawings or timely provide any other information, Approval or cooperation required of Tenant pursuant to the provisions of this Lease.
- 1.30 “**Tenant Improvements**” means Alterations to the Premises and MNRC Area for Tenant’s use as more specifically hereafter defined and includes all work necessary to complete the improvements including, without limitation, the preparation of all plans, drawings and specifications required for the design, approval and construction of the improvements, consultants’ work, labor, materials, overhead and administration associated with the design, Approval and construction of the Tenant Improvements including the cost of obtaining required permits.
- 1.31 “**Term**” is the total of the “Initial Term” (defined below) and any “Option Term” allowed and which take effect under this Lease.
- 1.32 “**Usable Area**” means the measured area of the part of the Building leased or subleased by tenants other than those in the MNRC Area for their exclusive use, and is measured according to the Standard Method for Measuring Floor area in Office Buildings currently published by the Building Owners and Managers Association International (“**BOMA**”).
- 1.33 “**Utility Excess**” shall be calculated as provided in this Paragraph 1.33.
- (a) The following terms shall have the following definitions
- (i) “**Utility Expenses**” represent all actual utility expenses incurred by Landlord for the servicing and operation of the Property, Building, MNRC Area and Premises. Such expenses shall include only gas, electricity, water, sewer, telecommunications related to Building services, and exterior trash and recycling collection (excluding janitorial service). If the Building is less than fully occupied during at any time during the Term, Utility Expenses for such time as the Building is less than fully occupied shall be calculated on a fully occupied basis.
- (i) “**Utility Percentage**” The Utility Percentage shall be thirteen percent (13%).
- (iii) “**Utility Dollar Allowance**” shall be calculated as the Utility Percentage multiplied by Tenant’s Base Monthly Rent for each Year (as defined below) under the Term of this Lease.
- (b) Therefore, Utility Excess, if any, is calculated by subtracting the Tenant’s Utility Dollar Allowance for each Year (as defined below) under the Term of this Lease from the Tenant’s Pro Rata Share of Utility Expenses.
- 1.38 “**Year**” means a calendar year.

2. **PREMISES AND POSSESSION.** Landlord hereby leases the Premises to Tenant for the Term. Tenant shall have exclusive use of the Premises for the Term. Tenant shall also have, as a part of the rights associated with the use of the Premises, the nonexclusive use of the Property's Common Area (together with all other tenants of the Property), and the nonexclusive use of that part of the MNRC Area that is not intended for exclusive use (together with all other tenants housed in the MNRC Area), for the duration of Tenant's lawful possession of the Premises. Landlord will deliver possession of the Premises to Tenant as of the Commencement Date. If, for any reason, Landlord cannot deliver possession of the Premises to Tenant on the Commencement Date, the failure shall not affect this Lease's validity, extend its Term, or render Landlord liable for resulting damages. If Landlord cannot deliver possession within 120 Days of the Commencement Date, exclusive of Tenant Delays and delays caused by a Force Majeure, Tenant may terminate this Lease on written notice to Landlord delivered to Landlord prior to the Landlord's delivery of possession of the Premises to Tenant. In such event, Tenant shall have no further recourse against Landlord respecting the Lease. Landlord warrants that it has title to the Premises and the right to lease the Premises to Tenant for the Term. Landlord covenants that Tenant, upon payment of the Rent and compliance with all obligations imposed upon the Tenant by this Lease, shall have quiet possession, use and enjoyment of the Premises for the Term without hindrance by the Landlord or any party claiming by, through or under the Landlord, conditioned upon the absence of any Tenant default under this Lease.

3. **TERM.** The "**Initial Term**" begins on the Commencement Date and ends on February 28, 2010. The Initial Term may be extended pursuant to the terms and provisions of the Option to Extend attached to this Lease as Exhibit E.

4. **RENT.** Tenant shall pay all Rent due to Landlord in United States dollars at the address set forth below or such other place as Landlord designates in writing. Tenant shall pay all Rent in advance, without deduction, offset, prior notices or demand, on the first Day of each Month of the Term, starting with the Commencement Date. If Alterations increase the area of the Premises, the Base Monthly Rent and Pro Rata Share will increase proportionately. If the obligation to pay rent commences other than on the first Day of a Month, the first payment shall include rent from the date the obligation commences to the first Day of the following month calculated per diem on the basis of a 30-Day Month as well as the first full Month of the Term.

4.1 **Base Monthly Rent.** The Base Monthly Rent, subject to adjustment pursuant to Paragraph 4.2 below, shall be **\$1,981.99 per Month**.

4.2 **Base Monthly Rent Adjustment.** The Base Monthly Rent shall increase on **February 1** of each year through the end of the Term ("**Adjustment Date**") by an amount equal to three percent (3%) of the Base Monthly Rent in effect immediately before the Adjustment Date; provided, however, that Landlord may elect in writing in its sole and absolute discretion to waive all or any portion of such increase for any current year.

4.3 **Additional Rent.** For any Year under the Term in which a Utility Excess exists, Tenant shall pay Landlord as Additional Rent such Utility Excess; provided, however, that Landlord may elect in writing in its sole and absolute discretion to waive all or any portion of such Utility Excess for any period of time specified in the waiver. If Tenant's use of Utility Expenses exceeds Tenant's Pro Rata Share of Utility Expenses, Tenant shall pay the cost of providing such excess for the Premises; if there are no meters to measure such excess usage, then Landlord's sole determination of the cost of such excess usage shall be final and binding, absent fraud or gross error. If Tenant is not in possession of or legally obligated to pay all or part of Rent or Additional Rent for the full calendar year, Tenant's obligation under this Paragraph 4.3 shall be prorated to the amount of time that Tenant is in possession of and/or legally obligated to pay such Rent during that calendar year.

Within 90 days of the end of each Year under the Term, Landlord will calculate the Utility Excess, if any (“**Reconciliation**”) and notify Tenant in writing whether or not a Utility Excess exists. If such excess exists Landlord shall notify Tenant in writing of the amount of Tenant’s Utility Excess. Within 5 Days of receipt of Landlord’s written request for payment, Tenant shall notify Landlord of their interest in negotiating a payment plan for the Utility Excess. If no notification is received or if mutual consent can not be reached within 15 days of receipt of Tenant’s notification, payment to Landlord of the full amount of Tenant’s Utility Excess, or such lesser amount as Landlord notifies Tenant in writing, is due within 30 Days of receipt of Landlord’s initial written request for payment. Payments made by Tenant pursuant to this Paragraph are “**Additional Rent**”. If Landlord, for any reason, neglects or fails to timely provide the required Reconciliation or notification to Tenant, such failure shall not be deemed a default under or breach of this Lease for any purpose. Such failure shall not be deemed a waiver of Landlord’s rights to collect Tenant’s Utility Excess. Such failure by Landlord shall not excuse Tenant from performance of any of Tenant’s obligations under this Lease.

4.4 **Review of Utility Expenses.** Should Tenant question the Reconciliation, Landlord will make available to Tenant for review, at Tenant’s expense, during normal business hours, documentation supporting the amounts in the Reconciliation, as may be appropriate. Any adjustment revealed as a result of the Tenant’s audit of the Reconciliation shall be made in the form of a payment to Landlord with the next Base Monthly Rent Payment if owed by Tenant to Landlord, or a credit against the next Base Monthly Rent payment, if owed by Landlord to Tenant. If Tenant’s Lease Term has expired, and a credit is due, Landlord shall pay Tenant such adjustment within thirty (30) days of the delivery of the reconciliation. If Tenant’s Lease Term has expired, and a payment is due, Tenant shall pay Landlord such adjustment within thirty (30) days of the delivery of the reconciliation.

4.5 **Taxes Attributable to Non-Tax-Exempt Tenant.** All real property taxes and assessments levied on the Property, Building or the Premises and/or taxes levied on personal property, fixtures, equipment and any other property which are attributable to Tenant because of its non-tax-exempt status will be paid by Tenant within thirty (30) days after being invoiced therefor by Landlord and shall constitute Additional Rent under this Lease. In the event there is no separate tax bill with respect to Tenant, Landlord shall allocate such taxes equitably among all non-tax-exempt tenants.

4.6 **Security Deposit.** Upon execution of this Lease, Tenant shall give Landlord as a security deposit an amount equal to one month’s initial Base Rent (“**Deposit**”). Landlord shall hold the Deposit as security for Tenant’s faithful performance of all Tenant’s obligations under this Lease and may, at its option, apply the Deposit to remedy defaults in the payment of any charge hereunder, to repair damages to the Property and/or FF&E caused by Tenant or its Agents, or to clean the Premises at the end of this Lease. If any portion of the Deposit is so applied, prior to the Termination, Tenant shall, within 10 Days after written demand therefor, deliver to Landlord funds sufficient to restore the Deposit to its original amount. Landlord shall not be required to keep the Deposit separate from its general funds. Tenant shall earn no interest on the Deposit. If Tenant fully performs under this Lease, Landlord shall return any unused portion of the Deposit to the last holder of Tenant’s interest in this Lease upon Tenant’s surrender of the Premises to Landlord pursuant to the provisions of this Lease. On any transfer of Landlord’s Interest in the Lease, Landlord will transfer the Deposit to Landlord’s successor; upon such transfer, Landlord shall have no further liability for the Deposit.

4.7 **Late Charges.** Tenant’s late payment of any sum due to Landlord pursuant to this Lease will cause Landlord to incur costs not contemplated by this Lease, including, without limitation, accounting charges and late charges that may be imposed on Landlord by the terms of loans secured by the Property. If Tenant fails to deliver to Landlord any moneys due hereunder within 5 Days of the due date, Tenant shall pay to Landlord a late charge of 5% of the overdue amount which is agreed

to be a reasonable estimate of the costs Landlord will incur by reason of the late payment, the exact amount of which will be difficult or impossible to determine. Landlord's acceptance of a late charge shall not constitute a waiver of the default or preclude Landlord's exercise of other rights and remedies available under law or pursuant to the provisions of this Lease. Notwithstanding the foregoing provisions of this Paragraph 4.7, the 5% late charge shall not be imposed with respect to the first late payment in the twelve (12) months following the Commencement Date or with respect to the first late payment in any succeeding twelve (12) month period during the Term.

5. **TAXES.** Landlord shall pay all Taxes assessed against Landlord's interest in the Property and personal property used in its operation. Notwithstanding the foregoing, Tenant shall not be responsible for any increase in Taxes attributable to a higher assessment by reason of a sale, transfer, or change in ownership of the Property. Tenant shall pay all Taxes assessed on Tenant's fixtures, improvements, furnishings, merchandise, equipment and personal property in and on the Premises and shared areas of the Building. If Tenant fails to timely pay real property Taxes for which it is responsible, Landlord may (but is not obligated to) pay the same at any time thereafter. On demand, Tenant shall repay Landlord amounts paid by Landlord for such Taxes assessed to Tenant, together with interest at the highest rate allowable by law from the date the Landlord advances the funds until the date of repayment by Tenant. If Tenant desires to contest the validity or amount of any Taxes applicable to the Premises and shared areas of the Building, Tenant shall be entitled to do so and to defer payment of such Taxes until final determination of such contest upon giving Landlord written notice thereof prior to commencing such contest and protecting Landlord on demand by obtaining a surety bond in the amount of 150% of the total amount of Taxes in dispute. Tenant shall hold Landlord harmless from all damages or costs incurred in connection with the contest. Landlord shall, at Tenant's request, cooperate in all reasonable ways requested by Tenant in connection with the contest of Taxes and Tenant shall pay or reimburse to Landlord all costs incurred by Landlord resulting from such cooperation.

## 6. **INSURANCE.**

6.1 **Landlord's Insurance.** Landlord shall insure or cause to insure the Property for up to 100% of its replacement value against loss or damage by those risks normally included by the insurance industry in the term "**All Risk**" and may obtain such other insurance as Landlord, in its reasonable discretion deems necessary or appropriate including, without limitation, earthquake insurance; any recovery from insurance policies obtained by Landlord shall belong to Landlord. Landlord shall maintain comprehensive general liability insurance insuring Landlord (and others named by Landlord, but not Tenant) against liability for bodily injury, death and property damage on or about the Property, with combined single limit coverage of at least \$2 million.

6.2 **Tenant's Insurance.** Tenant, at its sole expense, shall maintain: a) All Risk coverage insurance on all fixtures, improvements, furnishings, merchandise, equipment and personal property in the Premises and MNRC Area; and b) for the benefit of Tenant and Landlord, commercial general liability and property damage insurance against claims for bodily injury, death or property damage occurring in or about, and/or arising from Tenant's use of the Premises and MNRC Area, with combined single limit coverage of at least \$1,000,000. Such insurance shall include, without limitation, products liability and coverage for liability arising from consumption of any food or beverages sold from the Premises or MNRC Area (including coverage for liability from consumption or sale of alcoholic beverages). Such insurance coverage shall not limit Tenant's liability. Prior to the Commencement Date, and at least 30 Days prior to the expiration date of any policy, Tenant shall furnish to Landlord certificates verifying that: (1) the insurance required of Tenant pursuant to this Lease is in full force and effect; (2) that Landlord has been named as additional insureds on the liability policy; and (3) that no such policy will be canceled unless Landlord has received at least 30 Days' prior written notice. Each liability policy shall include a broad form liability endorsement and provide that Landlord, as additional insured,

may recover for any loss Landlord suffers by reason of acts/omissions of Tenant or its Agents. Except as Landlord may approve in writing before issuance of such policy, all policies which Tenant shall obtain in satisfaction of the requirements of this Lease shall be issued by companies with at least an “AA” rating by either Moody’s Rating Service or Standard & Poor’s Rating Service and general policy rating of at least “A” in Best Insurance Guide’s then most current issue.

6.3 **Worker’s Compensation Insurance.** During the Term, Tenant shall keep in force and pay for worker’s compensation and other insurance to comply with all applicable Regulations.

6.4 **Waiver of Subrogation.** Notwithstanding anything to the contrary in this Lease, the parties release each other and their respective officers, agents, employees and servants, from all claims for damages, loss, expense or injury to the Premises or MNRC Area, and/or to the furnishings and fixtures and equipment or inventory or other property of either Landlord or Tenant in, about or upon the Premises and MNRC Area, caused by or resulting from perils, events or happenings covered by insurance in force at the time of such loss or by insurance required to be carried pursuant to this Lease. Such waiver shall be effective only to the extent permitted by the said insurance policies and only to the extent that the waiver does not jeopardize insurance coverage. Each party shall cause every insurance policy obtained by it pursuant to this Lease to provide that the insurance company waives all right of recovery against the other party to this Lease by way, of subrogation in connection with any damage covered by such policy.

6.5 **Indemnification of Landlord.** Tenant will indemnify and save Landlord harmless from and against any and all claims, actions, damages, liability and expense relating to loss of life, personal injury and/or property damage arising from or out of any occurrence in, upon or at the Premises and MNRC Area relating to the Tenant’s occupancy and/or use of the Property or to the use of the Property by any guest, visitor (whether invited or uninvited) or agent of Tenant. If Landlord becomes a party or parties to such Litigation commenced by or against Tenant, Tenant shall defend and hold Landlord harmless from all claims, liabilities, costs and expenses, and shall pay all costs, expenses and reasonable legal fees incurred by Landlord in connection with such Litigation. The provisions of this Paragraph shall be deemed to apply only to those circumstances where a portion of a loss or claim is not covered by existing insurance and then only to the extent that such loss or claim is not covered by insurance. This Paragraph shall not preclude application of comparative negligence if the parties or their agents are both at fault.

6.6 **Indemnification of Tenant.** Landlord will indemnify and save Tenant harmless from and against any and all claims, actions, damages, liability and expense relating to loss of life, personal injury and/or property damage arising from or out of any occurrence in, upon or at the Property caused solely by the acts or omissions of Landlord and its Agents. If Tenant becomes a party to such Litigation commenced by or against Landlord, Landlord shall defend and hold Tenant harmless from all claims, liabilities, costs and expenses, and shall pay all costs, expenses and reasonable legal fees incurred by Tenant in connection with such Litigation. The provisions of this Section do not apply to any incident covered by Tenant’s insurance nor does it apply to any incident that is required to be covered by Tenant’s insurance as per section 6.2 above. This Paragraph shall not preclude application of comparative negligence if the parties or their agents are both at fault.

## 7. MAINTENANCE.

7.1 **Premises.** During the Term, Landlord shall maintain the Premises and MNRC Area (including all interior and exterior walls, doors, doorways, lighting fixtures, plumbing fixtures, and all windows) and FF&E in good order, condition and repair; however, damage caused by Tenant’s or its Agents’ acts or omissions within the Premises or MNRC Area shall be repaired at Tenant’s expense. Tenant shall notify Landlord in writing of required repairs to the Property, Premises, MNRC Area and/or

FF&E. Landlord shall make necessary repairs in a reasonable time. Maintenance and repairs shall be completed in a good and workmanlike manner using such methods as Landlord deems appropriate in its sole discretion. Landlord shall make commercially reasonable efforts to perform maintenance and repairs with minimum interference with Tenant's business operations. Tenant waives the provisions of any law permitting Tenant to make repairs at Landlord's expense, including, without limitation, California Civil Code §§1941-1946. Landlord shall provide to the Premises and MNRC Area during the Term heating, ventilation, air conditioning, and janitorial service as reasonably required, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Said services shall be provided during generally accepted business days and hours or such other days or hours as Landlord may reasonably determine. Services (except ventilation and water) required at other times shall be subject to advance request and reimbursement by Tenant to Landlord of the cost thereof.

7.2 **Common Areas.** For the Common Area and areas of the MNRC Area not intended for exclusive use by tenants housed in the MNRC Area, Landlord shall maintain all Improvements and appurtenances upon the Property in good order and repair; however, damage caused by the acts or omissions of Tenant and/or its Agents shall be repaired at Tenant's expense. Tenant shall notify Landlord in writing of required repairs to the Property. Landlord shall make necessary repairs in a reasonable time. Maintenance and repairs shall be completed in a good and workmanlike manner using such methods as Landlord deems appropriate in its sole discretion. Landlord shall make commercially reasonable efforts to perform maintenance and repairs with minimum interference with Tenant's business operations.

7.3 **Alterations.** Tenant shall make no Alteration to the Property without Landlord's Prior Written Consent. Landlord may impose such conditions upon Approval of an Alteration, as Landlord may deem appropriate. Every Alteration shall be done under supervision of a licensed contractor approved by the Landlord and in accordance with plans and specifications furnished to and approved by Landlord prior to commencement of work. All aspects of the construction of the Tenant Improvements shall comply with all Regulations including, without exception or limitation, Regulations relating to building permits. Tenant shall give Landlord seven Days' advance written notice prior to starting construction of each Alteration. Tenant shall post a Notice of Non-Responsibility and provide appropriate notice for Landlord's protection pursuant to California law. If an Alteration increases the area of the Premises, the Base Monthly Rent and Tenant's Pro Rata Share shall be increased in proportion to the resulting increase in the area of the Premises. Each Alteration shall remain in place and become the property of Landlord on Termination, unless, at the time of Consent, Landlord imposed removal of the Alteration at Termination as a condition of Approval, in which case, Tenant shall remove the Alteration and restore the Premises to their pre-Alteration condition upon the Termination of this Lease.

7.4 **Systems.** Tenant and its Agents shall not use the heating/air-conditioning ("**HVAC**"), plumbing and electrical systems (collectively "**Systems**") of the Property for any purpose other than that for which they were constructed. Tenant shall pay for all repairs to the Systems resulting from any violation of this Paragraph by Tenant or its Agents and/or resulting from Tenant's or its Agents' willful misconduct.

7.5 **Liens and Indemnity.** Tenant shall indemnify Landlord against all costs, liens and encumbrances from work performed or materials furnished by or at Tenant's direction. Tenant shall keep the Property free of liens arising out of obligations incurred, work performed by or at the Tenant's direction and materials furnished for or to Tenant. If Tenant fails to obtain removal of such lien within 20 Days following its imposition, Landlord shall have the right, but not the obligation, to obtain such release by such means, as it deems proper, including payment or the underlying claim. On demand, Tenant shall reimburse Landlord for all sums reasonably paid and expenses reasonably incurred by Landlord as a

result of any breach of this Paragraph by Tenant (including reasonable attorneys' fees and costs) together with interest at the highest rate allowable by law from the date Landlord makes such payment until the date of reimbursement.

8. **MANAGEMENT.** Landlord or a manager selected by Landlord will manage the Property.

9. **UTILITIES AND SERVICES.**

9.1 **Premises.** Landlord will make HVAC and utilities available to the Premises during the Term.

9.2 **Common Areas.** For the Common Area and areas of the MNRC Area not intended for exclusive use by tenants housed in the MNRC Area, Landlord shall arrange for utilities, landscaping, janitorial and, if Landlord deems it appropriate, security services.

9.3 **Telcom Services.** Landlord will provide Tenant initially with Telcom Services as set forth in Exhibit G, subject to upgrade, supplement, additions, modifications, and deletions as determined in Landlord's discretion; provided, however, that Tenant may refuse or decline to use any component of such Telcom Services supplied to Tenant, other than software purchased for or partially for Tenant, upon thirty (30) day written notice to Landlord. All Telcom Services will be provided, and retained exclusively by Landlord at Landlord's sole discretion.

9.4 **Limitations on Landlord's Liability.** Landlord shall not be in default under the provisions of this Lease nor shall it be liable for any damages directly or indirectly resulting from the following conditions: (1) the interruption of use of any equipment in connection with the furnishing of any services referred to in Paragraphs 9.1, 9.2 and 9.3 of this Lease where interruption is caused by accident or any condition or event beyond Landlord's reasonable control; (2) failure to furnish or delay in furnishing any services referred to in Paragraphs 9.1, 9.2 and 9.3 of this Lease where failure or delay is caused by accident or any condition or event beyond Landlord's reasonable control; (3) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas, or utility, or any other form of telecommunications, data, computer information service, or utility serving the Premises or MNRC Area. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. Notwithstanding the foregoing provisions of this Paragraph, in the event that Telcom Services or HVAC or utility service to the Premises is unavailable for a period exceeding 6 consecutive business Days, then from and after the 7th consecutive Day without Telcom Services and/or HVAC or utility service and until the same is restarted, Tenant shall be entitled to an equitable reduction of Rent unless such disruption results in whole, or in part, from the acts and/or omissions of Tenant or its Agents, in which case Tenant shall have no abatement of Rent.

Tenant acknowledges and agrees that Landlord is providing Telcom Services for the purposes of attempting to facilitate Tenant's use of telecommunications, and that Landlord is not receiving any consideration for the risk of any direct or indirect, consequential, or incidental damages which may arise with respect to the use of Telcom Services. Accordingly, Tenant agrees that Landlord shall not be responsible to Tenant for any direct, indirect, incidental, special, or consequential damages or lost profits or revenues arising out of the supplying of such services by Landlord or the use by Tenant. Notwithstanding any advice or assistance that may be rendered to Tenant by Landlord or Landlord's representatives (including the Building managers), neither Landlord nor any of Landlord's representatives shall have any liability whatsoever in connection with and shall not be responsible for any errors or omissions in connection with the providing of Telcom Services.

Landlord does not warrant that the Telcom Services are error-free or that the use will be uninterrupted. There are no warranties respecting the Telcom Services provided for hereunder, either express or implied, including but not limited to any warranties of design, merchant ability or fitness for a particular purpose.

Landlord shall not be liable for the breach of any provision, rule or regulation regarding Telcom Services or of the Electronic Communications Policy as set forth in Exhibit H by any other tenant or by reason of Landlord's failure to enforce the same. Landlord (including Landlord's representatives) shall have no liability for breaches of security regarding confidential information stored on Tenant's equipment or due to access of Tenant's equipment by way of Telcom Services. Tenant waives the right to personal privacy for data entered, created, received, stored or transmitted via Building telecommunications resources and consents to access of such data by authorized Building management and/or Landlord personnel.

**10. USE OF PREMISES.** This Lease is subject to all Regulations applicable to the Property and its use. Tenant has not entered into this Lease relying on any representation by Landlord or its Agents as to suitability of the Premises for the conduct of Tenant's business. Tenant has made its own analysis of suitability of the Premises for its intended use. Tenant and its Agents shall: (1) use the Premises only for general office use; (2) pay Landlord the full amount of any increased insurance premium resulting from Tenant's use of the Premises or MNRC Area for other than general office use; (3) at Tenant's sole expense, promptly comply with all Rules, Regulations, and Policies now or hereafter adopted relating to the Building, MNRC Area or Premises and the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting Tenant's particular use of the Premises or MNRC Area. Tenant and its Agents shall not: (1) sell or permit to be kept, used or sold in or about the Premises or MNRC Area any articles prohibited by a standard form policy of fire Insurance; (2) do or permit anything to be done in or about the Premises or MNRC Area which will obstruct or interfere with rights of other occupants of the Property or injure them; (3) maintain or permit any nuisance in or about the Premises or MNRC Area; (4) commit or suffer to be committed any waste in or upon the Premises or MNRC Area; (5) conduct or allow any auction or similar sale upon the Premises or MNRC Area; (6) do or permit anything to be done in or about the Premises or MNRC Area that will violate any Regulation (the judgment of any court of competent jurisdiction, a binding arbitration award, administrative or regulatory determination or Tenant's admission in any Litigation (whether or not Landlord is a party) that Tenant has violated a Regulation shall be conclusive of that fact between Landlord and Tenant); (7) place a sign upon the Premises or MNRC Area without Landlord's Prior Written Consent and subject to the limitation that no sign may be placed on the Premises or MNRC Area that does not comply with applicable Regulations; (8) do or permit anything to be done which will increase existing insurance premiums for the Property or cause cancellation of any policy covering any of the Property. Tenant shall not, however, be required to comply with or cause the Premises to comply with any Regulations requiring the construction of improvements in the Premises unless the compliance with any of the foregoing is necessitated by Tenant's particular use of the Premises.

**11. DEFAULTS AND REMEDIES.**

**11.1 Tenant's Default.** Except as provided in Section 9.4, the occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant: (a) Tenant's failure to pay any Rent or charges required to be paid by Tenant under this Lease within five Days of Landlord's delivery of written notice to Tenant that said amounts are past due, (b) Tenant's abandonment or vacation of the Premises; (c) Tenant's failure to promptly and fully perform any other covenant, condition or agreement contained in this Lease where such failure continues for 30 Days after written notice from Landlord to Tenant of such default; (d) the levy of a writ or attachment or execution on this Lease or on any of Tenant's property located in or about the Premises or MNRC Area; (e) the making by

Tenant of a general assignment for the benefit of its creditors or of an arrangement, composition, extension or adjustment with its creditors; (f) the filing by or against Tenant of a petition for relief or other proceeding under federal Bankruptcy laws or state or other insolvency laws, which petition is not removed or which action is not dismissed within 90 Days or its filing, or the assumption by any court or administrative agency, or by a receiver, trustee or custodian appointed by either, of jurisdiction, custody or control of the Premises or of Tenant or any substantial part of Tenant's assets or property; or (g) if Tenant's interest under this Lease is held by a partnership or by more than one person or entity, the occurrence of any act or event described in subsections (e) or (f) above respecting any principal in the Tenant entity. Except as otherwise specified by this Paragraph, if a non-monetary default occurs that cannot reasonably be cured within the time period specified above and Tenant commences corrective action within that time period, Tenant shall not be in default under this Lease if Tenant prosecutes the corrective action diligently and continuously to completion, and otherwise complies with requirements of this Lease.

**11.2 Landlord's Remedies.** If Tenant defaults under this Lease, in addition to any other rights or remedies Landlord may have under this Lease or at law, Landlord may elect either of the remedies set forth in Paragraphs 11.2(a) or 11.2(b) of this Lease. Notwithstanding any other provision of this Lease, Landlord has the remedy described in California Civil Code Section 1951.4, Landlord may continue the Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due, as Tenant has the right to sublet or assign, subject only to reasonable limitations):

(a) To immediately terminate this Lease and Tenant's right to possession of the Premises by giving written notice to Tenant and to recover from Tenant an award of damages equal to the sum of (i) the worth at the time of award of the unpaid rental which had been earned at the time of termination, (ii) the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of such rental 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 rental for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant affirmatively proves could be reasonably avoided, (iv) any other amount necessary to compensate Landlord for all the detriment either proximately caused 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; or

(b) To have this Lease continue in effect for so long as Landlord does not terminate this Lease and Tenant's right to possession of the Premises, in which event Landlord shall have the right to enforce all of the rights and remedies provided by this Lease and by law, including the right to recover the rental and other charges payable by Tenant under this Lease as they become due.

For purposes of this Paragraph 11: the worth at the time of award of the amounts referred to in Paragraphs 11.2(a)(i) and 11.2(a)(ii) shall be computed by allowing interest at the highest rate allowable by law and the worth at time of award of the amount referred to in part 11.2(a)(iii) shall be computed by discounting such amount at the rate specified in California Civil Code Section 1951.2(b) or any successor statute. In such computations, the rent due shall include the Base Monthly Rent plus the aggregate amount of all Additional Rent, charges and other amounts payable by Tenant pursuant to the provisions of this Lease.

**11.3 Landlord's Default.** Landlord will be in default if Landlord fails to perform any obligation required of Landlord (other than a delay in delivery of possession as provided above) within 30

Days after written notice by Tenant, specifying Landlord's failure to perform such obligation. Notwithstanding the preceding sentence, if the nature of the Obligation is such that more than 30 Days are required for performance, then Landlord shall not be in default if Landlord commences performance within said 30-Day period and thereafter diligently prosecutes the same to completion. Except as expressly set forth in this Lease, or as otherwise provided by law applicable to the rental of commercial real property. Tenant shall have no right to terminate this Lease or to withhold, reduce or offset any amount against any payments of rents or charges due and payable under this Lease.

12. **TERMINATION.** Upon expiration of the Term or, in the event of early termination of this Lease, (collectively "**Termination**"), Tenant shall deliver up and surrender to Landlord possession of the Premises in the same condition as they were in when Tenant took possession of the Premises excepting only ordinary wear and tear, Alterations approved by Landlord in accordance with Paragraph 7.3, and damages that this Lease requires Landlord to repair at Landlord's expense. Tenant's obligation respecting surrender of the Premises shall be fulfilled if Tenant surrenders possession of the Premises in the condition existing at the Commencement Date (including the improvements described on Exhibit B) except for ordinary wear and tear, casualties, condemnation, Hazardous Materials (other than those released, Handled or emitted by Tenant and/or Tenant's Agents in or about the Premises), and Alterations that Landlord did not require Tenant to remove on Termination. On Termination, Landlord may re-enter the Premises and remove all persons and property therefrom. If Tenant fails to remove anything that Tenant is required or entitled to remove from the Premises and MNRC Area on Termination, Landlord may remove the same and store or dispose of such item(s) in accordance with Civil Code §§1980-91. Tenant shall pay to Landlord, on demand, all reasonable expenses incurred in such removal and storage and in cleaning the Premises. If the Premises are not timely and appropriately surrendered at Termination, Tenant shall indemnify Landlord against all losses resulting from Tenant's delay in surrendering the Premises and/or failure to surrender them in the required condition. If Tenant remains in possession of the Premises after expiration or earlier termination of the Term and if Landlord and Tenant have not executed an express written agreement as to such holding over, then such occupancy shall be a tenancy from month to month at a Base Monthly Rent fixed at 125% of the Base Monthly Rent in effect immediately prior to Termination, such payments to be made as herein provided. In the event of such holding over, all terms of this Lease including the obligation for payment of all charges owing hereunder shall remain in force and effect on said month to month basis. The voluntary or other surrender of this Lease by Tenant prior to the expiration of the Term, if accepted by Landlord or a mutual cancellation of the Lease, shall not work a merger, but shall, at the Landlord's option, terminate or operate as an assignment to Landlord of any or all subleases and subtenancies.

13. **CONDEMNATION OF PREMISES.**

13.1 **Total Condemnation.** If the entire Premises are taken by Condemnation during the Term, the date of transfer of possession shall become the Termination date of this Lease. Tenant shall have no claim against Landlord for the value of the unexpired portion of the Term.

13.2 **Partial Condemnation.** If any portion (but not all) of the Premises is taken by Condemnation during the Term, this Lease shall remain in full force and effect; except that if a partial taking leaves the Premises unsuitable for occupancy, Tenant may terminate this Lease effective on the date transfer of possession is required unless Landlord makes other comparable arrangements for Tenant's space. Landlord and Tenant shall each have the right to terminate this Lease effective on the date transfer of possession is required in the event of Condemnation of more than 25% of the area of the Premises. Either party may exercise its right to terminate this Lease, as provided by this Paragraph, by serving written notice to the other within 30 Days of their receipt of notice of condemnation, except that Tenant's notice shall be ineffective if Landlord serves notice upon Tenant of Landlord's election to provide alternate space equivalent to that condemned within 10 Days of Tenant's delivery of notice to

Landlord pursuant to this Paragraph. Tenant shall have the right of Approval of replacement space. All Rent and other obligations of Tenant under this Lease shall be paid to the date of Termination; Tenant shall have no claim against Landlord for any unexpired portion of the Term. If this Lease is not canceled after a partial taking, Base Monthly Rent and Tenant's Pro Rata Share shall be adjusted to reflect the net change in the area of the Premises.

13.3 **Award to Tenant.** In the event of Condemnation of all or any portion of the Premises, Tenant may claim from the condemnor such compensation as Tenant may separately recover for moving costs, loss of business, fixtures or equipment belonging to Tenant. Tenant shall have no other right to recover from Landlord or the condemnor for any additional claims arising out of such taking. Tenant shall have no claim against Landlord for any loss resulting from Condemnation of all or any portion of the Property.

14. **LANDLORD'S ENTRY.** Landlord and its Agents may enter the Premises and MNRC Area at all reasonable times to: inspect; make repairs or Alterations; post "For Lease" signs during the last 120 Days of the Term; show the Premises during the last 120 Days of the Term, and/or to post notices of non-responsibility. Landlord shall have such right of entry without any rebate of rent to Tenant for any loss of occupancy or quiet enjoyment of the Premises. Landlord shall provide 24 hours' notice of intended entry except under circumstances Landlord reasonably deems an emergency.

15. **LIMITATION OF LIABILITY AND INDEMNITY.** This Paragraph 15, inclusive of all subparagraphs, supersedes each and every other provision of this Lease.

15.1 **Limitation of Landlord's Liability.** In addition to the limitations of Landlord's liability under Paragraph 9.4, Landlord shall have no liability for amounts exceeding insurance coverage maintained by Landlord under this Lease ("**Existing Coverage**") respecting any injury or damage, proximate or remote, occurring through or caused by repairs or Alterations to the Property, unless the injury or damage arises from Landlord's gross negligence, willful misconduct, or intentional breach of this Lease ("**Landlord's Acts**"). Except for losses arising from Landlord's Acts, Landlord shall have no liability in excess of Existing Coverage for any injury or damage occasioned by defective electric wiring, or the breaking, bursting, stoppage, leaking or other failure of the plumbing, air-conditioning, heating, fire control sprinkler systems or gas, sewer or steam pipes.

15.2 **Limitation on Enforcement of Remedies.** Notwithstanding any other provision of this Lease, Tenant and its Agents shall, under all circumstances, be absolutely limited to Landlord's Insurance and Landlord's interest in the Property for satisfaction of any and all judgments, awards and/or orders against Landlord relating to or arising out of Tenant's or its Agents' occupancy or use of the Property and/or in the event of any default by Landlord under this Lease; and no other property of Landlord or its partners or principals, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's and its Agents' remedies with respect to this Lease, the relationship of Landlord and Tenant hereunder, or the use and occupancy of the Property, the MNRC Area and the Premises by Tenant and its Agents. Tenant, on behalf of Tenant and its Agents, waives all rights to collect or enforce any and all orders, awards and/or judgments against Landlord in excess of limitations imposed by this Paragraph 15. Tenant shall require every subtenant and assignee of Tenant to agree to be bound by the waiver set forth in this Paragraph 15. Landlord's exposure as set forth in this Paragraph 15 is cumulative and in the aggregate (as to all judgments, awards and orders against Landlord arising in connection with this Lease, the relationship of Landlord and Tenant, or the use and occupancy of the Property by Tenant or its Agents). Limits imposed by this Paragraph include duties of express and/or implied indemnity. "**Landlord**" includes all persons and entities who now or hereafter own an interest in Landlord.

16. **ASSIGNMENT AND SUBLETTING.** Except as provided by this Paragraph, Tenant shall not directly or indirectly: (1) assign this Lease in whole or in part; (2) sublet any part or all of the Premises; (3) license the use of all or any part of the Premises or a business conducted in or about the Premises; or (4) encumber or hypothecate this Lease (transactions collectively referred to as a “**Transfer**”), without obtaining Landlord’s Prior Written Consent. The transfer of shares of stock, partnership interests, membership interests or other ownership interests in Tenant resulting in a change in the effective control of Tenant, or any merger, consolidation or other reorganization of Tenant is a Transfer of this Lease. Tenant’s request for Consent to any assignment, sublease or other Transfer shall be in writing and shall include: (a) the name and legal composition of the proposed transferee; (b) the nature of the proposed transferee’s business to be carried on in the Premises; (c) the terms and provisions of the proposed assignment or sublease, and (d) such financial and other information as Landlord may reasonably request concerning the proposed transferee and the proposed assignment or sublease. Any Transfer of this Lease, in whole or in part, without Landlord’s Prior Written Consent shall constitute a default under this Lease. Landlord’s Prior Written Consent to a Transfer shall not constitute a waiver of the need for such Consent to any subsequent Transfer. Notwithstanding the foregoing, Landlord agrees that Tenant may, without Landlord’s Prior Written Consent, sublet all or any portion of the Premises or assign the Lease to a subsidiary, division or business entity that controls, is controlled by or under common control with Tenant (collectively “**Affiliate**”). A Transfer to an Affiliate is a “**Permitted Transfer**”. Tenant shall notify Landlord in writing of all Permitted Transfers within 10 Days of the effective date of the Transfer. Notwithstanding any Permitted Transfer or Transfer with or without Landlord’s prior written Consent, Tenant shall remain fully liable on this Lease unless expressly released by Landlord in writing. Without limiting other reasons or circumstances, Landlord and Tenant agree that it is reasonable to withhold Landlord’s Prior Written Consent if in Landlord’s judgment: (i) the financial strength of the proposed assignee is not commensurate with the obligations of the Lease; (ii) the proposed assignee or sublessee is not qualified as a nonprofit organization under section 501(c)(3) of the Internal Revenue Code; (iii) the proposed assignee or sublessee is not funded at least in part by the Marin Community Foundation; (iv) the proposed use, in the sole and absolute judgment of Landlord, would be incompatible with the use of the rest of the MNRC Area; or (v) the proposed use would generate traffic and/or wear and tear materially in excess of Tenant’s use. If Landlord Consents to a Transfer, Tenant shall pay Landlord’s reasonable attorneys’ fees incurred in connection with such Consent. Tenant shall pay to Landlord 100% of all Excess Rent received by Tenant directly or indirectly in respect of Transfer of all or any part of this Lease or of the Premises, “**Excess Rent**” means (after payment of the costs to Tenant to effectuate the assignment or sublease, including reasonable attorneys’ fees, leasing commissions and remodeling costs), in the case of an assignment resulting in the assignee paying Rent directly to Landlord, all consideration received by Tenant and, in the case of a sublease, all consideration received by Tenant in excess of Rent reserved under this Lease. As a condition of every Transfer, whether a Permitted Transfer or one separately approved by Landlord, the transferee must agree to be bound by each and every obligation, waiver and restriction imposed upon Tenant by the terms of this Lease. Tenant shall be responsible for payment of all costs, including attorneys’ fees, incurred by Landlord related to any Transfer.

Notwithstanding any other provision of this Lease, if Tenant proposes to sublease all or any portion of the Premises which cumulatively with any other sublease by Tenant exceeds 25% of Tenant’s Premises, or to assign all or any portion of this Lease, Landlord shall have the right and the option to terminate this Lease as to the portion of the Premises that would be affected by the sublease or the assignment. If Landlord exercises this option to terminate as to such portion of the Premises, this Lease and all obligations under and pursuant to it (save and except those provisions that are identified as surviving the termination of this Lease) shall terminate upon Tenant’s delivery to Landlord of possession of the portion of the Premises as to which the Lease is terminated in the condition required by this Lease: as to the remainder of the Premises not affected by the Landlord’s partial termination of the Lease, this Lease shall remain in full force and effect, however, the Base Monthly Rent and Tenant’s Pro Rata Share

shall be appropriately adjusted to reflect the change in the size of the Premises.

Landlord hereby acknowledges and agrees that the Marin Emergency Radio Authority (“MERA”) shall cease to be a Tenant Party no later than June 30, 2009 and MERA shall have no further liability under this Lease after June 30, 2009. Prior to that date, Tenant shall work to replace MERA with another entity, who shall take over MERA’s rights and obligations as a Tenant Party under this Lease no later than July 1, 2009. Landlord and Tenant shall enter into an amendment to this Lease substituting the new Tenant Party for MERA. If Tenant does not find a replacement for MERA, as of July 1, 2009, Tenant shall consist of only the remaining Tenant Parties, Marin Telecommunications Agency and Marin General Services Agency, who shall thereafter assume all rights, responsibilities of Tenant as well as all liabilities of Tenant arising after July 1, 2009.

17. **DAMAGE OR DESTRUCTION.** Each party may Terminate this Lease if the Premises or the Building are damaged to an extent exceeding 33% of the then replacement cost of the Premises (in the event of damage limited to the Premises) or 25% of the then replacement cost of the Building (in the event of damage not limited to the Premises). Landlord may also terminate this Lease if the Premises, MNRC Area or the Building are damaged by an uninsured peril to an extent exceeding 25% of the then replacement cost of the Premises (in the event of damage limited to the Premises) or 10% of the Building or MNRC Area (in the event of damages not limited to the Premises). If a party elects Termination under this Paragraph, the terminating party shall deliver written notice to the non-terminating party within 30 Days of the occurrence of the damage. In the event of Termination pursuant to this Paragraph, Tenant shall have 30 Days to vacate the Premises unless they are unsafe for occupancy, in which case, Tenant shall immediately vacate. Tenant waives §1932(2), and §1933(4) of the California Civil Code. If this Lease is not terminated pursuant to this Paragraph, Landlord shall, within 90 Days of the occurrence of the damage, proceed to repair the Building, on substantially the same plan as existed immediately before the occurrence of damage. Tenant shall be liable for repair and replacement of all fixtures, leasehold improvements, furnishings, merchandise, equipment and Tenant’s personal property not covered by insurance. If Tenant is able to continue to conduct its business during the making of repairs, the Base Monthly Rent will be reduced during the repair period in the proportion that the unusable part of the Premises bears to the whole of the Premises. Notwithstanding any other provision of this Lease, if the discounted present value of the Base Monthly Rent due for the remaining Term, using as the discount rate the prime commercial lending rate in effect at the Bank of America, NT&SA, as of the date of the damage is less than the cost of repairing the damage to the Premises, Landlord may terminate this Lease on 10 Days’ written notice to Tenant.

18. **HAZARDOUS MATERIALS.**

18.1 **Definitions.** The following terms shall have the following meanings:

18.1.1 “**Hazardous Material**” means (a) any petroleum or chemical products, whether in liquid, solid, or gaseous form, or any fraction or by-product thereof, (b) asbestos or asbestos-containing materials, (c) polychlorinated biphenyls (PCBs), (d) radon gas, (e) underground storage tanks, (f) any explosive or radioactive substances, (g) lead or lead-based paint, or (h) any other substance, material, waste or mixture now or hereafter during the term of this Lease listed, defined or otherwise determined by any governmental authority to be hazardous, toxic, dangerous or otherwise regulated, controlled or giving rise to liability under any applicable Regulations.

18.1.2 “**Environmental Health and Safety Requirements**” means any federal, state or local law or rule (whether imposed by statute, administrative or judicial order, or common law), now in force or hereafter enacted, governing health, safety, industrial hygiene, the environment, natural resources, or Hazardous Materials, including, without limitation, such laws governing or

regulating the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, discharge of, or exposure to Hazardous Materials. All Environmental Health and Safety Requirements are "**Regulation**" under the terms of this Lease,

18.2 **Tenant's Obligations.** Tenant's obligations are:

18.2.1 **Restrictions.** Tenant and its Agents shall not bring, manufacture, generate, dispose of, handle, use, keep or store (collectively "**Handle**", "**Handled**" or "**Handling**") Hazardous Material in, on, about or under the Property without Landlord's Prior Written Consent. Nothing contained in this Paragraph 18.2.1 shall be construed to prevent Tenant from using and disposing of cleaning supplies and other similar supplies customarily used in the operation of a business similar to Tenant's, even though such supplies may contain Hazardous Material, provided the same is done in accordance with all applicable laws and the provisions of this Lease.

18.2.2 **Applicable Regulations.** If Tenant or its Agents Handle Hazardous Material in, on, about or under the Property, Tenant shall bear all responsibility for ensuring compliance with all applicable Regulations respecting the Handling of such Hazardous Material. Tenant, at Tenant's sole expense shall procure, maintain in effect and comply with the requirements of any and all permits, licenses and other regulatory approvals or authorizations required pursuant to applicable Regulations respecting Handling Hazardous Material. Tenant shall give Landlord copies of all such permits, licenses, or other regulatory approvals within 10 Days of receipt.

18.2.3 **Restoration.** If, as a result of actions caused or permitted by Tenant or its Agents, Hazardous Material in, on, about or under the Property or any adjoining property contaminates the Property or other property, Tenant, at its sole expense, shall promptly take all actions necessary to return the Property and the other affected property to substantially identical condition as existed prior to such contamination ("**Restoration**"). Tenant shall not, however, undertake Restoration without first providing Landlord with written notice of the type and nature of the Restoration and obtaining Landlord's Approval of the Restoration procedures, work and contractor. Tenant shall effect Restoration in compliance with all applicable Regulations. Tenant shall not enter into any settlement agreement, consent decree or compromise respecting any claims relating to Hazardous Material connected with or affecting the Property without first notifying Landlord of its intention to do so and affording Landlord a reasonable opportunity to appear, intervene or appropriately assert and protect Landlord's interests.

18.2.4 **Removal.** On Termination, Tenant shall remove all Hazardous Materials in, on, about or under the Property Handled by Tenant or its Agents and all receptacles and containers for such Hazardous Materials in compliance with all applicable Regulations. Tenant shall deliver to Landlord copies of all documentation relating to Handling of Hazardous Materials, receptacles or containers therefor, reflecting legal and proper Handling. Tenant shall, at its sole expense, repair all damage to the Property resulting from removal of Hazardous Materials, receptacles and containers Handled by Tenant or its Agents. Tenant shall continue to pay all Rent due under the provisions of this Lease until the completion of removal, Restoration and repairs relating to Hazardous Materials Handled by Tenant or its Agents.

18.2.5 **Written Confirmation.** Tenant shall execute such documents as Landlord may reasonably request as to Tenant's knowledge of the presence of Hazardous Materials in, on, about or under the Property. Within 10 Days of Landlord's request, Tenant shall provide a letter to Landlord stating that within the immediately preceding 12 Months, Tenant and its Agents have complied with the provisions of this Lease and applicable Regulations respecting Hazardous Materials or, if Tenant or its Agents have not so complied, stating the details of noncompliance.

**18.2.6 Tenant's Duty to Notify Landlord.** Tenant shall notify Landlord in writing immediately upon learning of: (1) enforcement, cleanup, remediation or other action threatened, instituted or completed by any governmental or regulatory agency or private person respecting Hazardous Materials on or around the Property or any adjoining property; (2) any claim threatened or made by any person against Tenant, Landlord, the Property or any adjoining landowner, tenant or property for personal injury, compensation or any other matter relating to Hazardous Materials; and (3) any reports made by or to any governmental or regulatory agency with respect to the Property or any adjoining property relating to Hazardous Materials, including without limitation, any complaints, notices or asserted violations in connection therewith. Tenant shall supply to Landlord as promptly as possible, and, in any event, within five Days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings, asserted violations or other documents relating in any way to the foregoing.

**18.2.7 Tenant's Duty to Indemnify.** If Tenant's or its Agents' Handling of Hazardous Materials results in contamination of the Property, or if any lender Secured by the Property or a governmental agency requires an investigation to determine whether the Property or any adjoining property has been contaminated as a result of Tenant's or its Agents' Handling of Hazardous Materials, then Tenant shall indemnify, defend and hold Landlord and its Agents and all of Landlord's partners or other affiliates, together with all their directors, officers, shareholders, employees, agents, contractors and attorneys, harmless from and defend them against any and all claims, damages, penalties, fines, costs, liabilities and losses that arise during or after the Term as a result of such contamination. The Indemnification provided in this Paragraph includes, without limitation: (1) diminution in the Property's value; (2) damages for the loss or restriction an use of rentable or usable space in the Property or of any amenity of the Property; (3) damages arising from any adverse impact on marketing of space in the Property or marketing of the Property itself; (4) other consequential damages and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees. This Indemnification includes, without limitation, costs incurred for removal, Restoration and remediation work required by any regulatory agency or by applicable Regulation or court or arbitration order because of the presence of Hazardous Materials in the soil or groundwater or in, on, about or under the Property or any adjoining property as a result of the acts of Tenant or its Agents together with reasonable legal fees and expenses incurred by Landlord relating to such claims, demands, investigations and responses.

**18.2.8 Inspections.** Tenant will cooperate with the completion of inspections of the Property as required by applicable Regulations and governmental authorities or upon Landlord's request. Tenant will provide to Landlord a copy of any report received by Tenant respecting the results of any inspection of the Premises, the MNRC Area or the Property by any governmental agency and/or any professional (engineer, etc.) within five Days of Tenant's receipt of the report.

**18.2.9 Cooperation.** Tenant will not interfere with Landlord's acts pursuant to Regulations. Tenant will comply with reasonable procedures promulgated by Landlord pursuant to such laws and regulations. Landlord shall have no duty to establish any procedures or to supervise Tenant's activities on the Property in any way.

**18.3 Landlord's Rights.** Landlord and its Agents retain the following rights in addition to all rights conferred on Landlord by applicable Regulations.

**18.3.1 Right to Information.** Landlord retains the right to communicate, verbally and in writing, with any regulatory agency or any environmental consultant on any matter relating to Hazardous Materials respecting the Property. Landlord shall be entitled to copies of all notices, reports or other documents issued by or to any such regulatory agency or consultant relating to Hazardous Materials respecting the any part of the Property.

18.3.2 **Right of Entry.** If contamination of the Property by Hazardous Materials occurs or if any lender or regulatory agency requires an investigation to determine if there is contamination of the Property or any adjoining property, then Landlord and its Agents shall have the right, at any reasonable time and from time to time, to enter the premises to perform monitoring, testing or other analyses, and to review applicable documents, notices, or other materials. If such contamination resulted from the conduct of Tenant or its Agents, Tenant shall pay, on delivery of Landlord's demand, all costs and expenses reasonably incurred by Landlord in connection with such investigation, monitoring, and testing. Landlord will make monitoring reports and testing reports and analyses available to Tenant for review in Landlord's office during normal business hours upon Tenant's request and at a mutually convenient time.

18.4 **Allocation of Responsibilities and Indemnification.** ALL LIABILITY ARISING FROM TENANT'S OR ITS AGENTS' TRANSPORTATION OR HANDLING OF HAZARDOUS MATERIALS IN, ON, UNDER, AND/OR ABOUT THE PROPERTY OR ADJOINING PROPERTY SHALL, AT ALL TIMES, REMAIN TENANT'S SOLE RESPONSIBILITY, EVEN IF THE HAZARDOUS MATERIALS ORIGINATE FROM THE PROPERTY. NO ACT BY LANDLORD OR OWNER AND/OR THEIR AGENTS SHALL CONSTITUTE LANDLORD'S OR OWNER'S ASSUMPTION OF ANY OBLIGATIONS, DUTIES, LIABILITIES OR RESPONSIBILITIES PERTAINING TO TENANT'S COMPLIANCE WITH APPLICABLE REGULATIONS. NOTWITHSTANDING TERMINATION OF THIS SUBLEASE FOR ANY REASON, TENANT SHALL RETAIN ALL LIABILITY AND RESPONSIBILITY FOR COMPLIANCE WITH ALL REGULATIONS CONCERNING TENANT'S OR ITS AGENTS' HANDLING OF HAZARDOUS MATERIALS. TENANT SHALL INDEMNIFY AND HOLD LANDLORD AND OWNER AND THEIR AGENTS HARMLESS FROM ALL COSTS AND EXPENSES ASSOCIATED WITH SUCH COMPLIANCE AND/OR RESULTING FROM TENANT'S OR ITS AGENTS' FAILURE TO COMPLY WITH SUCH REGULATIONS.

18.5 **Survival.** The covenants, agreements and indemnities set forth in this Paragraph 18, inclusive of all subparagraphs, shall survive Termination and shall not be affected by any investigation, or information obtained as a result of any investigation, by or on behalf of Landlord or any prospective Tenant.

18.6 **Special Matters.**

18.6.1 **Storage Tanks:** Tenant shall not install any storage tanks on, under, in or about the Property without Landlord's Prior Written Consent.

18.6.2 **Flammable Chemicals:** Tenant shall store all flammable chemicals in a metal storage cabinet. Flammable Chemicals includes, without limitation, turpentine, thinner, brush cleaner, solvents and other combustible products.

18.6.3 **NFPA Warnings:** If Tenant uses any chemicals on the Premises or MNRC Area, Tenant shall post an NFPA diamond on the exterior side of the door to the Premises and MNRC Area.

18.7 **Landlord's Obligations.** Landlord's obligations:

18.7.1 **Compliance with Regulations.** If Landlord or its Agents Handle Hazardous Material in, on, about or under the Property, they shall comply with applicable Regulations.

18.7.2 **Restoration.** If Landlord's Handling of Hazardous Material in, under about or upon the Property contaminates the Property or other property, Landlord shall promptly take all necessary actions to return the Property and/or the surrounding environment to a condition substantially identical to the condition prior to such contamination.

18.7.3 **Duty to Notify Tenant.** Landlord is not currently aware of any Hazardous Material contamination of the Property requiring remedial action under applicable Regulations. Landlord shall notify Tenant in writing upon learning of: (1) enforcement, cleanup, remediation or other action threatened, instituted or completed by any regulatory agency or private person with respect to the Property relating to Hazardous Materials; (2) any claim threatened or made against Landlord respecting the Tenant or the Property for personal injury, compensation or any other matter relating to Hazardous Materials; and (3) reports made by or to any regulatory agency respecting the Property, complaints, notices or asserted violations in connection therewith which reports come into Landlord's possession. Landlord shall supply to Tenant copies of claims, notices, warnings, or other documents relating to the foregoing.

18.7.4 **Indemnification of Tenant.** If Landlord's Handling of Hazardous Materials contaminates the Property, or if the Property is contaminated on the Commencement Date, Landlord shall Indemnify Tenant and its Agents from all claims resulting from such contamination, except to the extent that such contamination results from Tenant's or its Agents' Handling of Hazardous Materials. Provided that Tenant and its Agents have not Handled such Hazardous Materials, Landlord will hold Tenant and its Agents harmless from and against all claims, demands, remedial action requirements and judicial proceedings and indemnify Tenant against costs and expenses associated with the removal and remediation of Hazardous Materials contamination of the Property which contamination pre-existed the Commencement Date. This indemnity does not apply to losses claims or expenses in connection with Hazardous Materials Handled by Tenant or its Agents.

## 19. MISCELLANEOUS PROVISIONS.

19.1 **Waiver.** Landlord's waiver of a breach of this Lease shall not waive any other breach. Acceptance of Rent after Tenant's breach of the Lease shall not waive the breach of this Lease, even if Landlord knows of the breach at the time it accepts the Rent.

19.2 **Notices.** Notices, requests, demands and other communications shall be in writing, personally delivered or sent by overnight delivery through a major overnight carrier (such as Federal Express or UPS, or their equivalent), or by certified mail, return receipt requested, postage prepaid, properly addressed to the other party at the address set forth by its signature below, or at such other address as may be designated in writing by one party to the other. Notice shall be effective on personal delivery or on the date of delivery by the overnight delivery service or on the delivery date indicated on the post office's certified mail delivery receipt.

19.3 **Interpretation.** This Lease shall be construed pursuant to California law, with the exception of its conflicts of law rules. The invalidity of any provision of this Lease shall not affect the remainder. All terms (including defined terms) of this Lease shall be construed to mean either the singular or the plural, masculine, feminine or neuter, as the situation may demand. Headings are descriptive only and not determinative of meaning. Time is of the essence in performance of all obligations. This Lease constitutes the entire agreement between the parties respecting the subject matters that it addresses and supersedes all prior oral and written agreements respecting the hiring of the Premises. Provisions of this Lease may be waived, amended or repealed only by all parties' written Consent. This Lease binds and inures to the benefit of the parties, their heirs, personal representatives, successors and assigns. Should any provision of this Lease require judicial interpretation, it is agreed that

the court interpreting or construing the same shall not apply a presumption that the terms shall be more strictly construed against one party by reason of the rule that a document is to be construed more strictly against the party responsible for its preparation; the parties agree that all parties have participated in the preparation of this Lease

19.4 **Conference Rooms and Storage Areas.** Conference rooms located in the MNRC Area can be used by Tenant on a pre-scheduled basis, as and if available. Tenant's use of conference rooms and storage areas located in the MNRC Area shall be on a roughly proportionate basis with other tenants that are housed in the MNRC Area.

19.5 **Joint and Several Liability.** Subject to the last paragraph of Section 16 above, if more than one person or entity executes this Lease as Tenant: (a) each of them is and shall be jointly and severally liable for the covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant; and (b) the act or signature of, or notice from or to, any one or more of them with respect to this Lease shall be binding upon each and all of the persons and entities executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice.

19.6 **Authority.** Each individual executing this Lease for a business entity warrants that he is duly authorized to execute and deliver the Lease for that entity and that the Lease binds the entity in accordance with its terms.

19.7 **Litigation/Arbitration.** All Litigation, including arbitration, arising out of or in connection with this Lease shall be venued in Marin County, California. The prevailing party shall recover costs of suit and reasonable attorneys' fees, whether or not the matter proceeds to judgment or award.

19.8 **Subordination of Leasehold.** This Lease shall at the lienholder's option and upon its request be subordinate to the lien of any loan that Landlord secures with the Property, and Tenant shall execute written instruments to effect such subordination conditioned upon the lienholder executing a non-disturbance agreement providing that absent Tenant's default, the lienholder will allow Tenant to remain in possession of the Premises, subject to the provisions of this Lease, for the Term.

19.9 **Estoppel.** Within ten Days of Landlord's written request, Tenant shall complete, execute and deliver to Landlord a certification: (a) that this Lease is unmodified and in full force and effect (or if modified, stating the nature of all modifications and certifying that the Lease as modified is in full force and effect); (b) of the sale to which the Rent is paid; (c) stating that Tenant knows of no uncured defaults by Landlord, or specifying all defaults, if any are claimed; and (d) of the Commencement Date and expiration of the Term. Tenant's failure to timely deliver the estoppel document constitutes Tenant's certification that Landlord is not in default under the Lease and the terms of the Lease are in force without modification. Prospective purchasers, lenders or lender's assignees may rely upon such certification.

19.10 **Attornment.** In the event of a sale of the Property or the completion of foreclosure against the Property, Tenant shall attorn to the Landlord's successor in interest.

19.11 **Lender's Requests.** Tenant shall Consent to Lease amendments requested by any lender or prospective lender against the Property, provided that such amendments do not materially affect Tenant's rights or obligations. No change requested by Lender shall result in any cost or expense by Tenant. Landlord will reimburse Tenant for Tenant's reasonable attorney's fees incurred in reviewing

any proposed amendment requested by a lender against the Property. Tenant shall timely supply financial information reasonably requested by any such lender or prospective lender.

19.12 **Submission.** Submission of this document to Tenant does not create a reservation for a Lease or any rights respecting the Premises prior to Landlord's execution.

19.13 **ARBITRATION OF DISPUTES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS LEASE, THIS PARAGRAPH APPLIES TO ALL DISPUTES ARISING OUT OF THIS LEASE SAVE AND EXCEPT UNLAWFUL DETAINER PROCEEDINGS. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO REQUIRE LANDLORD TO SUBMIT UNLAWFUL DETAINER PROCEEDINGS TO ARBITRATION. IF A CONTROVERSY, CLAIM OR DISPUTE, EXCLUDING UNLAWFUL DETAINER PROCEEDINGS AND ISSUES RAISED IN CONNECTION THEREWITH (COLLECTIVELY "DISPUTE") BETWEEN THE PARTIES ARISES OUT OF THIS LEASE, THE PARTIES SHALL SUBMIT THE DISPUTE TO BINDING ARBITRATION TO BE CONDUCTED BY RESOLUTION REMEDIES ACCORDING TO RULES PROVIDED EITHER BY AN AGREEMENT SUBMITTED BY THE PARTIES OR CALIFORNIA STATE LAW. JUDGMENT ON THE ARBITRATOR'S AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION. CALIFORNIA CODE OF CIVIL PROCEDURE §1283.05 SHALL APPLY TO SUCH ARBITRATION. IF POSSIBLE, THE PARTIES SHALL AGREE UPON AN ARBITRATOR WITH A PLACE OF BUSINESS OR RESIDENCE IN MARIN COUNTY. THE ARBITRATION SHALL TAKE PLACE IN MARIN COUNTY.**

**NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISIONS DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.**

**WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.**

\_\_\_\_\_  
Initial

\_\_\_\_\_  
Initial

Notwithstanding the parties agreement to binding arbitration above, the parties agree that prior to arbitration or the initiation of litigation arising from any and all disputes related to this lease, save and except unlawful detainer proceedings, the parties shall submit such dispute to non-binding mediation by a mediator of the parties' choosing. In the event the parties are unable to select a mediator, the parties shall ask that the Marin County Superior Court appoint a mediator for them

19.14 **Brokerage Commissions.** Tenant warrants that it has involved no brokers with

respect to this transaction. Tenant will hold Landlord harmless from any claims by persons other than Tenant's Broker for a commission in connection with this transaction based upon the claim that they provided services to Tenant in connection with this Lease.

19.15 **Cooperation.** Tenant will not interfere with Landlord's actions pursuant to any Regulation affecting the Property or with respect to the maintenance and repair of the Property. Tenant will comply with all reasonable procedures promulgated by Landlord relating to the matters covered by such Regulations. Landlord has no duty to establish procedures or regulations or to supervise Tenant's activities for any purpose including, without limitation, the Handling of Hazardous Materials.

19.16 **Parking.** Tenant shall have the non-exclusive use of off-street parking places. Landlord reserves the right to assign parking spaces for Tenant, Tenant's employees and/or its invitees.

19.17 **Relocation.** Landlord reserves the right to relocate Tenant to other, equivalent space within the second floor of the Building. In the event that Landlord exercises this right, Landlord shall pay the reasonable cost of relocating Tenant from the Premises to the replacement space. Should the area of the Premises change as a result of any such relocation, the Base Monthly Rent and Tenant's Pro Rata Share shall be revised in proportion to the resulting change in the area of the Premises.

19.18 **Preparation.** Tenant has had the opportunity to review this Lease and have it reviewed by its own legal counsel and other advisors as Tenant deems necessary or appropriate ("**Tenant's Advisors**") and Tenant and Tenant's Advisors have actively participated in the preparation of this Lease. Tenant understands that this document affects significant legal rights.

19.19 **Delays in Landlord's Performance.** Landlord's obligations to perform within time limits prescribed by this Lease are subject to adjustment on a day for day basis for delays resulting from Tenant Delays or from a Force Majeure. The provisions of this Paragraph modify all time deadlines imposed upon Landlord by the Lease.

19.20 **Building Rules and Regulations.** The rules and regulations for the Building are attached to this Lease as Exhibit D and are incorporated herein and made a part hereof, reserving to Landlord the right to amend or supplement said Rules and Regulations from time to time for the health, safety, desirability, or convenience of the Tenants and/or the Building. Violation of any Rule or Regulation is a breach of this Lease. Landlord shall have no liability to Tenant for the breach by any other Tenant of any Rule or Regulation or Landlord's failure to enforce such Rule or Regulation against such Tenant.

19.21 **Telcom Service Rules.** The rules for electronic communications ("**Electronic Communications Policy**") facilitated by the use of the Building's Telcom Services are attached to this Lease as Exhibit H and are incorporated herein and made a part hereof, reserving to Landlord the right to amend or supplement said rules from time to time. Violation of any rule is a breach of this Lease. Landlord shall have no liability to Tenant for the breach by any other Tenant of any Rule or Regulation or Landlord's failure to enforce such Rule or Regulation against such Tenant.

Approved and executed:

**LANDLORD:**

**MCF Property Holdings, Inc.**, a California nonprofit corporation

By \_\_\_\_\_  
Authorized Signature

Date: \_\_\_\_\_

**Address for Notices:**

MCF Property Holdings, Inc.  
5 Hamilton Landing  
Suite 200  
Novato, CA 94949

**APPROVED AS TO FORM:**

\_\_\_\_\_  
MTA General Counsel

\_\_\_\_\_  
MERA General Counsel

\_\_\_\_\_  
MGSA General Counsel

Approved and executed:

**TENANT:**

**Marin Telecommunications Agency**

By \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Please print name and title

Date: \_\_\_\_\_

**Marin Emergency Radio Authority**

By \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Please print name and title

Date: \_\_\_\_\_

**Marin General Services Agency**

By \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Please print name and title

Date: \_\_\_\_\_

**Address for Notices:**

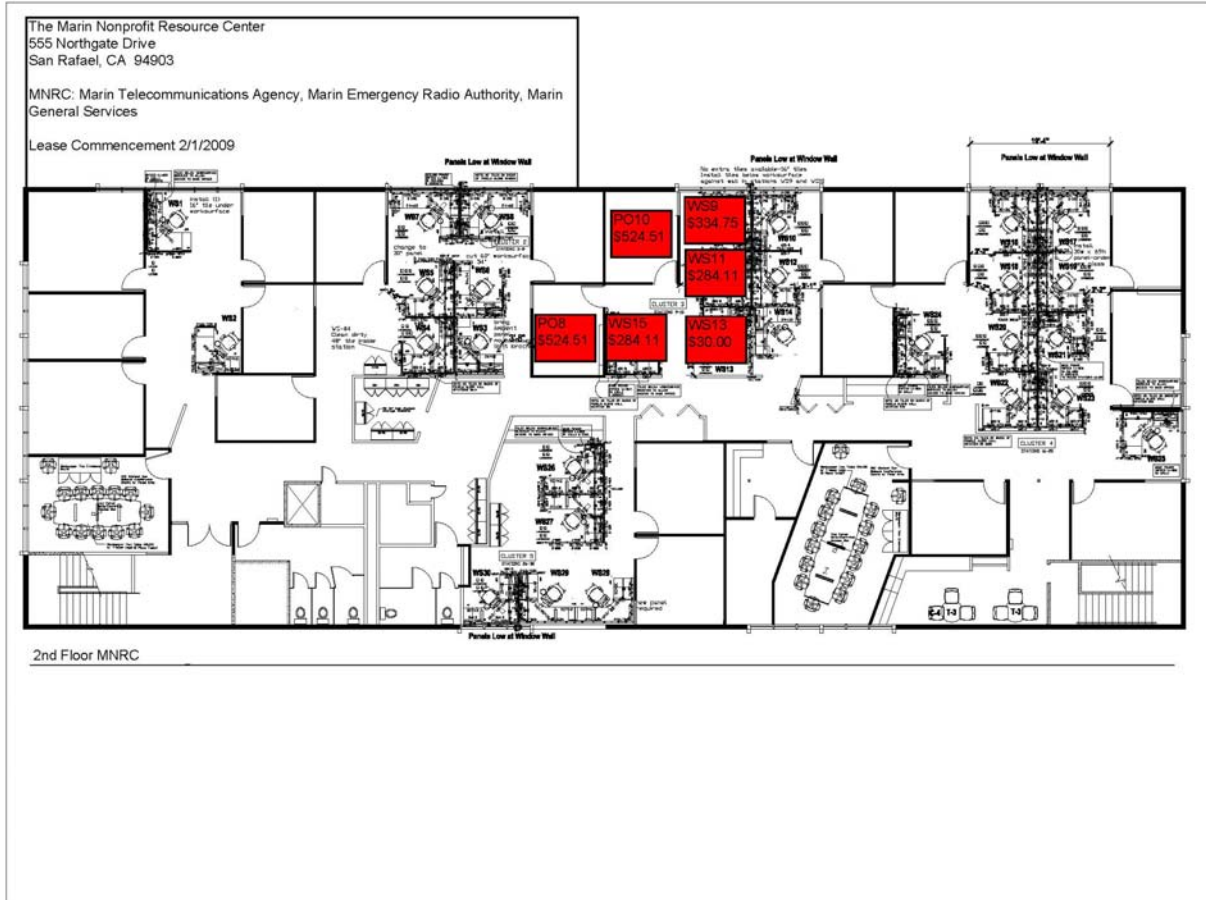
Barbara Thornton  
Marin Telecommunications Agency  
555 Northgate Drive, Suite 230  
San Rafael, CA 94903

## EXHIBIT A

### PREMISES

**“Premises” as defined in the Lease are shown cross-hatched below.**

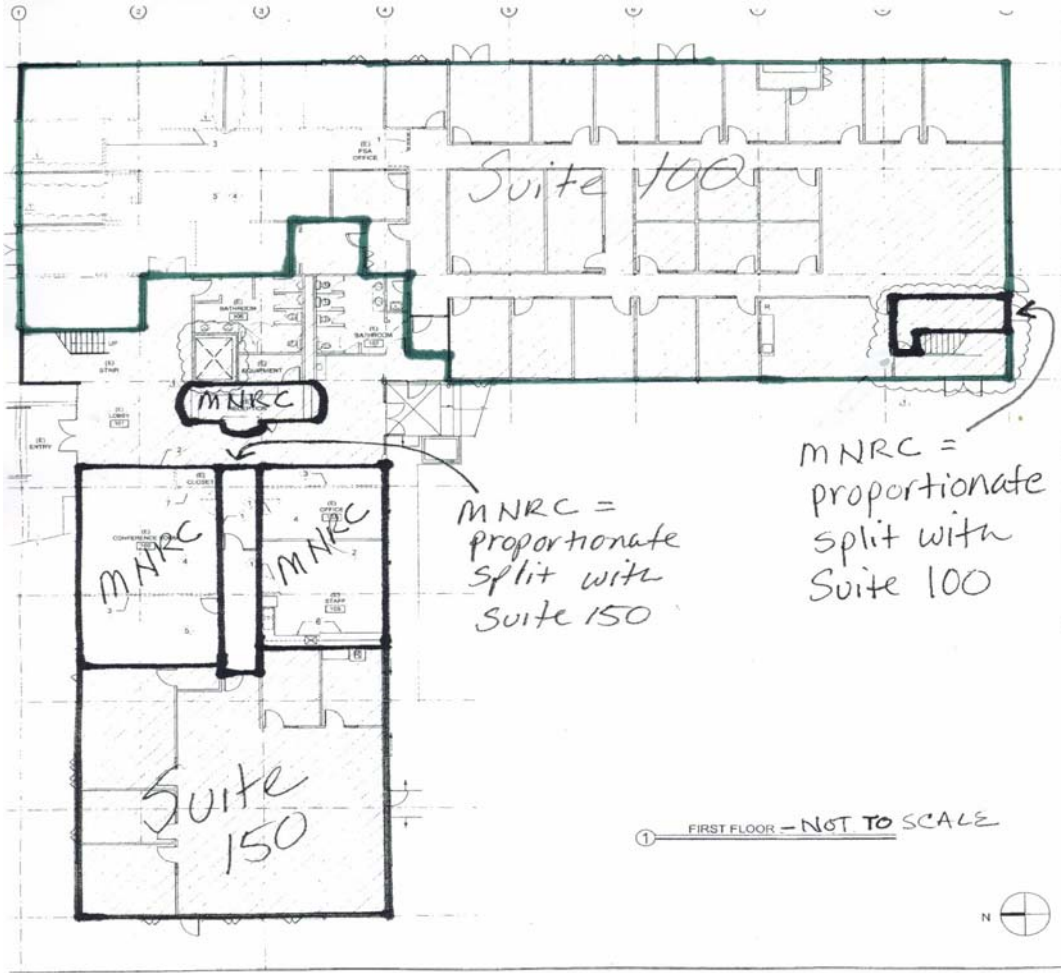
MNRC Ratio	51.22%
Tenant’s MNRC Ratio (% of all MNRC Area leased or intended to be leased)	8.20%
Tenant’s Pro Rata Share (MNRC Ratio * Tenant’s MNRC Ratio)	4.20%



# EXHIBIT B

## MNRC AREA

MNRC Area	11,097 feet
Usable Area – tenants other than MNRC	10,569 feet
<b>TOTAL</b>	<b>21,666 feet</b>
MNRC Ratio (MNRC Area % of Total)	51.22%



KAPPE+DU ARCHITECTS  
151 10 STREET SAN RAFAEL, CA 94901

MARIN  
NON-PROFIT  
RESOURCE  
CENTER

555 NORTHGATE DRIVE  
SAN RAFAEL, CA

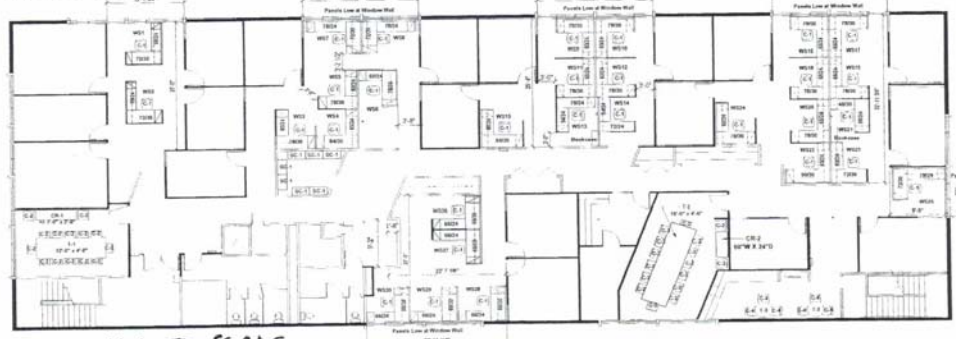
AP #

Project No.	0903
Drawn By	AM
Checked By	JM
Issued For	Building Set 10-24-09
Revision	
Plan Check Comments	NO

All dimensions are shown unless noted otherwise. The engineer and architect are not responsible for the accuracy of the information provided by the client. The architect is not responsible for the accuracy of the information provided by the client. The architect is not responsible for the accuracy of the information provided by the client.

A-0.1

### PROPORTIONATE SPLITS BASED ON THESE FLOOR PLANS (1st and 2nd FLOORS)



**EXHIBIT C**  
**INTENTIONALLY DELETED.**

## **EXHIBIT D**

### **RULES AND REGULATIONS FOR TENANTS OF 555 NORTHGATE DRIVE BUILDING**

Tenant agrees to the establishment of, and shall abide by, the following Rules and Regulations established for the use of the Building, as provided in Paragraph 19.20 of the Lease:

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. One (1) electronic security card per identified staff and two (2) sets of MNRC Area keys will be furnished by Landlord to each tenant, and any additional keys required by Tenant must be obtained from Landlord at a cost to be established by Landlord. The cost of other keys shall be born by Tenant. Upon termination of tenancy, all keys to the Building and the leased premises shall be surrendered to Landlord.
2. All fire-rated doors opening to the public and common corridors shall be kept closed at all times except for normal ingress and egress.
3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as Landlord may deem to be advisable for the adequate protection of persons and property. Tenant, and its employees or agents, must ensure that the doors to the building are securely closed and locked when leaving the Building after the normal Building hours. Any Tenant, its employees or agents, or any other person entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign a Building register when doing so. Access to the Building may be refused unless the person seeking access is known to the employee or agent of the Landlord, responsible for the Premises, or unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. The Landlord and its agents shall in no case be liable for damages for any error with regard to the admission or to the exclusion from the Building of any person. In case of invasion, mob riot, public excitement or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of same by any means it deems appropriate for the safety and protection of life and property.
4. All directory and identification signs must be Building standard as established by Landlord. All directory and identification signs are to be ordered through and installed by Landlord; any such directory and identification signs installed or changed after any that may be initially provided by Landlord shall be at Tenant's expense. The Directory of the Building will be provided exclusively for the display of the name and location of Tenant only and Landlord reserves the right to exclude any other names therefrom. All signs which are installed that have not been approved by Landlord may be removed by Landlord at the sole expense of Tenant.
5. No furniture, freight, or equipment of any kind shall be brought into the building without prior written notice to and approval of Landlord. All moving of the same into or out of the Building shall be scheduled with Landlord and done only at such a time and in such a manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight.

Landlord will not be responsible for loss or damage to any such safe or property from any cause. All damage done to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense for said damage or injury shall be borne solely by Tenant.

6. No furniture or equipment will be received in the Building or carried up or down in the elevator, except between such hours as shall be approved by Landlord. Landlord reserves the right to require tenants to receive deliveries from a common area at a regular time.
7. Landlord shall have the right to control and operate the public portions of the Building, the public facilities, the public heating and air-conditioning, and any other facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
8. Landlord shall enable heat and ventilation during the hours of 8:00 AM – 10:00 PM Monday through Saturday, except for holidays. Landlord reserves the right to provide heating and air-conditioning at other times at an hourly rate to be established by Landlord. In the event Landlord elects to provide such service, Tenant shall be required to request such service in writing at least 48 hours in advance.
9. The requirements of Tenant will be attended to only upon application at the Office of the Building or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.
10. Tenant shall not disturb, solicit, or canvass any occupant of or any visitor to the Building and shall cooperate with Landlord or Agent of Landlord to prevent same.
11. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by Tenant, when caused by Tenant, its employees or its agents.
12. Tenant shall not overload the floor of the Premises, nor mark or in any way damage or deface the Premises or any part thereof without the written consent of the Landlord.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of Landlord.
14. Tenant shall not use or keep in or on the Premises of the Building any kerosene, gasoline or other flammable or combustible fluid or material.
15. There will be no smoking allowed in the Building at any time anywhere in the Building or within fifteen (30) feet of the Building entries.
16. The Tenant shall not use any method of heating or air conditioning other than that which may be supplied by Landlord without written consent from Landlord.
17. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises or permit or allow the Premises to be occupied or used in any manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors,

vibrations, or interfere in any way with other Tenants or those having business therein.

18. Tenant shall not bring into or keep within the Building premises any animals (except for those required by handicapped persons), birds, bicycles or other vehicles.
19. No cooking shall be done or permitted by any Tenant on the Premises *except microwave*, nor shall the Premises be used for the storage of merchandise, for lodging, or for any improper, objectionable or immoral purposes.
20. Landlord will approve where and how telephone and telegraph wires are to be introduced to the leased premises. No boring or cutting for wires shall be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the premises shall be subject to the approval of Landlord.
21. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
22. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Building of which the premises are a part.
23. Landlord reserves the right to require Landlord's written consent for Tenant use of the name of the Building in connection with or in prompting, or advertising the business of Tenant except when included as a portion of Tenant's address.
24. Tenant shall not employ or admit any person or persons other than the janitor of Landlord for the purpose of cleaning and maintaining Tenant's premises unless agreed to in writing by Landlord. Any damage to the premises caused by Tenant, its employees or agents while engaged in the cleaning or maintaining of the leased premises, whether or not the use of said individuals by Tenant has been approved by Landlord, will be the sole responsibility of Tenant and any expense for damages or injuries shall be borne entirely by Tenant. Janitor service, if provided by Landlord, shall include ordinary dusting and vacuuming by the janitor assigned to such work and shall not include cleaning of carpets or rugs or windows, except normal vacuuming, or moving of furniture or other special services. Landlord shall in no way be responsible to Tenant for any loss or damage to property on the premises, however occurring.
25. Tenant, its employees and agents shall not loiter in or leave waste or personal property in the entrances or corridors, or in any way obstruct the sidewalks, lobby, halls, stairways and elevators or any other common area of the Building and shall use same only as a means of ingress and egress for their leased premises.
26. In all carpeted areas where desks and chairs are utilized, Landlord may require Tenant, at Tenant's own expense, to install mats in order to protect carpeting from unnecessary wear and tear.
27. Normal business hours for the Building are Monday–Friday (except holidays) 8:00AM–6:00 PM.
28. Landlord reserves the right to change these Rules and Regulations in its discretion from time to time as deemed necessary for the safety and cleanliness of, for the preservation of good order in, and the efficient operation of the Building.

## EXHIBIT E

### OPTION TO EXTEND

#### EXTENSION OPTION.

(a) Option Right. Landlord hereby grants to Tenant one (1) option to extend the Term for a period of one (1) year ("**Option Term**"), which option shall be exercisable only by written notice delivered by Tenant to Landlord as provided below, provided that, as of the date of delivery of such notice, Tenant is not in default under this Lease beyond any applicable notice and cure periods. Upon the proper exercise of such option to extend, and provided that, as of the end of the initial Lease Term Tenant is not in default under this Lease beyond any applicable notice and cure periods, the Lease Term as it applies to the Premises, shall be extended for the Option Term. The rights contained in this Exhibit E shall be personal to the original Tenant, and may only be exercised by the original Tenant and not by any assignee or any sublessee or other transferee of Tenant's interest in this Lease or the Premises, or any part thereof.

(b) Option Rent. The Base Monthly Rent for the first year of the Option Term ("**Option Rent**") shall be 95% of the Base Monthly Rent last quoted by Landlord to other prospective nonprofit tenants for comparable space in the MNRC Area. Notwithstanding the foregoing, if no such quote was made in the preceding twelve months, then the Option Rent shall be 95% of the current Base Monthly Rent for the last lease entered into with a nonprofit tenant for comparable space in the MNRC Area. Under no circumstances shall the Option Rent be less than the Base Monthly Rent for the Year immediately preceding the Option Term.

(c) Base Monthly Rent Adjustment. The Base Monthly Rent Adjustment during the Option Term shall be determined by the Landlord in its sole and absolute discretion, based upon then-applicable market forces and shall not exceed 5%.

(d) Exercise of Option. The option to extend shall be exercised by Tenant, if at all, only in the following manner: (i) Tenant shall deliver written notice to Landlord not more than twelve (12) months nor less than three (3) months prior to the expiration of the initial Lease Term, stating that Tenant may be interested in exercising its option; (ii) Landlord, after receipt of Tenant's notice, shall deliver notice ("**Option Rent Notice**") to Tenant not less than two (2) months prior to the expiration of the initial Lease Term setting forth the Option Rent and Option Adjustment and, (iii) if Tenant wishes to exercise such option, Tenant shall, on or before the date occurring one (1) month prior to the expiration of the initial Lease Term, exercise such option by delivering written notice thereof to Landlord, and upon, and concurrent with, such exercise, Tenant may, at its option, object to the Option Rent or Option Adjustment contained in the Option Rent Notice, in which case the parties shall follow the procedure, and the Option Rent and/or Option Adjustment shall be determined, as set forth in Paragraph 19.13 of this Lease.

## **EXHIBIT F**

### **FURNITURE, FIXTURES & EQUIPMENT INVENTORY**

3 Cubicle Workstations as crosshatched in Exhibit A (includes lockable overhead storage bins)

3 under desk pedestal files

3 keyboard trays

3 Alaris midback chairs

**EXHIBIT G**  
**TELCOM SERVICES**

Shared Services:

Shared NEC Aspire voicemail system  
Shared NED Aspire telephone switch

Inventory:

5 NEC 22-button speakerphone with 3-line display

Tenant is responsible for the cost of programming, extension moves and training for telephone and voicemail systems.

## EXHIBIT H

### ELECTRONIC COMMUNICATIONS POLICY

1. Establishment of and Compliance with Telcom Services Policy. The Telcom Services, as defined in Paragraph 1.28 of this Lease and as set forth in Exhibit G, are intended for legitimate business use. Tenant shall comply with all standards governing appropriate and inappropriate use of the service as set forth in this Exhibit H and in written rules and policies that may be issued by Landlord from time to time (collectively, "Telcom Policy"). Landlord shall have the right to revise and supplement the Telcom Policy at any time Landlord deems appropriate. Violation of the Telcom Policy is a breach of Tenant's Lease.

2. Accountability. Tenant shall be responsible for ensuring security when using the Telcom Services. Landlord's liability is limited as set forth in this Exhibit H.

3. Supervision. Tenant shall supervise and be responsible for its use of the Telcom Services, by all Tenant users who access the Telcom Services ("Tenant Users"). Tenant shall be responsible for compliance by all Tenant Users with the terms of the Telcom Policy. Tenant shall report any suspected unauthorized access or improper usage of the Telcom Services to 555 Northgate Drive's Building management.

4. Improper Uses. Tenant's use of the Telcom Services shall comply with all applicable laws, regulations, policies, and procedures, including the Telcom Services. Tenant Users shall not use the Telcom Services for any of the following:

a. Any purpose which is unlawful, abusive, discriminatory, harassing, defamatory, obscene, or threatening.

b. Breaking into or making/assisting unauthorized attempts to break into any equipment within the Building or belonging to any other tenant of the Building, whether physically or electronically.

c. Refusing to cooperate in or interfering with an internal investigation conducted by Landlord or anyone authorized by Landlord to conduct such an investigation.

5. Limitation of Landlord's Liability. Notwithstanding the following, Landlord's liability shall be as set forth in Paragraph 9.4 of this Lease.