

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: *B-5

AGENDA DATE: March 22, 2016

SUBJECT:

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

BOARD ACTION AS FOLLOWS:

No. 2016-143

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST:

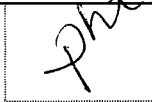

ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

Urgent Routine



BOARD AGENDA #: *B-5

AGENDA DATE: March 22, 2016

CEO CONCURRENCE:

4/5 Vote Required: Yes No

SUBJECT:

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

STAFF RECOMMENDATIONS:

1. Authorize the Chief Operations Officer acting as the Project Manager to issue a Request for Qualifications and Proposals for a Comprehensive Strategic Vision, Business and Facility Plan for County Health Responsibilities and Programs.
2. Authorize the execution of a Lease Agreement, based on the terms outlined in this report, with 4701 Stoddard, LLC, a California limited liability company, Joel Allen Beebe and Carol Ann Beebe, Trustees of the Beebe Family Trust dated February 28, 1996, Circle Bar Investments, LLC, a Delaware limited Liability company, Voumard Properties, LLC a California limited liability company, Philip A. Mastagni and Nella M. Mastagni, Trustees of the Philip A. Mastagni and Nella M. Mastagni 2000 Trust dated August 11, 2000, Brice Draper, an individual, and Sylvia E. Cox, and individual, collectively the Lessor, for the Health Services Agency Specialty and Rehabilitation Clinics at 1524 McHenry Avenue, in Modesto, California for the term of ten years, for 19,900 square feet at an annual cost of approximately \$603,303.
3. Approve a minor project to improve and modernize the Family Medicine and Pediatrics Center.

DISCUSSION:

Strategic Visioning and Master Facility Planning

The County has a proud 100+ year history of serving the healthcare needs of the underserved in Stanislaus County. Certainly many circumstances have changed over the years. Most recently, the federal Affordable Care Act (ACA) has had a significant impact on the health care delivery environment, and as such the County desires to conduct an updated assessment of the delivery system needs as relates to county government healthcare services and the healthcare community. The outcome of such an assessment would be a roadmap to the future role, scope and goals of county healthcare services including the delivery of care, physician residency training, and the contracted relationship with Doctors Medical Center and other healthcare stakeholders. It will also inform a long-range facility master planning process.

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

The HSA is essentially comprised of two service divisions, Public Health and the Clinic System, with an Administrative division supporting the agency needs. The Public Health division fulfills county responsibilities under the federally required Ten Essential Services. The Public Health division completed a three year Strategic Plan in the fall of 2015 as part of the prerequisite work to begin the application process to achieve Public Health Accreditation, as approved by the Board of Supervisors on December 8, 2015.

The Clinic division is deliberately a safety net provider and is comprised of six Federally Qualified Health Center Look-Alike (FQHC-LA) clinics throughout Modesto, Ceres, Hughson and Turlock, offering primary care, obstetrics, and after hours urgent care services to the underserved community. The FQHC-LA designation was achieved in 2007 after receiving Board of Supervisors' approval to apply on September 13, 2005, and to establish the federally required Community Health Center Board with specific delegated responsibilities. Approximately 90% of the patients served are enrolled in one of two Medi-Cal Health Plans. Although not part of the FQHC-LA designation, the HSA also operates Specialty and Rehabilitation clinics, the type and volume of which has been traditionally based upon patient need, inadequate community accessibility and physician training curriculum.

The business model of the primary care FQHC-LA clinics is anchored in a Family Medicine physician residency program, such that the medical staffing (physicians) is through a decades-long contractual and dedicated relationship with the Scenic Faculty Medical Group. The Specialty clinics are medically staffed by community physicians who have a private practice, and who participate in a rotational schedule to provide care within the HSA's clinic. The largest volume specialty provided is Orthopedics.

In 2010 based on changing federal requirements and as approved by the Board of Supervisors on May 5, 2009, residency training underwent a significant transition that produced a progressive non-profit consortium model of sponsorship, which involves the County, Doctors Medical Center and Memorial Medical Center: Valley Consortium for Medical Education (VCME). Since the VCME establishment and accreditation achievement for Family Medicine, and based upon the continuing and serious physician workforce shortage in the area, an Orthopedics residency program began in 2013. This program leverages the infrastructure of the consortium, although unlike the financial "unmet need" sharing of the Family Medicine program, Doctors Medical Center solely underwrites Orthopedic program. The outpatient training of the Orthopedics program occurs primarily in the HSA's Specialty clinic.

The HSA's clinic system has long existed as a safety net provider, and in 1982 when the State transitioned the responsibility for healthcare of medically indigent adults from State Medi-Cal to county responsibility, the HSA's outpatient and inpatient services became the "network" of healthcare services for the medically indigent of Stanislaus County. In 1997, at the closing of the County hospital and its inpatient and emergency services, the County entered a series of twenty-year contracts with Doctors Medical Center. Those agreements addressed accessibility of hospital based services for the patients traditionally served by the HSA, primarily Medi-Cal and Medically Indigent Adults, as well as services for county inmates, behavioral health related arrangements, and the sharing of responsibilities for the physician

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

residency training program. Currently, the Inpatient Hospital Services Agreement is set to expire in November of 2017.

While all counties continue to have the Medically Indigent Adult (MIA) program responsibility under Welfare and Institutions Section 17000, due to the State of California's decision to implement the federal Affordable Care Act's State optional Medicaid (Medi-Cal) expansion (optional as determined by the United States Supreme Court 6/28/12) and to implement the "Covered CA" Exchange program, the demand for the MIA program has been limited to an occasional temporary need until the effective date of other program eligibility. Since January of 2014 when both new programs began, the HSA has enrolled less than 15 unique individuals and has incurred relatively nominal costs; a positive outcome given the State diverted all program funding to other needs under AB85 of 2013. This enrollment compares to a pre-ACA and recession-era level of approximately 9,000 unique individuals in a fiscal year period.

With such extensive healthcare environmental change and the HSA need for Master Facility Planning, staff recommends a comprehensive visioning process which would necessitate external expert facilitation, staff analysis, community stakeholder input and Board of Supervisors priorities guidance. Staff recommends a Request for Qualifications and Proposals based upon the Scope of Work outlined in Attachment A. This project would lead to a "Business and Facility Plan for County Health Responsibilities and Programs". Staff would plan to return to the Board of Supervisors to recommend selection and seek authorization to contract based on the review of responses to the Request for Qualifications and Proposals.

Time-Sensitive Facility Needs

The recommended planning effort would provide the County with a long-range view of the County Health responsibilities and programs. A long range view of future facility requirements is also needed. Currently, however, there are time-sensitive facility needs that, if implemented, will increase productivity and limit exposures at the Health Services Agency.

County Center II, sited at 830 Scenic Drive is the main campus for the Health Services Agency (HSA). Accounting for approximately 85,000 square feet of need, it houses most of the Public Health Division and all of the Administrative functions such as Information Technology, Materials Management, Finance, Medical Billing, Contracting, Compliance, Quality, Risk Management, and Human Resources. It also is the location of the Family and Pediatric Health Center, one of seven outpatient clinic locations. It is an aged campus, as its oldest and still occupied buildings were constructed in the early 1940s and the newest in the 1970s. The facilities are outdated and not adequately meeting the operational needs in four primary ways. First, workflow operations are designed as workarounds such as clinical space operating in floor plans designed for a hospital, impacting efficiency. Second, the aged buildings frequently require repair, such as the elevators, chiller and boiler, leaking pipes, and most recently the failed generator. Third and becoming an increasing concern is the security deficiencies due to the layout and numerous access points to and within the buildings. Fourth, the buildings were not designed to meet current disability accessibility requirements.

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

In 2014, HSA staff conducted a space and need inventory to compile the raw data required to begin a facility planning project. In 2015, we were again reminded of the need for a comprehensive planning effort, when the HSA experienced a multi-day power failure due to a non-reparable electrical transfer switch and generator. This occurred on a summer Friday morning, causing extensive business interruption on that day, and limited business interruption during the weekend. A temporary solution was implemented to enable full services on the following Monday, although without adequate backup power for several months. While some administrative services could be temporarily moved and/or staff assigned to “downtime” procedures, the Specialty and Rehabilitation clinics services were more severely impacted by the lack of power for lighting, cooling, phone services including the scheduling unit, and billing and charting systems. Community physicians left and an attempt to call patients not yet on site was accomplished using available cell phones. As health outcomes could be impacted by treatment delays, staff worked diligently to reschedule patients soon after. The need for a long range plan is not based on the power outage alone, but rather the need to create a comprehensive view into the future.

In the Summer of 2015, Chief Executive Office staff and HSA staff, began prioritizing facility needs based on vulnerabilities. Given the specific space requirements of clinical services, these needs were deemed the highest of priority. The Family Medicine and Pediatric Health Center’s immediate needs could be met through some efficiency, disability access and security based building remodel improvements. Staff also began to develop a phased approach around other off-site leased facilities, recognizing the need to address time sensitive concerns as well as launch a broader master planning initiative.

Staff presented progress updates to the Health Executive Committee of the Board, comprised of Supervisors Withrow and O’Brien, at committee meetings held on October 27, 2015 and March 7, 2016.

Specialty and Rehabilitation Clinics – Services and Space Needs

Specialty services include orthopedics, otolaryngology (ENT), neurology, ophthalmology, general surgery (lump and bump), gastroenterology, HEP (Hepatitis) C, urology, podiatry and neurosurgery. Full service rehabilitation services include physical therapy, occupational therapy, audiology, and wound care services.

The Specialty Clinic is staffed with approximately 31 Full Time Equivalent (FTE) employees which includes the clinic nurse manager, nurses, medical assistants, clerks and supervisory staff. These staff process urgent referrals, messages and prescription refills, billing, patient scheduling and processing of medical authorizations as well as providing patient care. The Specialty Clinic has approximately 11,000 patient visits per year with the majority of the patients enrolled in Medi-Cal Managed Care provided through one of the two Medi-Cal health plans, the Health Plan of San Joaquin and Health Net.

Approximately 23 community specialty physicians provide teaching and specialty services to patients in the HSA Specialty clinics. Presently there are eight orthopedic physician residents

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

in training with four additional resident physicians expected to join the program in July of 2016. The majority of the required outpatient rotations occur within the HSA Specialty clinics. Patient demand and physician residency curricular needs are accommodated within the Orthopedic services of the HSA Specialty clinic. Family medicine physician residents also rotate through some of the Specialty clinics to meet family medicine curricular requirements.

These community physicians provide an essential service for our community by providing specialty health care services to individuals that would otherwise have to travel to areas such as U.C. San Francisco or U.C. Davis to receive medical care. Travel to these areas can pose significant challenges to this patient population as transportation is difficult to arrange and many are too ill to make the 2 – 3 hour journey to the out of area facilities. Moreover, many of the local community specialists do not contract with the Medi-Cal managed care plans at their primary offices and come to the Specialty Clinic to provide these important and necessary services to the underserved patients.

The Rehabilitation Clinic is staffed by 6.5 FTEs including the therapy manager, physical therapists, an occupational therapist who is also a certified hand therapist, and support staff. The clinic provides three primary services: Physical Therapy, Occupational Therapy and Wound Care. The Physical and Occupational Therapy services include orthopedic, neurologic and general therapy for functional limitations and pain syndromes. The Wound Care treats a variety of wounds that generally do not heal on their own. These wounds are typically due to diabetes, poor circulation and nerve damage. The rehabilitation clinic also provides Electromyography (EMG) (nerve studies) and Audiology services. The Rehabilitation Clinic has approximately 12,000 patient visits per year with the majority of the visits coming from patients enrolled in the two local Medi-Cal managed care plans, Health Plan of San Joaquin and Health Net.

Contiguous available space within the 1524 McHenry Avenue property, commonly known as the “Black Building” was identified. The landlord and his architect worked with HSA staff to identify the essential-only improvements necessary to accommodate the Specialty and Rehabilitation clinics’ needs.

After much affordability-sensitive and code compliant assessment, negotiations followed with the purpose of developing a staff recommendation to the Board of Supervisors for consideration. The proposed lease amortizes \$800,000 of Tenant Improvement (TI) cost over a period of ten years, with the base rental rate at \$2.10 per square foot. If the TI expenditures result in an amount greater than the \$800,000 budget, the landlord must absorb the overage. If however, the TIs are less than the \$800,000, the benefit is enjoyed by the HSA. The cost of money for the TIs is based on 5%. The base rent escalator is 2.5% after the first two years, while the escalator cap on controllable operating expenses is 2%. Given the ever-evolving healthcare industry, the lease can be terminated upon the end of year four, with the HSA paying off the outstanding TI balance. The space could also be sublet by the HSA, if circumstances warranted.

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

Staff recommends this lease as it will provide for the necessary modern space needs for efficiency, customer service, training and compliance, and its physical proximity to the main safety net and residency teaching hospital is ideal. Given the difficulty with physician recruitment, staff considers this location to be a critical improvement to the existing CC II location. As will be explained further under the fiscal impact section, the financial terms of the lease can be absorbed within the agency's long range budget forecast.

Family Medicine and Pediatrics Center

The Family Medicine and Pediatrics Center, located at 830 Scenic Drive in Modesto, California is staffed by Family Medicine and Pediatric physicians as well as mid-level providers. The Clinic provides services ranging from family medicine and pediatrics, to women's services, well child care, pregnancy care, gynecology, and family planning, with approximately 17,000 visits per year. The Clinic was built in the late 1970s and is in need of improvements to enhance the experience of patients and providers.

Needed upgrades to the Family Medicine and Pediatrics Clinic include carpentry work, upgrades to the patient care areas, the HVAC system, plumbing, restrooms, and to the mechanical and electrical systems. These improvements are necessary to improve overall care and safety of staff. An upgraded Clinic will increase the County's capacity to retain essential staff, which is critical to providing appropriate levels of service to those community members in need. Staff estimates the minor project cost to be within the range of \$166,000 to \$174,000. As such, the informal bid process will be used, which is allowable for projects under \$175,000. Existing appropriations are available in the Clinics and Ancillary Services operating budget. A separate demolition and removal of certain construction materials will be conducted prior to the minor remodel project.

POLICY ISSUE:

Approval to issue a Request for Qualifications and Proposals for a Comprehensive Strategic Vision, Business and Facility Plan for County Health Responsibilities and Programs will result in a long-range view of County health programs and the facilities needed to support those programs. Approval of the time-sensitive lease and minor project will ensure staff has safe, secure work locations as well as provide patients with modern facilities for their care.

On March 7, 2016, the Board of Supervisors' Health Executive Committee, comprised of Supervisors Withrow and O'Brien, supported these recommendations.

FISCAL IMPACT:

Funding for the fiscal impact of the expert engagement for the Strategic Visioning and Master Planning effort will be provided by the Health Services Agency and a budget will be developed at such time as staff returns to the Board of Supervisors with the results and recommendations from the Request for Qualifications and Proposals process.

The final approved budget for Fiscal Year 2015-2016 for the Health Services Agency/Clinics and Ancillary is \$44 million and includes funding for the Family Medicine and Pediatrics Clinic

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

minor project. The Department anticipates the recommended lease commencement will occur sometime after July 1, 2016 and those costs will be built into the Proposed Budget for Fiscal Year 2016-2017. The lease costs for Fiscal Year 2016-2017 are \$603,303 and include the following: the base lease rate of \$501,480 and tenant improvements at \$101,823. Finally, based on the Clinics and Ancillary long range model, the annual lease costs can be absorbed within available resources for future fiscal years. Fee for service revenue from payors and the Intergovernmental Transfer arrangements approved by the Board of Supervisors in which HSA achieves federal match funding, are among the available resources that make this planned expenditure feasible.

Cost of recommended action:

1524 McHenry Avenue lease	\$ 603,303
Family Medicine and Pediatrics Clinic	\$ 174,000

Source(s) of Funding:

Health Services Agency Clinics & Ancillary Services	777,303
Funding Total:	\$ 777,303
Net Cost to County General Fund	\$ -

Fiscal Year:

2015-16/2016-17
No

Budget Adjustment/Appropriations needed:

Fund Balance as of 6/30/2016 \$3M

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board of Supervisors' priorities of a Health Community and Efficient Delivery of Public Services by supporting the effort for a Comprehensive Strategic Vision, Business and Facility Plan for County Health Responsibilities and Programs and by enabling the continuation of healthcare services in more efficient, convenient, and modern facilities.

STAFFING IMPACT:

Existing staff would carry out the Request for Qualifications and Proposals process and develop a recommendation to award. Existing staff and contracted physicians would continue to provide services in the newly leased space and improved County facility; however, the more modern facilities and proximal location to other healthcare campuses may prove additionally beneficial for recruitment and retention purposes.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer, 209-525-7693
 Mary Ann Lee, HSA Director, 209-558-7163

Approval to Issue a Request for Qualifications and Proposals for a Comprehensive Health Services Agency Strategic Business and Facility Plan; and Approval of the Time-Sensitive Plan to Lease Space at 1524 McHenry Avenue, Modesto, California for the Specialty and Rehabilitation Clinic, and to Modernize the Family Medicine and Pediatrics Center at 830 Scenic Drive, Modesto, California

ATTACHMENT(S):

None.

OFFICE LEASE
1524 McHenry Avenue, Suite 370

Lessor:

4701 Stoddard, LLC, a California limited liability company, Joel Allen Beebe and Carol Ann Beebe, Trustees of the Beebe Family Trust dated February 28, 1996, Circle Bar Investments, LLC, a Delaware limited liability company, Voumard Properties, LLC a California limited liability company, Philip A. Mastagni and Nella M. Mastagni, Trustees of the Philip A. Mastagni and Nella M. Mastagni 2000 Trust dated August 11, 2000, Brice Draper, an individual, and Sylvia E. Cox, an individual.

Lessee:

County of Stanislaus

Date for Reference Purposes Only:

04/26/16

Table of Contents

1.	Basic Lease Provisions	4
2.	Lease of the Premises.	6
3.	Term/Improvements.....	8
4.	Rent.....	8
5.	Security Deposit	11
6.	Use.	12
7.	Maintenance, Repairs, Alterations and Common Area Services	13
8.	Insurance; Indemnity	16
9.	Damage or Destruction	18
10.	Property Taxes.....	21
11.	Utilities	22
12.	Assignment and Subletting.....	22
13.	Default; Remedies.....	25
14.	Condemnation.....	28
15.	Broker's Fee.....	29
16.	Estoppel Certificate.....	29
17.	Lessor's Liability ...	30
18.	Severability	30
19.	Interest on Past-Due Obligations	30
20.	Time of Essence	30
21.	Incorporation of Prior Agreements; Amendments.....	30
22.	Notices	31
23.	Waivers	31
24.	Recording of Memorandum	32
25.	Holding Over.....	32
26.	Cumulative Remedies	32
27.	Covenants and Conditions.....	32
28.	Binding Effect; Choice of Law	32
29.	Subordination	32
30.	Attorneys' Fees	33
31.	Lessor's Access	33
32.	Auction.....	33
33.	Signs and Directories	33
34.	Merger	33
35.	Quiet Possession	34
36.	Options	35
37.	Security Measures-Lessor's Reservations	35
38.	Restrictions on Signs/Access	35
39.	Easements.....	35
40.	Authority	36
41.	Conflict	36
42.	No Offer	36
43.	Lender Modification	36
44.	Multiple Parties	36
45.	Hazardous Materials	36
46.	Bankruptcy.	37
47.	Mortgagee Protection Clause.....	38
48.	Early Termination	38
49.	Attachments	38
50.	Nondiscrimination	38
51.	Patriot Act	38
52.	Force Majeure	39

53.	Counterparts	39
54.	No Partnership	39
55.	CASp Inspection	39
56.	Contract Interpretation	39
57.	Captions	39
58.	Independent Legal Representation	40
EXHIBIT "A" Floor Plan		43
EXHIBIT "B" Confirmation of Lease Terms Memorandum		44
EXHIBIT "C" Rules and Regulations		46
EXHIBIT "D" Improvements		49
EXHIBIT "E" Office Building Project		50

OFFICE LEASE

1524 McHenry Avenue

1. Basic Lease Provisions ("Basic Lease Provisions"). The parties agree to the following basic provisions of this office lease ("**Lease**"), including the exhibits incorporated herein:

1.1 Parties: This Lease dated, for reference purposes only, March 22, 2016, is made by and between 4701 Stoddard, LLC, a California limited liability company, Joel Allen Beebe and Carol Ann Beebe, Trustees of the Beebe Family Trust dated February 28, 1996, Circle Bar Investments, LLC, a Delaware limited liability company, Voumard Properties, LLC a California limited liability company, Philip A. Mastagni and Nella M. Mastagni, Trustees of the Philip A. Mastagni and Nella M. Mastagni 2000 Trust dated August 11, 2000, Brice Draper, an individual, and Sylvia E. Cox, an individual (collectively, "**Lessor**") and County of Stanislaus ("**Lessee**").

1.2 Premises: The "**Premises**" shall be defined as an area on the third floor of the Building (hereafter defined) consisting of approximately 19,900 square feet of Rentable Area ("**Rentable Area**" as determined in accordance with BOMA standards). The Premises are identified on the floor plan attached hereto as **Exhibit "A"** (the "**Floor Plan**").

1.3 Building: A five-story building located at 1524 McHenry Avenue, in the City of Modesto, County of Stanislaus, State of California (the "**Building**"), consisting of approximately 126,379 square feet of Rentable Area. See Section 2.2 regarding square footage of certain parking areas.

1.4 Term: The initial term of this Lease ("**Initial Term**") shall be a period commencing ten (10) business days (or other date mutually approved by the parties) after the date on which the Premises are certified for occupancy as demonstrated by a certificate of occupancy ("**Occupancy Certificate**") issued by the City of Modesto (the "**Commencement Date**") and continuing for a period of one hundred twenty (120) full calendar months, plus, if the Commencement Date is other than the first day of a calendar month, the period from the Commencement Date until the last day of the month in which the Commencement Date occurs. Within fifteen (15) days following the Commencement Date, the parties shall execute a Confirmation of Lease Terms Memorandum (the "**Confirmation**") in the form of **Exhibit "B"** attached hereto, which sets forth the Commencement Date, Total Base Rent (as hereafter defined), and expiration of the Initial Term. The parties anticipate that the Commencement Date will not be later than One Hundred Twenty (120) days following Lessee's execution of this Lease ("**Anticipated Commencement Date**"), which is expected to occur on the business day immediately succeeding approval of this Lease by Lessee's Board of Supervisors. (Therefore, for illustrative purposes only, if Lessee's Board of Supervisors approves this Lease on March 8, 2016, Lessee is expected to sign it on March 9, 2016, and the Anticipated Commencement Date will be July 7, 2016.) See also Section 3.2.

1.4.1 Option Period: Lessee shall have two (2) options ("**Option**" or "**Options**"), subject to the terms of Section 35 below, to extend the Term of this Lease for an additional period of five (5) years per Option (each an "**Option Period**"), on the same terms, covenants and conditions contained in this Lease, provided Lessee delivers written notice ("**Option Notice**") to Lessor no later than one hundred twenty (120) days prior to expiration of the Term then in effect.

1.4.2 Option Period Base Rent: The initial Base Rent for an Option Period shall reflect an increase of two and one-half percent (2.5%) over the Base Rent in effect upon delivery of the Option Notice. Thereafter, the Base Rent shall increase annually by two and one-half percent

(2.5%) for the remainder of each Option Period. "Term" hereunder shall refer to the Initial Term and any Option Period then in effect.

1.5 Total Base Rent: "Total Base Rent" shall be paid on a full service gross basis and shall be defined to include Base Rent plus a monthly amount for amortization of Eight Hundred Thousand Dollars (\$800,000.00) in Improvements (as described in Section 3.3) during the Initial Term. "Base Rent" shall be defined as the per-square-foot rent on the Premises in their "as-is" condition on the date of execution of this Lease, excluding the Improvements. Starting on the Commencement Date, the Total Base Rent during the Initial Term of the Lease shall be assessed and paid as follows:

Months	Monthly Base Rent/ RSF*	Monthly Base Rent	Monthly Operating Expenses [@]	Monthly Amortization of Improvements [#]	Monthly Total Base Rent (exclusive of Monthly Operating Expenses)
1-12	\$2.10	\$41,808.90	\$0.00	\$8,485.24	\$50,294.14
13-24**	\$2.10	\$41,808.90	\$0.00	\$8,485.24	\$50,294.14
25-36	\$2.15	\$42,854.12	TBD	\$8,485.24	\$51,339.36
37-48	\$2.21	\$43,925.48	TBD	\$8,485.24	\$52,410.72
49-60	\$2.26	\$45,023.61	TBD	\$8,485.24	\$53,508.85
61-72	\$2.32	\$46,149.20	TBD	\$8,485.24	\$54,634.44
73-84	\$2.38	\$47,302.93	TBD	\$8,485.24	\$55,788.17
85-96	\$2.44	\$48,485.51	TBD	\$8,485.24	\$56,970.75
97-108	\$2.50	\$49,697.64	TBD	\$8,485.24	\$58,182.88
109-120	\$2.56	\$50,940.08	TBD	\$8,485.24	\$59,425.32

- * RSF represents rentable square feet. Monthly Base Rent/RSF is shown for reference purposes only.
- @ Beginning with earlier of month 25 or January 2019, reflects an annual 2.0% cap on operating expense increases over a 2017 Base Year per Section 4.6.4 of Lease
- # Reflects amortization of \$800,000 in tenant improvements over 10 years @ 5.00% capitalization rate.
- ** The parties agree that the \$2.10 Monthly Base Rent extends only through the earlier of (i) the date that is 24 full months after the Commencement Date or (ii) July 31, 2018. If July 31, 2018 occurs before the end of month 24, the parties will amend this Lease to adjust the rental table above to indicate that the \$2.10 Monthly Base Rent increased to \$2.15 on August 1, 2018, and (except as provided in the next sentence) subsequent increases will take effect on each succeeding August 1. If necessary, the final 12 months of the Lease Term shall be extended (without increase in Monthly Base Rent) to ensure that the Initial Term remains 120 months (plus any initial partial month). Notwithstanding the foregoing, the rental table and Lease shall only be adjusted on account of July 31, 2018 occurring before the end of month 24 if and to the extent (i) Lessee does not execute this Lease by April 30, 2016 or (ii) following Lessee's execution of this Lease, an unexcused or otherwise wrongful Lessee act or failure to act causes construction of the Improvements to take more than 90 days.

If the Commencement Date falls on other than the first day of a calendar month, then the first full month of the Lease Term shall be Month 1 under the above schedule, and (pro-rated) Base Rent for the remainder of the month in which the Commencement Date occurs shall be paid no later than the date on which the second full month's Total Base Rent is due.

Upon completion of the Improvements, Lessor will provide Lessee a complete accounting of the construction costs for the Improvements. If the total of the construction costs, as agreed by Lessor and Lessee, is greater than \$800,000, no adjustment will be made to the monthly Total Base Rent. If the total of the construction costs is less than \$800,000, the amount of monthly

amortization payable by Lessee in Total Base Rent will be reduced to reflect the final cost amount, calculated in the same manner as in the above chart. The amount of monthly Total Base Rent initially payable by Lessee under this Lease shall be as documented in Exhibit "B".

No adjustment to monthly Total Base Rent as set forth in this section shall reduce or otherwise affect Lessee's obligation to pay, as additional rent, Lessee's Share of Operating Expenses, Property Taxes or Insurance Expenses as hereinafter provided.

1.6 Rent Paid Upon Execution: On execution of this Lease, Lessee will pay Lessor the amount of Total Base Rent for the first full month of the term that Total Base Rent is due, and such payment shall be applied to such month as and when it becomes due.

1.7 Security Deposit: None. Refer to Section 5 herein for additional provisions.

1.8 Lessee's Share: "Lessee's Share" means the percentage determined by dividing the square footage of Rentable Area in the Premises by the total square footage of the Rentable Area contained in the Building. It is understood and agreed that the Rentable Area square footage figures set forth in the Basic Lease Provisions are approximations which Lessor and Lessee agree are reasonable and shall not be subject to revision except in connection with an actual change in the size of the Premises or a change in the space available for lease in the Office Building Project. As such, Lessee's Share for purposes under this Lease shall mean **Fifteen and 75/100 percent (15.75%)**.

1.9 Base Year: For purposes of this Lease the term "**Base Year**" shall mean the **2017** calendar year. Lessee will have the obligation to pay, as additional rent, Lessee's Share of annual increases in Operating Expenses, Property Taxes and Insurance Expenses (all as defined below) over the Base Year.

2. Lease of the Premises.

2.1 Lease: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Premises for the Term and in accordance with all of the covenants and obligations set forth in this Lease.

2.2 Vehicle Parking: So long as Lessee is not in default, Lessor shall provide Lessee **ten (10)** designated and exclusively marked parking spaces for use by Lessee's staff. Lessor and Lessee shall agree on the location of such exclusive parking spaces. (For purposes of determining compliance with applicable laws including, without limitation, Labor Code Section 1720.2, those spaces represent approximately 1,088 square feet of the approximately 60,083 square feet parking lot.)

2.3 Common Areas - Definition: The term "**Common Areas**" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Office Building Project that are provided and designated by Lessor from time to time for the general non-exclusive use of Lessor, Lessee and of other lessees of the Office Building Project and their respective employees, suppliers, shippers, customers and invitees, including but not limited to common entrances, lobbies, corridors, stairways and stairwells, public restrooms, elevators, escalators, parking areas to the extent not otherwise prohibited by this Lease, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, ramps, driveways, landscaped areas and decorative walls. The Premises, the Building, the Common Areas, the land upon which the same are located, along with all other buildings and improvements thereon or thereunder, are herein collectively referred to as the

"Office Building Project." A general location map of the Office Building Project is attached as **Exhibit "E"**.

2.4 Common Areas - Rules and Regulations: Lessee agrees to abide by and conform to the rules and regulations attached hereto as **Exhibit "C"**, as the same may be modified from time to time by Lessor in conformance with this section, with respect to the Office Building Project and Common Areas, and to cause its employees, suppliers, shippers, customers, and invitees to so abide and conform. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to reasonably modify, amend and enforce said rules and regulations, provided they are not inconsistent with the terms of this Lease. Lessor shall not be responsible to Lessee for the non-compliance with said rules and regulations by other lessees, their sublessees, agents, vendors, employees and invitees of the Office Building Project.

2.5 Changes in Common Areas: Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Building interior and exterior and Common Areas, including, without limitation, changes in the location, size, shape, number and appearance thereof, including but not limited to the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, loading and unloading areas, ingress, egress, direction of traffic, decorative walls, landscaped areas and walkways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises and (if applicable) restrooms located on Common Area on the third floor of the Building remain available;

(c) To designate other contiguous land and improvements thereon outside the boundaries of the Office Building Project to be a part of the Common Areas, provided that such other land and improvements have a reasonable and functional relationship to the Office Building Project, and either (i) exclusively serve the Office Building Project or (ii) the lessees and occupants of the current Office Building Project are not required to pay more than their reasonable proportionate share of Operating Expenses, Property Taxes or Insurance Expenses attributable to such other Common Area;

(d) To add additional buildings and improvements to the Common Areas, at Lessor's sole cost and expense (except as expressly permitted in Section 4.2);

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Office Building Project, or any portion thereof, so long as reasonable access to the Premises and (if applicable) restrooms located on Common Area on the third floor of the Building remain available; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Office Building Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

(g) None of the changes described above shall deprive Lessee of its rights under this Lease including, without limitation, reasonable access to the Premises and (if applicable) restrooms located on Common Area on the third floor of the Building.

3. Term/Improvements.

3.1. Term: The Term of this Lease shall be as set forth in Section 1.4, above.

3.2 Delay in Possession: Notwithstanding said Anticipated Commencement Date, if for any reason Lessor cannot deliver possession of the Premises to Lessee on said date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Lessee hereunder or extend the Term hereof; but in such case, Lessee shall not be obligated to pay Rent or perform any other obligation of Lessee under the terms of this Lease, except as may be otherwise provided in this Lease, until possession of the Premises is tendered to Lessee, as hereinafter described. However, except to the extent due to Lessee's fault or neglect, if the Occupancy Certificate has not been issued within **60** days of the Anticipated Commencement Date ("**Commencement Deadline**"), then notwithstanding any other provision of this Lease, Lessor shall waive and forgive, and Lessee shall not be required to pay, an amount equal to one (1) day of Total Base Rent for each two (2) day period between the Commencement Deadline and the actual Commencement Date.

3.3 Improvements: Lessor and Lessee agree that the improvements to the Premises shall be according to (a) the floor plan attached hereto as Exhibit "A", (b) the "Fifteen24 Professional Center – 3rd Floor Stanislaus County Specialty Clinic Proposed TI Plan by Room" dated April 14, 2016, and (c) the "Data Closet/Video Surveillance Room Description" (collectively, "**Improvements**"), attached hereto as **Exhibit "D"** and approved by Lessee in advance of execution of this Lease. Notwithstanding, Lessor and Lessee agree that the Improvements to the Premises shall be completed prior to Lessee's occupancy, at Lessor's sole cost and expense, and in compliance with all labor, prevailing wage and other applicable laws and regulations (including without limitation Americans with Disability Act and Labor Code Section 1720.2 if applicable). Lessee shall not make any further alterations to the Premises, except as provided in Section 7.4, below.

3.4 Early Possession: If Lessee occupies the Premises prior to the Commencement Date, all the other terms and provisions of this Lease shall remain in effect as if the Commencement Date had occurred but Lessee shall not be required to pay Total Base Rent for such occupancy until the Commencement Date has occurred.

4. Rent.

4.1 Total Base Rent: From and after the Commencement Date, Lessee shall pay the Total Base Rent as specified in Section 1.5, above, as the same is adjusted from time to time pursuant to this Lease.

4.2 Operating Expenses: Commencing with **the earlier of Month 25 of the Term or January 2019**, Lessee shall pay to Lessor, in addition to the Total Base Rent, Lessee's Share of Operating Expenses during each calendar year of the Term of the Lease (prorated for any partial year) to the extent such expenses exceed Lessee's Share of Operating Expenses for the Base Year (prorated for any partial year), subject to Section 4.6.4 below.

(a) "**Operating Expenses**" shall mean and include all direct costs of the ownership, management, operation, insuring, maintenance, repair and replacement of the Building, Common Areas and the Office Building Project so as to maintain the same in good condition and in compliance with laws, including without limitation walkways, driveways, parking lot, landscaping, fences, signs and utility installations, all utility and building systems serving the Building and Common Areas (including heating, ventilation, air conditioning, plumbing, landscape, electrical systems, life safety and fire equipment, telecommunications

systems, tenant directories and elevators), and all parts thereof, all as determined by consistent accounting practices, calculated assuming the Office Building Project is ninety-five percent (95%) occupied, including the following costs by way of illustration, but not limitation: Rent taxes, gross receipt taxes assessed against Lessor; water and sewer charge; utilities; security services (if any are provided, since nothing herein shall require Lessor to provide security services); janitorial services; security; labor, a management fee, including costs incurred in the management of the Office Building Project, if any (including a proportionate share of the wages and salaries of employees used in the management, operation and maintenance of the Office Building Project, and payroll taxes and similar governmental charges with respect thereto and an administrative fees not to exceed ten percent (10%) of the annual Operating Expenses (excluding therefrom such fee); waste disposal; supplies; materials; equipment; tools; and maintenance, costs of upkeep of all parking and Common Areas. Operating Expenses shall not include depreciation of the Office Building Project or improvements or equipment therein, Lessor's executive salaries or real estate brokers' commissions.

(b) Operating Expenses shall also include items considered capital repairs, replacements, improvements and equipment, costs incurred in replacing and/or adding improvements mandated by any governmental agency or applicable law and any repairs or removals necessitated thereby, provided the foregoing in this subsection (b) is amortized over its useful life according to Federal income tax regulations or guidelines for depreciation thereof (including interest on the unamortized balance as is then reasonable in the judgment of Lessor's accountants, but not to exceed 5%), does not include costs for which Lessor is obligated to pay under Section 6.2(a), and Lessee pays only Lessee's Share of such amortized expenses during the portion of the Term of this Lease during which Lessee is required to pay Operating Expenses.

(c) Lessee's Share of Operating Expenses exceeding Lessee's Share of Operating Expenses for the Base Year shall be paid on a monthly basis in an amount estimated by Lessor and paid together with Total Base Rent. Lessee's Share of Operating Expenses for any partial month shall be prorated. The amounts shall be reconciled in accordance with Section 4.6 below. Notwithstanding any other provision of this Lease, Lessor reserves the right to allocate to the Operating Expenses to be reimbursed by Lessee hereunder all or an equitable portion of charges and expenses (including HVAC maintenance, utilities or other services) provided for the benefit of Lessee or the Premises in a manner so as to fairly allocate such expenses among the tenants in the Office Building Project without regard to the "Lessee's Share" thereof in the event Lessor determines in its reasonable discretion, after providing Lessee with advance notice and an opportunity of up to thirty (30) days to refute the determination, that such a disproportionate allocation is equitable.

4.3 Property Taxes: In addition to Total Base Rent and other charges payable hereunder, from and after **the earlier of Month 25 of the Term or January 2019**, Lessee shall pay to Lessor Lessee's Share of Property Taxes during each calendar year of the Term of the Lease (prorated for any partial year) that exceed Lessee's Share of Property Taxes for the Base Year (prorated for any partial year). "**Lessee's Share of Property Taxes**" shall mean an amount determined by multiplying the Lessee's Share percentage by the Property Taxes payable with respect to the Office Building Project. Lessee's Share of Property Taxes in excess of Lessee's Share of Property Taxes for the Base Year shall be paid on a monthly basis in an amount estimated by Lessor and paid together with Total Base Rent. Lessee's Share of Property Taxes for any partial month of the Term shall be prorated. The amounts shall be reconciled in accordance with Section 4.6 below. "**Property Taxes**" is defined in Section 10 below.

4.4 Insurance: In addition to Total Base Rent and other charges payable hereunder, from and after the earlier of Month 25 of the Term or January 2019, Lessee shall pay to Lessor Lessee's Share of Insurance Expenses during each calendar year of the Term of the Lease (prorated for any partial year) that exceed Lessee's Share of Insurance Expenses for the Base Year (prorated for any partial year). "**Lessee's Share of Insurance Expenses**" shall mean an amount determined by multiplying the Lessee's Share percentage by the Insurance Expenses payable with respect to the Office Building Project. The term "**Insurance Expenses**" as used herein shall mean the cost incurred by Lessor for insurance required to be carried by Lessor pursuant to Section 8 of this Lease and such additional costs incurred by Lessor for other types of commercially reasonable insurance coverage or increased insurance coverage limits, as Lessor may reasonably elect to carry , it being acknowledged that the coverages and limits to be maintained by Lessor pursuant to Section 8 below are minimum levels and types of coverage. Lessee's Share of Insurance Expenses in excess of Lessee's Share of Insurance Expenses for the Base Year shall be paid on a monthly basis in an amount estimated by Lessor and paid together with Total Base Rent. Lessee's Share of Insurance Expenses for any partial month of the term shall be prorated. The amounts shall be reconciled in accordance with Section 4.6 below.

4.5 Additional Rent: All monetary obligations of Lessee to Lessor under the terms of this Lease, including but not limited to Total Base Rent, Lessee's Share of Operating Expense, Lessee's Share of Property Taxes, Lessee's Share of Insurance Expenses, and any other expenses payable by Lessee hereunder, shall be deemed to be "**Rent**".

4.6 Estimate of Expenses and Payment of Operating Expenses, Taxes, & Insurance in Excess of Base Year; Cap:

4.6.1. Reconciliation: Commencing with the calendar year ending **December 31, 2016** and delivery of a statement the following March, Lessor shall endeavor to give to Lessee by the last day of March of each Lease Year, a statement ("**Annual Statement**") of the Operating Expenses, Insurance Expenses, and Property Taxes for the Office Building Project incurred by Lessor during the prior Lease Year of the Term and (if applicable) the amounts which are payable by Lessee hereunder (to the extent they exceed the Base Year) versus the estimated amount (if any) actually paid by Lessee with Total Base Rent. The failure by Lessor to give such statement by said date shall not constitute a waiver by Lessor of its right to require payment of the actual amounts due. Such Annual Statement shall include a new estimate of Operating Expenses, Insurance Expenses, and Property Taxes for the Office Building Project payable by Lessee for the then current calendar year of the Term. Within thirty (30) days of the receipt of the Annual Statement, Lessee shall pay to Lessor any underpayment of Lessee's Share of Operating Expenses in excess of the Base Year, Insurance Expenses in excess of the Base Year, and Property Taxes in excess of the Base Year for the Office Building Project for the prior year of the Term as reflected in the Annual Statement or if the Annual Statement reflects an overpayment by Lessee of such amounts, Lessee shall be entitled to a credit against the estimated Lessee's Operating Expenses, Insurance Expenses and Property Taxes for the Office Building Project for the then current year of the Term, next coming due or if the Term has expired Lessor shall pay to Lessee any overpayment together with the delivery of the Annual Statement. On receipt of a revised estimated amount payable by Lessee for its share of Operating Expenses, Insurance Expenses or Property Taxes for the Office Building Project. Lessee shall commence paying the revised amount with its next installment of Total Base Rent and shall also pay, within thirty (30) days of such revised estimate, any underpayment of such adjusted estimated amount applicable to the then current calendar year occurring prior to the date of receipt of such estimate.

4.6.2. Payment At Expiration of Term: Even though the Term may have expired and Lessee has vacated the Premises, when the final determination is made of Lessee's Share of

expenses payable hereunder for any year in which this Lease terminates, Lessee shall within thirty (30) days pay additional Rent due for the period of Lessee's occupancy.

4.6.3 Book And Records: Lessor shall maintain at all times during the Term of this Lease, at the office of Lessor or its property manager (within the County of Stanislaus), full, complete and accurate books of account and records with respect to Operating Expenses, Insurance Expenses and Property Taxes for the Office Building Project, and shall retain such books and records, as well as contracts, bills, vouchers and checks, and such other documents as are reasonably necessary to properly audit the expenses (including amounts described in Section 4.2(b) above) payable hereunder. For a period of one (1) year after receipt of an Annual Statement, Lessee shall be entitled, upon not less than ten (10) days' prior written notice to Lessor and during normal business hours, at the office of the property manager for the Building or Lessor's offices, to inspect and examine Lessor's books and records relating to expenses payable by Lessee hereunder for the immediately preceding Lease Year. After expiration of such one (1)-year period Lessee shall have no further right to review or audit Lessor's books and records. If, after inspection and examination of Lessor's books and records, Lessee disputes the amount charged by Lessor, Lessee may, by written notice to Lessor, request an independent audit of such books and records. The independent audit of the books and records shall be conducted by a certified public accountant ("**CPA**") with office lease auditing experience and reasonably acceptable to both Lessor and Lessee, and on a fee-for-service rather than a contingency fee basis. If, within thirty (30) days after Lessor's receipt of Lessee's notice requesting an audit, Lessor and Lessee are unable to agree on the CPA to conduct such audit, then Lessor may designate a nationally recognized accounting firm not then employed by Lessor or Lessee to conduct the audit. The audit shall be limited to the determination of the amount of expenses for the subject Lease Year. If the audit discloses that the amount of expenses billed to Lessee was incorrect, the appropriate party shall pay to the other party the deficiency or overpayment, as applicable. All costs and expenses of the audit shall be paid by Lessee unless the audit shows that Lessor overstated expenses for the subject Lease Year by more than five percent (5%), in which case Lessor shall pay all costs and expenses of the audit. Lessee and the CPA shall keep the information gained from any audit confidential and shall not disclose it to any other person (other than Lessee's counsel and real estate advisor or as may be mandated by judicial authority). Should County receive a Public Records Act Request seeking such audit information, County will immediately notify Lessor and afford Lessor the opportunity to object to the production of such materials at Lessor's expense. The exercise by Lessee of the audit rights hereunder shall not relieve Lessee of its obligation to timely pay all sums due under this Lease, including, without limitation, any disputed expenses until a final determination is made hereunder.

4.6.4 Cap: Notwithstanding any other provision of this Lease, under no circumstances shall Lessee be required to pay more than a two percent (2%) increase from one calendar year to the next in Lessee's Share of Operating Expenses, excluding utilities, Insurance Expenses and Property Taxes.

5. Security Deposit: Lessee shall not be required to post a security deposit with Lessor upon execution of this Lease. Notwithstanding, if Lessee fails for a second time to pay Base Rent when due, or fails to pay any undisputed other charges due hereunder within thirty (30) days of the due date, Lessee shall within thirty (30) days after written demand therefor, make a security deposit with Lessor in an amount equal to one (1) month of the Base Rent then in effect, in addition to any other amount owed due to of Lessee's failure to timely make the payment.

If Lessee subsequently performs all of Lessee's obligations hereunder, said security deposit, or so much thereof as has not been applied by Lessor to compensate for losses or costs resulting from Lessee default, shall be returned, without payment of interest or other increment for its use, to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder) at the

expiration of the Term then in effect, but only after Lessee has vacated the Premises. No trust relationship shall be created herein between Lessor and Lessee with respect to any security deposit.

6. Use.

6.1 Use: The Premises shall be used and occupied for the purpose of **operating a fully licensed outpatient treatment center and providing related diagnostic and therapeutic medical services and ancillary office uses**, and for no other purpose.

6.2 Compliance with Law:

(a) Lessor warrants to Lessee that, to the best of Lessor's knowledge, the Premises, in the condition existing on the Commencement Date (including without limitation the Improvements), but without regard to alterations or improvements made or to be made by Lessee, does not violate any covenants or restrictions of record, or any applicable building code, regulation or ordinance in effect on such Commencement Date. In the event it is determined that the Building, Office Building Complex or Premises, in the state existing on the Commencement Date, but without regard to alterations or improvements performed by Lessee, do violate any covenants or restrictions of record, or any applicable building code, regulation or ordinance in effect on such Commencement Date, then it shall be the obligation of the Lessor, after written notice from Lessee, to promptly, at Lessor's sole cost and expense, rectify any such violation. If Lessor is performing any work as part of the Improvements that requires issuance of a building permit, Lessor shall, at its sole cost and expense, and prior to the Commencement Date, procure a Certificate of Occupancy and Lessor shall deliver copies of the same to Lessee.

(b) Except as provided in Section 6.2(a) Lessee shall, at Lessee's sole expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements of any fire insurance underwriters or rating bureaus, now in effect or which may hereafter come into effect, whether or not they reflect a change in policy from that now existing, during the Term or any part of the Term hereof, relating in any manner to the Premises and the occupation and use by Lessee of the Premises. Lessee shall conduct its business in a lawful manner and shall not use or permit the use of the Premises or the Common Areas in any manner that will tend to create waste or a nuisance or shall tend to unreasonably disturb other occupants of the Office Building Project.

(c) After the Commencement Date, subject to Lessor's obligations under 6.2(a), Lessee shall have the sole responsibility for complying, at Lessee's cost, with the provisions of the Americans with Disabilities Act of 1990 (the "**ADA**") with respect to the Premises and the conduct of Lessee's business therein. In addition, if Lessee makes any alterations or improvements to the Premises that necessitate alterations or improvements to the Common Areas, Lessee shall pay for the cost of such alterations or improvements to the Common Areas. Except as provided above, Lessor shall have the sole responsibility for complying with the provisions of the ADA with respect to the Common Areas and Lessee shall pay Lessee's Share of the cost of any alterations or improvements to the Common Areas required by the ADA to the extent provided in Section 4.2 above. Notwithstanding the foregoing, Lessor is responsible to ensure that at the time this Lease commences, the condition of the Office Building Complex, including the Premises and Common Areas, are in compliance with all regulations, including ADA. The provision in this paragraph is intended to apply to new ADA requirements or other laws, codes and regulations not known or applicable to the Office Building Complex at the time this Lease Agreement commences.

6.3 Condition of Premises: Except as otherwise provided in this Lease, Lessee hereby accepts the Premises, Building, Common Areas and all the Office Building Project in their

condition existing as of the Commencement Date subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Premises, and any easements, covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that it has satisfied itself by its own independent investigation that the Premises are suitable for its intended use, and that except as expressly provided in this Lease neither Lessor nor Lessor's agents or representatives have made any representation or warranty as to the present or future suitability of the Premises, Common Areas, or Office Building Project for the conduct of Lessee's business.

7. Maintenance, Repairs, Alterations and Common Area Services.

7.1 Lessor's Obligations: Subject to reimbursement as a component of the Operating Expenses, Lessor shall keep the Common Areas of the Office Building Project and exterior walls, roof and the mechanical systems serving the Office Building Project in good condition and repair. Lessor shall not be obligated to maintain the interior of the Premises or to paint, repair or replace wall coverings, or to repair or replace any improvements, equipment, systems, conduits or appurtenances that do not serve the Common Areas or also serve other tenants in the Building. Except as provided in Sections 9.5 and 11.5, there shall be no abatement of Rent or liability of Lessor on account of any injury or interference with Lessee's business arising out of or related to any to any improvements, alterations or repairs made by Lessor, or which Lessor has failed or refused to make to the Office Building Project or any part thereof.

7.2 Exemption from Liability: Lessor shall not be liable for any damage done or occasioned by or from the electrical system, heating or air conditioning system, or plumbing and sewer systems in, upon or about the Premises, the Building or the Office Building Project, nor for damages occasioned by water being upon or coming through the roof, walls, windows, doors or otherwise, nor for any damage arising from acts of negligence of tenants or other occupants of the Building or the Office Building Project, or the acts of any owners or occupants of adjoining or contiguous properties; and furthermore, Lessor shall not be liable for any damage occasioned by reason of the construction of the Premises or for failure to keep the Premises in repair, unless Lessor is obligated to make such repairs under the terms hereof, and unless notice of the need for repairs has been given to Lessor, a reasonable time has elapsed and Lessor has failed to make such repairs. In any event, and notwithstanding any terms to the contrary herein, Lessor shall not be liable for any damage to Lessee's improvements, fixtures, personal property or merchandise resulting from fire or other insurable hazards, unless caused by Lessor Parties' negligence, and Lessee hereby releases Lessor from all liability for such damage. Lessee waives (for itself and all persons claiming under Lessee) the provisions of Civil Code of California Sections 1932, 1941 and 1942 and any and all other laws and rules of law from time to time in effect during the Term providing that Lessee shall have any right to make Lessor's repairs and set off the expenses against Rent.

7.3 Lessee's Obligations:

(a) Lessee shall be responsible for the maintenance of and payment of the cost to keep and maintain all of the interior of the Premises, including doors, windows and lighting, plumbing, electrical and other conduits and systems within the interior of the Premises and exclusively serving the Premises, in good condition and repair, except for damage caused by ordinary wear and tear or beyond Lessee's reasonable control. Lessor may elect to require Lessee to perform such work or Lessor may elect to do the same. If Lessor elects to maintain the same then Lessee shall pay the cost thereof to Lessor as additional rent or Operating Expenses, as Lessor may elect, for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises. Lessee shall be responsible for the cost of maintaining the interior of the Premises in good condition and repair including without limitation

painting, repairing or replacing wall coverings, and to repair or replace any alterations or improvements to the Premises installed by Lessee or at Lessee's request, ordinary wear and tear excepted. Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs, the cost of which is otherwise Lessee's responsibility hereunder. Lessor's right to perform maintenance and repairs is subject to Lessor's prompt commencement (generally within two (2) business days if not an emergency situation) and diligent performance to completion thereof following Lessee's written notice. If Lessor fails to do so, Lessee may, in its sole election, perform the required work with its own (i.e., County) forces (but not through an outside contractor, unless approved by Lessor and in accordance with the requirements applicable to Lessee-performed improvements under Section 7.4(a)).

(b) On the last day of the Term hereof, or on any sooner termination, Lessee shall surrender the Premises to Lessor in the same condition as received, plus any alterations not required to be removed in accordance with Section 7.4, ordinary wear and tear excepted, broom-clean and free of debris. Any damage or deterioration of the Premises shall not be deemed ordinary wear and tear if the same could have been prevented by commercially reasonable maintenance practices by Lessee. Lessee shall repair any damage to the Premises occasioned by the installation or removal of Lessee's trade fixtures, alterations, furnishings and equipment. Except as otherwise stated in this Lease, Lessee shall leave the air lines, power panels, electrical distribution systems, lighting fixtures, air conditioning, window coverings, wall coverings, carpets, wall paneling, ceilings and plumbing on the Premises and in good operating condition, ordinary wear and tear excepted. Unless Lessor consents otherwise in writing, which consent may be withheld in Lessor's sole discretion, on expiration of the Term Lessee shall remove all telephonic and computer cabling and wiring of any kind whether in the walls, ceiling or flooring of the Premises.

7.4 Alterations and Additions:

(a) Lessor will, in advance, prepare the Premises for occupancy according to Lessee's specifications, as reflected in Exhibit "D". Lessee shall not, without Lessor's prior written consent, make any further alterations, improvements, additions, Utility Installations or repair in, on or about the Premises, or the Office Building Project. As used in this Section 7.4, the term "**Utility Installations**" shall mean carpeting, window and wall coverings, power panels, electrical distribution systems, lighting fixtures, air conditioning, plumbing, and telephone and telecommunication wiring and equipment. Lessor reserves the right to condition its consent to any alterations requiring approval under this section to the removal of such alterations by Lessee on expiration or earlier termination of this Lease. Lessor so conditioning its consent shall be deemed to be reasonable hereunder. If Lessor so conditions its consent and Lessee elects to proceed with the alterations, then, on the expiration or earlier termination of this Lease, Lessee shall remove such alterations and restore that portion of the Premises to its condition prior to such alterations. Should Lessor permit Lessee to make its own alterations, improvements, additions or Utility Installations, Lessor understands that Lessee will procure such work pursuant to the requirements of the California Public Contract Code. Lessee will prequalify the contracting entities to perform such work and will include Lessor's feedback in that prequalification process. Lessee will require, at Lessee's sole cost and expense, payment and performance bonds in an amount equal to the price for such improvements, to protect Lessee and Lessor from any liability for mechanic's and materialmen's liens and to ensure completion of the work. Should Lessee make any alterations, improvements, additions or Utility Installations without the prior approval of Lessor, or use a contractor not prequalified through the process described herein, Lessor may at any time during the Term of this Lease, require that Lessee remove any part or all of the same. Notwithstanding the provisions of this Section 7.4(a), Lessor agrees to allow Lessee to install such fixtures and appliances as may be necessary for the proper conduct of its business; provided that no such installation or removal thereof shall affect any structural portion of the Building nor any utility lines, communications lines,

equipment or facilities in the Building serving any tenant other than Lessee. At the expiration of this Lease, Lessor will allow Lessee a reasonable length of time to remove any and all of such trade fixtures which can be removed without substantial injury to, or undue defacement of the Premises, subject to the holdover provisions of Section 25.

(b) Except as provided in Section 7.4(a), any alterations, improvements, additions or Utility Installations in or about the Premises or the Office Building Project that Lessee shall desire to make shall first be presented to Lessor in written form, with proposed detailed plans. Lessor shall not withhold consent unreasonably to Lessee's making such alteration, improvement, addition or Utility Installations, but the consent shall be deemed conditioned upon Lessee acquiring any necessary permit to do so from the applicable governmental agencies, furnishing a copy thereof to Lessor prior to the commencement of the work, and complying with all conditions of said permit in a prompt and expeditious manner.

(c) Lessee shall pay, when due, all claims for labor or materials furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's liens against the Premises, the Building or the Office Building Project, or any interest therein.

(d) Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in the Premises by Lessee, and Lessor shall have the right to record and post notices of non-responsibility in or on the Premises or the Building as provided by law. If Lessee shall, in good faith, contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend itself and Lessor against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Lessor or the Premises, the Building or the Office Building Project, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount equal to such contested lien claim or demand indemnifying Lessor against liability for the same and holding the Premises, the Building and the Office Building Project free from the effect of such lien or claim. In addition, unless Lessee has obtained a bond legally releasing the Premises and Building from the lien, claim or demand, if Lessor is required by a court of law to appear or participate in such action, Lessee shall reimburse Lessor for its reasonable attorneys' fees and costs incurred by Lessor in such appearance or participation.

(e) All alterations, improvements, additions and Utility Installations (whether or not such Utility Installations constitute trade fixtures of Lessee), which may be made to the Premises by Lessee, including but not limited to, floor coverings, paneling, doors, drapes, built-ins, moldings, sound attenuation, and lighting and telephone or communication systems, conduit, wiring and outlets, shall be made and done in a good and workmanlike manner and of good and sufficient quality and materials.

(f) Lessee shall provide Lessor with as-built plans and specifications for any alterations, improvements, additions or Utility Installations.

7.5 Utility Additions: Lessor reserves the right to install new or additional Utility Facilities throughout the Office Building Project for the benefit of Lessor or Lessee, or any other lessee of the Office Building Project, including, but not by way of limitation, such utilities as plumbing, electrical systems, security systems, communication systems, and fire protection and detection systems, provided that installation, operation and maintenance of any Utility Facilities within the Premises which does not exclusively serve the Premises does not interfere with Lessee's beneficial use and occupancy herein.

8. Insurance; Indemnity.

8.1 Liability Insurance - Lessee: Lessee shall, at Lessee's sole expense, obtain and keep in force during the Term of this Lease, a policy of Comprehensive General Liability insurance utilizing an Insurance Services Office standard form with Broad Form General Liability Endorsement (GL0404), or equivalent, in an amount of not less than \$2,000,000.00 per occurrence of bodily injury and property damage combined and shall show Lessor as an additional insured, under a separate endorsement, against liability arising out of the use, occupancy or maintenance of the Premises and the Common Areas by Lessee and its officers, directors, employees, agents, contractors, representatives, members, owners, trustees, vendors, patrons and invitees ("**Lessee Parties**"). Compliance with the above requirement shall not, however, limit the liability of Lessee hereunder.

8.2 Liability Insurance - Lessor: Lessor shall obtain and keep in force, during the Term of this Lease, a policy of Combined Single Limit Bodily Injury and Broad Form Property Damage Insurance, plus coverage against such other risks Lessor deems advisable from time to time, insuring Lessor, but not Lessee, against liability arising out of the ownership, use, occupancy or maintenance of the Office Building Project in an amount not less than \$3,000,000.00 per occurrence. Lessor shall have the right to maintain all or any portion of such insurance under a blanket, excess or umbrella policy, as long as such policy is dedicated entirely to the Office Building Project.

8.3 Property Insurance - Lessee: Lessee shall, at Lessee's expense, obtain and keep in force during the Term of this Lease, for the benefit of Lessee, replacement cost fire and extended coverage insurance, with vandalism and malicious mischief, sprinkler leakage and earthquake sprinkler leakage endorsement, in an amount sufficient to cover not less than one hundred percent (100%) of the full replacement cost, as the same may exist from time to time, of all of Lessee's personal property, fixtures, equipment and tenant improvements and alterations.

8.4 Property Insurance - Lessor: Lessor shall obtain and keep in force, during the Term of this Lease, a policy or policies of insurance covering loss or damage to the Office Building Project improvements, but not Lessee's personal property, fixtures, equipment or tenant improvements or alterations, in the amount of the full replacement cost thereof, as the same may exist from time to time, utilizing Insurance Services Office standard form, or equivalent, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, plate glass, and such other perils as Lessor deems advisable or may be required by a lender having a lien on the Office Building Project. In addition, Lessor shall obtain and keep in force, during the Term of this Lease, a policy of rental value insurance covering a period of one (1) year, with loss payable to Lessor, which insurance shall also cover all Operating Expenses, Property Taxes and Insurance Expenses in excess of the Base Year for said period. Lessee will not be named in any such policies carried by Lessor and shall have no right to any proceeds therefrom. The policies required by these Sections 8.2 and 8.4 shall contain such deductibles as Lessor or the aforesaid lender may determine, consistent with customary commercial standards for comparable properties in Modesto, California. In the event that the Premises shall suffer an insured loss as defined in Section 9.1(e) hereof, the deductible amounts under the applicable insurance policies shall be deemed part of Operating Expenses. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies carried by Lessor. Lessee shall pay the portion (including the entirety, if applicable) of any increase in the property insurance premium for the Office Building Project over what it was immediately prior to the Commencement Date of this Lease to the extent the increase is specified by Lessor's insurance carrier as being caused by the nature of Lessee's occupancy or any act or omission of Lessee Parties. Lessor represents that it has received assurances from its insurance carrier that, based on the carrier's policies in effect as of the

Commencement Date, the nature of Lessee's occupancy will not result in any increase in the property insurance premium for the Office Building Project.

8.5 Insurance Policies: Lessee shall deliver to Lessor copies of liability insurance policies required under Sections 8.1 and 8.3 or certificates or endorsements evidencing the existence and amounts of such insurance by no later than the Commencement Date of this Lease. No such policy shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with renewals thereof. All of Lessee's general liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Lessor may carry.

8.6 Waiver of Subrogation: Lessee and Lessor each hereby release and relieve the other, and waive such party's entire right of recovery against the other, for direct or consequential loss or damage arising out of or incident to the perils covered by property insurance carried by such party, whether due to the negligence of Lessor or Lessee or their agents, employees, contractors and/or invitees. If necessary all property insurance policies required under this Lease shall be endorsed to so provide. This provision shall not restrict Lessee's right to assert a claim against the Commercial General Liability insurance policy maintained by Lessor Parties.

8.7 Indemnity: Lessee shall indemnify, defend, protect and hold Lessor and its officers, directors, employees, agents, contractors, representatives, members, owners, trustees, invitees, property manager and lenders ("**Lessor Parties**"), harmless from and against any and all claims for damage to the person or property of any person or any entity arising from Lessee's use of the Premises, Building or Office Building Project, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere within the Office Building Project and shall further indemnify, defend and hold harmless Lessor Parties from and against any and all claims, costs and expenses arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any negligent or intentionally wrongful act or omission of Lessee Parties under this Lease and from and against all costs, attorney's fees, expenses and liabilities incurred by Lessor Parties as the result of any such breach, default, negligence or intentional misconduct, and in dealing reasonably therewith, including but not limited to the defense or pursuit of any claim or any action or proceeding involved therein; and in case any action or proceeding be brought against Lessor by reason of any such matter, Lessee, upon notice from Lessor, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor, and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be so indemnified. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property of Lessee Parties or third parties or injury to persons (including Lessee Parties), in, upon or about the Premises, arising from any cause, and upon or about the Office Building Project but excluding the Premises arising from the negligence of Lessee Parties, and Lessee hereby waives all claims in respect thereof against Lessor, except for claims arising from, or based upon, damage to property or injury to persons that are caused by the gross negligence or intentionally wrongful acts of Lessor Parties. The terms of this section shall survive the expiration or earlier termination of this Lease with respect to events giving rise to liability that occurred during the Lease Term.

8.8 Exemption of Lessor from Liability: Except to the extent that any such loss, damage or injury is caused by Lessor's or Lessor Parties' gross negligence or intentionally wrongful acts, Lessee hereby agrees that Lessor Parties shall not be liable for loss or injury to persons or property of Lessee Parties, or for damage or loss to Lessee's business, including any loss of income

therefrom or for loss of or damage to the goods, wares, merchandise or other property of Lessee Parties, whether such damage or injury is caused by or results from theft, fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Office Building Project, or from other sources or places, or from new construction or the repair, alteration or improvement of any part of the Premises, Building or Office Building Project, or of the equipment, fixtures or appurtenance applicable thereto, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible. Lessor Parties shall not be liable for any damages arising from any act or neglect of any other lessee, occupant or user of the Premises, Building or Office Building Project, nor from the failure of Lessor to enforce the provisions of any other lease of any other lessee of the Office Building Project.

8.9 No Representation of Adequate Coverage: Lessor makes no representation that the limits or forms of coverage of insurance specified in this Section 8 are adequate to cover Lessee's property or obligations under this Lease.

9. Damage or Destruction.

9.1 Definitions:

(a) **"Premises Damage"** shall mean if the Premises are damaged or destroyed to any extent.

(b) **"Premises Building Partial Damage"** shall mean if the Building is damaged or destroyed to the extent that the cost to repair is less than fifty percent (50%) of the then Replacement Cost of the Building.

(c) **"Premises Building Total Destruction"** shall mean if the Building is damaged or destroyed to the extent that the cost to repair is fifty percent (50%) or more of the then Replacement Cost of the Building.

(d) **"Office Building Project Total Destruction"** shall mean if the Office Building Project is damaged or destroyed to the extent that the cost to repair is fifty percent (50%) or more of the then Replacement Cost of the Office Building Project.

(e) **"Insured Loss"** shall mean damage or destruction which was caused by an event required to be covered by the insurance described in Section 8. The fact that an Insured Loss has a deductible amount shall not make the loss an uninsured loss.

(f) **"Replacement Cost"** shall mean the amount of money necessary to be spent in order to repair or rebuild the damaged area to the condition that existed immediately prior to the damage occurring, excluding all improvements made by Lessee, other than those installed by Lessor at Lessee's expense.

9.2 Premises Damage; Premises Building Partial Damage:

(a) **Insured Loss:** Subject to the provisions of Sections 9.4 and 9.5, if at any time during the Term of this Lease there is damage which is an Insured Loss and which falls into the classification of either Premises Damage or Premises Building Partial Damage, then Lessor shall, as soon as reasonably possible and to the extent the required materials and labor are readily available

through usual commercial channels, at Lessor's expense, repair such damage (but not Lessee's fixtures, equipment or any tenant improvements performed by Lessee) to its condition existing at the time of the damage, and this Lease shall continue in full force and effect. Lessor shall use best efforts to provide Lessee with a written estimate from a reputable California-licensed general contractor selected by Lessor, confirming the amount of time, using standard working methods and generally available labor and materials, Lessor could reasonably expect to need to complete the repair or restoration of the Premises, Building and Office Building Project necessary to provide a tenantable Premises and reasonable access thereto ("**Completion Estimate**"), within thirty (30) days after the date of the occurrence of such damage. Notwithstanding the actual delivery date of the Completion Estimate, unless the Completion Estimate is within one hundred eighty (180) days after the date of the occurrence of the damage (or such longer periods approved by Lessee and Lessor in their mutual reasonable discretion), then Lessee shall have the right to terminate this Lease upon written notice to Lessor within thirty (30) days after the date Lessee receives the Completion Estimate.

(b) Uninsured Loss: Subject to the provisions of Sections 9.4 and 9.5, if at any time during the Term of this Lease there is damage which is not an Insured Loss and which falls within the classification of Premises Damage or Premises Building Partial Damage, unless caused by a negligent or willful act of Lessee Parties (in which event Lessee shall make the repairs at Lessee's expense), which damage prevents Lessee from making any substantial use of the Premises, Lessor may at Lessor's option either (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within thirty (30) days after the date of the occurrence of such damage of Lessor's intention to cancel and terminate this Lease as of the date of the occurrence of such damage ("**Lessor's Cancellation Notice**"), in which event this Lease shall terminate as of the date of the occurrence of such damage. If Lessor does not timely give a Lessor's Cancellation Notice, it shall use best efforts to provide a ("**Completion Estimate**") within thirty (30) days after the date of the occurrence of such damage. Notwithstanding the actual delivery date of the Completion Estimate, unless the Completion Estimate is within one hundred eighty (180) days after the date of the occurrence of the damage (or such longer periods approved by Lessee and Lessor in their mutual reasonable discretion), then Lessee shall have the right to terminate this Lease upon written notice to Lessor within thirty (30) days after the date Lessee receives the Completion Estimate.

9.3 Premises Building Total Destruction; Office Building Project Total Destruction: Subject to the provisions of Sections 9.4 and 9.5, if at any time during the Term of this Lease there is damage, whether or not it is an Insured Loss, which falls into the classifications of either (i) Premises Building Total Destruction, or (ii) Office Building Project Total Destruction, then Lessor may at Lessor's option either (i) repair such damage or destruction as soon as reasonably possible at Lessor's expense (to the extent the required materials are readily available through usual commercial channels) to its condition existing at the time of the damage, but not Lessee's fixtures, equipment or tenant improvements, and this Lease shall continue in full force and effect, or (ii) give a Lessor's Cancellation Notice to Lessee within thirty (30) days after the date of occurrence of such damage, in which case this Lease shall terminate as of the date of the occurrence of such damage. If Lessor does not timely give a Lessor's Cancellation Notice, it shall use best efforts to provide a ("**Completion Estimate**") within thirty (30) days after the date of the occurrence of such damage. Notwithstanding the actual delivery date of the Completion Estimate, unless the Completion Estimate is within one hundred eighty (180) days after the date of the occurrence of the damage (or such longer periods approved by Lessee and Lessor in their mutual reasonable discretion), then Lessee shall have the right to terminate this Lease upon written notice to Lessor within thirty (30) days after the date Lessee receives the Completion Estimate.

9.4 Damage Near End of Term:

(a) Subject to Section 9.4(b), if at any time during the last twelve (12) months of the Term of this Lease there is substantial damage to the Premises, Lessor may terminate this Lease by giving Lessee written notice of Lessor's election to do so within thirty (30) days after the date of occurrence of such damage.

(b) Notwithstanding Section 9.4(a), in the event that Lessee has an Option to extend or renew this Lease, and the time within which said Option may be exercised has not yet expired, Lessee shall exercise such Option, if it is to be exercised at all, no later than thirty (30) days after the occurrence of an Insured Loss falling within the classification of Premises Damage during the last twelve (12) months of the Term of this Lease. If Lessee duly exercised such Option during said thirty (30) day period, Lessor shall, at Lessor's expense, repair such damage, but not Lessee's fixtures, equipment or tenant improvements, as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such Option during said thirty (30)-day period, then Lessor may, at Lessor's option, terminate and cancel this Lease as of the expiration of said thirty (30)-day period by giving written notice to Lessee of Lessor's election to do so within ten (10) days after the expiration of said thirty (30)-day period, notwithstanding any term or provision in the grant of Option to the contrary.

9.5 Abatement of Rent; Lessee's Remedies:

(a) In the event Lessor is obligated to repair or restore the Office Building Project, Building or Premises pursuant to the provisions of this Section 9, and any part of the Premises is not usable (including loss of use due to loss of access or essential services), the Rent payable hereunder (including Lessee's Share of Operating Expenses, Property Taxes and Insurance Expenses in excess of the Base Year) for the period during which such damage, repair or restoration continues shall be abated, provided (1) the damage was not the result of the negligence or intentionally wrongful acts of Lessee Parties, (2) such abatement shall only be to the extent the operation of Lessee's business as operated from the Premises is adversely affected, and (3) such abatement shall only be to the extent rental loss coverage is available under Lessor's insurance either maintained by Lessor or required to be maintained by Lessor in Section 8.4 above. Except for said abatement of Rent, if any, Lessee shall have no claim against Lessor for any damage suffered by reason of any such damage, destruction, repair or restoration.

(b) If Lessor shall be obligated to repair or restore the Premises or the Building under the provisions of this Section 9 and shall not commence such repair or restoration within thirty (30) days (unless such repairs or restoration are being funded by insurance proceeds, in which case Lessor shall have up to sixty (60) days) after Lessor's receipt of governmental permits required for such repairs, or if Lessor shall not complete the restoration and repair within one hundred eighty (180) days after receipt of such permits, Lessee may at Lessee's option cancel and terminate this Lease by giving Lessor written notice of Lessee's election to do so at any time prior to the commencement or completion, respectively, of such repair or restoration. In such event this Lease shall terminate as of the date of such notice. Lessor shall, promptly after the occurrence of any damage or destruction requiring Lessor to restore or repair the Premises or the Building, apply for appropriate governmental permits related to such restoration or repairs.

(c) Lessee agrees to cooperate with Lessor in connection with any such restoration and repair, including but not limited to the approval and/or execution of plans and specifications required.

9.6 Termination - Advance Payments: Upon termination of this Lease pursuant to this Section 9, an equitable adjustment shall be made concerning advance Rent and any advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's security deposit as has not therefore been applied by Lessor.

9.7 Waiver: Lessor and Lessee each hereby waive the provisions of California Civil Code Sections 1932(2), 1933(4) and any other applicable existing or future law permitting the termination of a lease agreement in the event of damage or destruction under any circumstances other than as provided in this Section 9.

10. Property Taxes.

10.1 Payment of Taxes: Lessor shall pay the Property Taxes, as defined in Section 10.2, applicable to the Office Building Project, and charge Lessee the Lessee's Share of Property Taxes in excess of the Base Year as described above.

10.2 Definition of "Property Taxes": As used herein, the term "**Property -Taxes**" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, income, franchise or estate taxes) imposed on the Office Building Project or any portion thereof by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Lessor in the Office Building Project or in any portion thereof, as against Lessor's right to Rent or other income therefrom, and as against Lessor's business of leasing the Office Building Project. The term "Property Taxes" shall also include any tax, fee, levy, assessment or charge (i) in substitution of, partially or totally, any tax, fee, levy, assessment or charge hereinabove included within the definition of "Property Taxes", or (ii) the nature of which was hereinbefore included within the definition of "Property Taxes", or (iii) which is imposed for a service or right not charged prior to June 1, 1978, or, if previously charged has been increased since June 1, 1978, or (iv) which is imposed as a result of a change of ownership, as defined by applicable local statutes for property tax purposes, of the Office Building Project or which is added to a tax or charge hereinbefore included within the definition of real property tax by reason of such a change of ownership, or (v) which is imposed by reason of this transaction, any modifications or changes hereto, or any transfers hereof.

10.3 Joint Assessment: If the improvements or property, the taxes for which are to be paid separately by Lessee under Sections 10.2 or 10.4 are not separately assessed, Lessee's portion of that tax shall be equitably determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information (which may include the cost of construction) as may be reasonably available.

10.4 Personal Property Taxes:

(a) Lessee shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Lessee contained in the Premises or elsewhere.

(b) If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay to Lessor the taxes attributable to Lessee within ten (10) days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities.

11.1 Services Provided by Lessor: As part of Operating Expenses, Lessor shall contract for electrical service through utility providers to provide heating, ventilation, air conditioning and janitorial service in lobby areas and Common Areas (including restrooms) only as reasonably required; and to provide all required gas, heat, air conditioning, water and sewer to the Premises. Lessor shall provide replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures in Common Areas only, while bulbs and ballasts on the interior of the Premises shall be the responsibility of Lessee.

11.2 Services Exclusive to Lessee: Lessee shall pay for all electrical, light, power, Premises janitorial, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon (but not gas, heat, air conditioning, water or sewer, except as part of Operating Expenses). If any such services are not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges jointly metered with other premises in the Building. Lessee shall reimburse Lessor within thirty (30) days from receipt of a written statement setting forth the calculation of Lessee's charges for separately allocating such charge between Lessees. Lessor reserves the right to install submeters or similar methods to determine actual electrical usage by Lessee and to charge Lessee for such usage based on such submeters.

11.3 Hours of Service: Services and utilities shall be available Monday through Friday during normal business hours. Lessor shall, upon reasonable advance notice from Lessee, accommodate Lessee's needs for services and utilities outside of the foregoing hours.

11.4 Intentionally omitted.

11.5 Interruptions: Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, terrorist or criminal acts, strike, labor dispute, breakdown, accident, repair or other cause of any kind, provided Lessor shall use commercially reasonable efforts to restore such utility or service. If an interruption is caused by Lessor Parties' negligent act or failure to act and Lessor is unable to immediately restore such utility or service, Lessee shall be entitled to an abatement of rent for any period by which the outage exceeds three (3) days. Regardless of the cause of the interruption, if Lessor is unable to commence restoration of such utility or service within thirty (30) days or complete restoration of such utility or service within one hundred eighty (180) days, Lessee shall be entitled to those remedies set forth in Section 9.5 above.

12. Assignment and Subletting.

12.1 Lessor's Consent Required: Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in the Lease or in the Premises, without Lessor's prior written consent, which Lessor shall not unreasonably withhold. Lessor shall respond to Lessee's request for consent hereunder in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a material default and breach of this Lease without the need for notice to Lessee under Section 13.1. "**Transfer**" within the meaning of this Section 12 shall include the transfer or transfers aggregating: (a) if Lessee is a corporation or limited liability company, more than twenty-five percent (25%) of the voting stock or membership interests of such entity, or (b) if Lessee is a partnership, more than twenty-five percent (25%) of the profit and loss participation in such partnership. For purposes of this Lease, use or occupancy of the

Premises by another agency, department or division of the County of Stanislaus ("**Other Occupant**") shall not be deemed an assignment, sublet or transfer of any Lessee interest in the Premises, or a Transfer.

12.2 Lessee Affiliate: Notwithstanding the provisions of Section 12.1 hereof, Lessee may assign or sublet the Premises, or any portion thereof without Lessor's consent, to any corporation or limited liability company which controls, is controlled by or is under common control with either Lessee, or to any corporation resulting from the merger or consolidation with Lessee, or to any person or entity which acquires all the assets of Lessee as a going concern of the business that is being conducted on the Premises, all of which are referred to as "**Lessee Affiliate**", provided that before such assignment shall be effective, (a) said assignee shall assume, in full, the obligations of Lessee under this Lease and (b) Lessor shall be given written notice of such assignment and assumption. Any such assignment shall not, in any way, affect or limit the liability of Lessee under the terms of this Lease (even if after such assignment or subletting the terms of this Lease are materially changed or altered).

12.3 Terms and Conditions Applicable to Assignment and Subletting:

(a) Lessor's consent to any assignment or subletting shall not release Lessee of Lessee's obligations hereunder or alter the primary liability of Lessee to pay the Rent and other sums due Lessor hereunder, including Lessee's Share of Operating Expenses, Property Taxes and Insurance Expenses in excess of the Base Year, and to perform all other obligations to be performed by Lessee hereunder unless Lessor expressly releases Lessee in writing.

(b) Lessor may accept Rent from any person other than Lessee pending approval or disapproval of such assignment.

(c) Neither a delay in the approval or disapproval of such assignment or subletting, nor the acceptance of Rent, shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for the breach of any of the terms or conditions of this Section 12 or this Lease.

(d) If Lessee's obligations under this Lease have been guaranteed by third parties, then an assignment or sublease, and Lessor's consent thereto, shall not be effective unless said guarantors give their written consent to such sublease and the terms thereof and the continuation of such guaranty, unless Lessor expressly waives such requirement in writing.

(e) The consent by Lessor to any assignment or subletting shall not constitute consent to any subsequent assignment or subletting by Lessee or to any subsequent or successive assignment or subletting by the sublessee. However, Lessor may consent to subsequent subletting and assignments of the sublease or any amendments or modifications thereto without notifying Lessee or anyone else liable on the Lease or sublease and without obtaining their consent and such action shall not relieve such persons from liability under this Lease or said sublease; provided, however, such persons shall not be responsible to the extent any such amendment or modification enlarges or increases the obligations of the Lessee or sublessee under this Lease or such sublease.

(f) In the event of any default under this Lease, unless Lessor has expressly released any such party in writing, Lessor may proceed directly against Lessee, any guarantors or anyone else responsible for the performance of this Lease, including the sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor or Lessee.

(g) Lessor's written consent to any assignment or subletting of the Premises by Lessee shall not constitute an acknowledgment that no default then exists under this Lease or the obligations to be performed by Lessee nor shall such consent be deemed a waiver of any then-existing default, except as may be otherwise stated by Lessor at the time.

(h) The discovery of the fact that any financial statement relied upon by Lessor in giving its consent to an assignment or subletting was materially false shall, at Lessor's election, render Lessor's said consent null and void.

12.4 Additional Terms and Conditions Applicable to Subletting: Regardless of Lessor's consent, the following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein.

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all rentals and income arising from any sublease heretofore or hereafter made by Lessee, and Lessor may collect such rent and income and apply same toward Lessee's obligations under this Lease; provided, however, that until a default shall occur in the performance of Lessee's obligations under this Lease, and after any such default is cured, Lessee may receive, collect and enjoy the rents accruing under such sublease. Lessor shall not, by reason of this or any other assignment of such sublease to Lessor nor by reason of the collection of the rents from a sublessee, be deemed liable to sublessee for any failure of Lessee to perform and comply with any of the Lessee's obligations to such sublessee under such sublease. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a default exists in the performance of Lessee's obligations under this Lease, to pay to Lessor the rents due and to become due under the sublease. Lessee agrees that such sublessee shall have the right to rely upon any such statement and request from Lessor, and that such sublessee shall pay such rents to Lessor without any obligation or right to inquire as to whether such default exists and notwithstanding any notice from or claim from Lessee to the contrary. Lessee shall have no right or claim against said sublessee or Lessor for any such rents so paid by said sublessee to Lessor.

(b) No sublease entered into by Lessee shall be effective unless and until it has been approved in writing by Lessor. In entering into any sublease, Lessee shall use only such form of sublease as is satisfactory to Lessor and Lessee, and once approved by Lessor, such sublease shall not be changed or modified without Lessor's prior written consent. Any sublease shall, by reason of entering into a sublease under this Lease, be deemed, for the benefit of Lessor, to have assumed and agreed to conform and comply with each and every obligation herein to be performed by Lessee other than such obligations as are contrary to or inconsistent with provisions contained in a sublease to which Lessor has expressly consented in writing.

(c) In the event Lessee shall default in the performance of its obligations under this Lease, Lessor, at its option and without any obligation to do so, may require any sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of Lessee under such sublease from the time of the exercise of said option to the termination of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to Lessee or for any other prior defaults of Lessee under such sublease.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) With respect to any subletting to which Lessor has consented, Lessor agrees to deliver a copy of any notice of default by Lessee to the sublessee. Such sublessee shall have the

right to cure a default of Lessee within three (3) days after service of said notice of default upon such sublessee, and the sublessee shall have a right of reimbursement and offset from and against Lessee for any such defaults cured by the sublessee.

12.5 Lessor's Expenses: In the event Lessee shall assign or sublet the Premises or request the consent of Lessor to any assignment or subletting or if Lessee shall request the consent of Lessor for any act Lessee proposes to do, then Lessee shall pay Lessor's reasonable costs and expenses incurred in connection therewith, including attorneys', architects', engineers' or other consultants' fees, not to exceed \$1,000 (subject to CPI adjustment from and after the Commencement Date).

12.6 Conditions to Consent: Lessor reserves the right to condition any approval to assign or sublet upon Lessor's reasonable determination that (a) the proposed assignee or sublessee shall conduct a business on the Premises of a quality substantially equal to that of Lessee and consistent with the general character of the other occupants of the Office Building Project and not in violation of any exclusives or rights then held by other tenants or in violation of any applicable laws, including zoning, and will not unduly burden the Common Areas' services, and (b) the proposed assignee or sublessee is financially responsible and (if not a public agency) expected to make a profit, and has a good business reputation in the community.

If for any proposed assignment or sub-lease, Lessee receives rent or other consideration, either initially or over the term of the assignment or sublease, in excess of the Total Base Rent payable by Lessee under this Lease or, in the event of a sublease of a portion of the Premises, in excess of such Total Base Rent properly allocable to the subleased portion of the Premises, Lessee shall pay to Lessor as additional Rent hereunder the excess of any rent or other consideration received by Lessee from such assignment or sublease promptly after Lessee's receipt of the same.

13. Default; Remedies.

13.1 Default: The occurrence of any one or more of the following events shall constitute a material default of this Lease by Lessee:

(a) The failure by Lessee to make any payment of Rent or any other payment required to be made by Lessee hereunder, as and when due where such failure shall continue for a period of five (5) days after written notice thereof from Lessor to Lessee. In the event that Lessor serves Lessee with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes such Notice to Pay Rent or Quit shall also constitute the notice required by this subsection.

(b) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee other than those referenced in subsection (a) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee; provided, however, that if the nature of Lessee's noncompliance is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced design and/or procurement of such cure within said (30)-day period and thereafter diligently pursues such cure to completion. To the extent permitted by law, such thirty (30)-day notice shall constitute the sole and exclusive notice required to be given to Lessee under applicable Unlawful Detainer statutes.

(c) (i) The making by Lessee of any general arrangement or general assignment for the benefit of creditors; (ii) Lessee becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of

substantially all of Lessee's assets located at the Premises or Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days. In the event that any provision of this Section 13.1(c) is contrary to any applicable law, such provision shall be of no force or effect.

13.2 Remedies: In the event of any material default or breach of this Lease by Lessee, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease and the Term hereof shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid Rent for the balance of the Term after the time of such award exceed the amount of such rental loss for the same period that Lessee proves could be reasonably avoided; that portion of the leasing commission paid by Lessor pursuant to Section 15 applicable to the unexpired term of this Lease. Lessor, besides other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Premises and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Lessee, all without service of notice or resort to the legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby.

(b) Lessor may from time to time without terminating this Lease, recover all Rent becoming due hereunder or make such alterations and repairs as may be necessary in order to relet the Premises, and relet said Premises or any part thereof on Lessee's account (Lessee hereby appointing Lessor as its attorney-in-fact for such purpose) for such term or terms (which may be for a term extending beyond the Term of this Lease) and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion may deem advisable. Upon each such reletting all rentals received by Lessor from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such reletting including brokerage fees and attorney's fees and of costs of such alterations and repairs; third to the payment of Rent due and unpaid hereunder and the residue, if any, shall be held by Lessor and applied in payment of future Rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month be less than that to be paid during that month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the Premises by Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to Lessee or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should Lessor at any time terminate this Lease for any breach in addition to any other remedies it may have it may recover from Lessee:

(i) the worth at the time of any unpaid Rent which had been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental cost Lessee proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; plus

(iv) any other amount necessary to compensate Lessor for all the detriment approximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including the cost of recovering the Premises and attorney's fees incurred in connection with such termination and

(v) at Lessor's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law.

(c) The term Rent or rentals as used herein shall be deemed to be and to mean the minimum annual rental and all other sums required to be paid by Lessee pursuant to the terms of this Lease. All such sums, other than the minimum annual rental shall be computed on the basis of the average monthly amount thereof accruing during the immediately preceding twelve (12)-month period prior to default, except that if it becomes necessary to compute such rental before such a twelve (12)-month period has occurred then on the basis of the average monthly amount accruing during such shorter period.

(d) As used in subparagraph (i) and (ii) above the "worth at the time of award" is computed by allowing interest at the highest rate allowed by law. As used in subparagraph (iii) above the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(e) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the state wherein the Premises are located, including all rights and remedies under California Civil Code Sections 1951.2 and 1951.4. Following any Lessor-declared event of default, unpaid installments of Rent and other unpaid monetary obligations of Lessee under the terms of this Lease shall bear interest from the date due at the maximum rate then allowable by law.

13.3 Default by Lessor: Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days (unless a longer period has been specified herein) after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have therefore been furnished to Lessee in writing, specifying how Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days (or such longer period specified herein) are required for performance then Lessor shall not be in default if Lessor commences performance within such thirty (30)-day period (or such longer period specified herein) and thereafter diligently pursues the same to completion. Notwithstanding the foregoing, if Lessor defaults in its obligation to repair or restore any portion of the Office Building Project, as provided under this Lease, the terms of Section 9.5 above shall govern. If Lessor defaults in any of its other obligations hereunder, the terms of this Section 13.3 shall govern, except that if such default continues for more than one hundred eighty (180) days from the date of Lessee's notice described above, Lessee may at Lessee's option cancel and

terminate this Lease by giving Lessor written notice of Lessee's election to do so at any time prior to Lessor's cure of its breach. In such event this Lease shall terminate as of the date of such notice.

13.4 Late Charges: Lessee hereby acknowledges that late payment by Lessee to Lessor of Total Base Rent, Lessee's Share of Operating Expenses, Property Taxes, and Insurance Expenses in excess of the Base Year or other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Office Building Project. Accordingly, if any installment of Rent, including Total Base Rent, Operating Expenses, Property Taxes or Insurance Expenses, or any other sum due from Lessee shall not be received by Lessor or Lessor's designee within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of the late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder.

13.5 Waiver of Relief: Lessee waives redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other present or future laws, in the event Lessee is evicted or Lessor takes possession of the Premises by reason of any default by Lessee under this Lease. Lessee understands and agrees that this waiver is a material part of the consideration for Lessor's agreement to enter into this Lease and Lessor would not have entered into this Lease in the absence of this waiver. Lessee represents and warrants that if Lessee breaches this Lease and as a result of such breach this Lease is terminated, Lessee will not suffer any undue hardship as a result of such termination and will make such alternative plans to provide for Lessee's vacation of the Premises and relocation if this Lease is terminated as a result of Lessee's breach.

14. Condemnation. If the Premises or any portion thereof of the Building or Office Building Project are taken under the power of eminent domains or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs; provided that if so much of the Premises, Building or the Office Building Project are taken by such condemnation as would substantially affect the operation and profitability of Lessee's business conducted from the Premises, Lessee shall have the option, to be exercised only in writing within thirty (30) days after Lessor shall have given Lessee written notice of such condemnation (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession), to terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Total Base Rent and Lessee's Share of Operating Expenses, Property Taxes, Insurance Expenses and other charges in excess of the Base Year shall be reduced in the proportion that the Rentable Area of the Premises taken bears to the total Rentable Area of the Premises. Common Areas taken shall be excluded from the Common Areas usable by Lessee and no reduction of Rent shall occur with respect thereto or by reason thereof provided commercially reasonable access to the Premises still remains. Lessor shall have the option in its sole discretion to terminate this Lease as of the taking of possession by the condemning authority, by giving written notice to Lessee of such election within thirty (30) days after receipt of notice of a taking by condemnation of any part of the Premises or the Office Building Project, but only if so much of the Premises or the Office Building Project are taken by such condemnation as would substantially impair Lessor's operation and maintenance of the Office

Building Complex. Any award for the taking of all or any part of the Premises or the Office Building Project under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, bonus value or severance damages; provided, however, that Lessee shall be entitled to any separate award for loss of or damage to Lessee's trade fixtures, removable personal property and unamortized tenant improvements that have been paid for by Lessee. For that purpose, the cost of such improvements shall be amortized over the original Term of this Lease excluding any Option Periods. In the event that this Lease is not terminated by reason of such condemnation, Lessor shall, to the extent of severance damages received by Lessor in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Lessee has been reimbursed therefor by the condemning authority. Lessee shall pay any amount in excess of such severance damages required to complete such repair. Lessor and Lessee each hereby waives the provisions of California Code of Civil Procedure Section 1265.130 and any other applicable existing or future law allowing either party to petition for a termination of this Lease upon a partial taking of the Premises, except as provided in this Section 14.

15. Broker's Fee.

15.1 Representation and Indemnity. Lessor and Lessee each warrants to the other that no person or entity other than the brokers identified herein, if any ("**Brokers**") can properly claim a right to a real estate commission, finder's fee or other real estate brokerage-type commission (collectively, "**Real Estate Compensation**") based upon the acts of that party with respect to the transactions contemplated within this Lease. Lessee and Lessor each hereby agrees to indemnify, protect and defend the other against (by counsel acceptable to the party seeking indemnification) and hold the other harmless from and against any and all damages, liabilities, loss, cost and expense, including, but not limited to, reasonable attorneys' fees and court costs, resulting from any claims through the indemnifying party herein for Real Estate Compensation by any person or entity other than the Brokers named herein.

16. Estoppel Certificate.

16.1. Information to be Provided: Each party (as "responding party") shall at any time (but not more than three times within any 12-month period) upon not less than thirty (30) days' prior written notice from the other party ("requesting party") execute, acknowledge and deliver to the requesting party a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to the responding party's knowledge, any uncured defaults on the part of the requesting party, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Office Building Project or of the business of Lessee.

16.2 Failure to Deliver: At the requesting party's option, the failure to deliver such statement within such time shall be a material default of this Lease by the party who is to respond, without any further notice to such party, and it shall be conclusive upon such party that (i) this Lease is in full force and effect, without modification except as may be represented by the requesting party, (ii) to the responding party's knowledge there are no uncured defaults in the requesting party's performance, and (iii) if Lessor is the requesting party, not more than one (1) month's Rent has been paid in advance.

16.3 Financial Statements: If Lessor desires to finance, refinance, or sell the Office Building Project, or any part thereof, Lessee hereby agrees to deliver to any lender or purchaser designated by Lessor such regularly prepared financial statements of Lessee as may be reasonably required by such lender or purchaser. Such statements shall include the past three (3) years' financial statements of Lessee. All such financial statements shall be received by Lessor and such lender or purchaser in confidence (to the extent otherwise confidential) and shall be used only for the purposes herein set forth. In addition, Lessee will provide to Lessor (without demand but upon demand if so required), as soon as available during each year of the Term, financial statements of Lessee and any guarantor for the Lessee's most recent fiscal year. Lessee shall also use its best efforts to cooperate with Lessor in connection with any transaction subject to this Section 16.3, provided that no such cooperation will require Lessee to alter the basic business terms of this Lease or otherwise materially diminish any Lessee rights or materially increase any Lessee obligation hereunder.

17. Lessor's Liability. The term "Lessor" as used herein shall mean only the owner or owners, at the time in question, of the fee title of the Office Building Project. In the event of any transfer of such title or interest, Lessor herein named (and in case of any subsequent transfers then the grantor) shall be relieved from and after the date of such transfer of all liability concerning Lessor's obligations thereafter to be performed; provided that any funds in the hands of Lessor or the then grantor at the time of such transfer, in which Lessee has an interest, shall be delivered to the grantee (either directly or indirectly) for the same purposes such funds were previously held on behalf of Lessee. The obligations contained in this Lease to be performed by Lessor shall be binding on Lessor's successors and assigns only during their respective periods of ownership. Lessee agrees to look only to the interest of Lessor Parties in the Premises and Office Building Project and to Lessor's Commercial General Liability insurance, if applicable, and not to Lessor Parties personally, with respect to any monetary obligations, damages, or payments due or which may become due from Lessor Parties hereunder and no property or assets of any Lessor Party, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of Lessee's monetary claims or damages under or with respect to this Lease, and no Lessor Party shall be personally liable in any manner or to any extent under or in connection with this Lease. Lessee waives any right to obtain consequential damages, including but not limited to any claim for lost profits, from Lessor Parties arising out of Lessor's obligations hereunder. If at any time the holder of Lessor's interest hereunder is a partnership or joint venture, a deficit in the capital account of any partner or joint venturer shall not be considered an asset of such partnership or joint venture.

18. Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

19. Interest on Past-Due Obligations. Except as expressly herein provided any amount due to Lessor not paid when due shall bear interest at the lesser of: (a) ten percent (10%) per annum; or (b) maximum rate then allowable by law from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease; provided, however, that interest shall not be payable on late charges incurred by Lessee nor on any amounts upon which late charges are paid by Lessee.

20. Time of Essence. Time is of the essence with respect to this Lease and each of the obligations to be performed under this Lease.

21. Incorporation of Prior Agreements; Amendments. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior or contemporaneous agreement or understanding pertaining to any such matter shall be effective. This Lease may be

modified in writing only, signed by the parties in interest at the time of the modification. Except as otherwise stated in this Lease, Lessee hereby acknowledges that neither the Brokers listed in Section 15 hereof nor any cooperating broker on this transaction nor the Lessor or Lessor Parties or any employee or agents of any of said persons has made any oral or written warranties or representations to Lessee relative to the condition or use by Lessee of the Premises, the Common Areas or the Office Building Project and Lessee acknowledges that Lessee assumes all responsibility regarding the state and federal Occupational Safety Health Act, the legal use and adaptability of the Premises and the compliance thereof with all applicable laws and regulations in effect during the Term of this Lease.

22. Notices. Any notice, waiver or consent required or permitted to be given hereunder shall be in writing and may be given by personal delivery, certified or registered mail, electronic mail or facsimile, and shall be deemed sufficiently given if delivered or addressed to Lessee or to Lessor at the addresses noted below. Service of personally delivered notices, waivers or consents shall be deemed given upon personal delivery to the intended party. Mailed notices, waivers or consents shall be deemed given upon actual receipt at the address required or forty-eight (48) hours following deposit in the mail (sent postage prepaid, certified or registered with signature requested), whichever first occurs. Notices, waivers or consents sent by electronic mail or facsimile shall be deemed given upon receipt, provided the notice, waiver or consent is also sent via regular mail within twenty-four (24) hours. Either party may by notice to the other specify a different address for notice purposes. A copy of all notices, waivers or consents required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate by notice to Lessee.

Lessor: c/o Centerra Properties, Inc.
Attn: Paul Draper
P.O. Box 3324
Modesto, CA 95353-3324

Lessee: Stanislaus County
c/o Patricia Hill Thomas - Chief Operations Officer
1010 Tenth Street
Modesto, CA 95354

and

Stanislaus County Health Services Agency
c/o Mary Ann Lee - Managing Director
830 Scenic Drive
P.O. Box 3271
Modesto, CA 95353

23. Waivers. No waiver by a party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by such party of the same or any other provision. A party's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of such party's consent of or approval of any subsequent act. The acceptance of Rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular Rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such Rent.

24. Recording of Memorandum. The parties shall record a mutually acceptable "short form" memorandum of this Lease upon the Commencement Date.

25. Holding Over. If Lessee, with Lessor's consent, remains in possession of the Premises or any part thereof after expiration of the Term hereof, such occupancy shall be a tenancy from month to month upon all provisions of this Lease pertaining to the obligations of Lessee, except that the Base Rent payable shall be one hundred twenty percent (120%) of the Base Rent payable immediately preceding the termination or expiration date of this Lease and all Options if any granted under the terms of this Lease shall be deemed terminated and be of no further effect during said month to month tenancy. A month-to-month tenancy hereunder shall be terminable by either party on not less than sixty (60) days' written notice.

26. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

27. Covenants and Conditions. Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.

28. Binding Effect; Choice of Law. Subject to any provisions hereof restricting assignment or subletting by Lessee and subject to the provisions of Section 17, this Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the State of California and any litigation concerning this Lease between the parties hereto shall be initiated in the County of Stanislaus.

29. Subordination.

29.1 Subordination or Priority of Lease: This Lease, and any Option or right of first refusal granted hereby, at Lessor's sole discretion, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Office Building Project and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. If any mortgagee or trustee shall elect to have this Lease and any Options granted hereby prior to the lien of its mortgage or deed of trust, and shall give written notice thereof to Lessee, this Lease and such Options shall be deemed prior to such mortgage or deed of trust, whether this Lease or such Options are dated prior or subsequent to the date of said mortgage or deed of trust or the date of recording thereof.

29.2 Execution of Documents: Lessee agrees to execute any documents required to effectuate an attornment, a subordination, or to make this Lease or any Option granted herein prior to the lien of any mortgage or deed of trust, as the case may be. Lessee's failure to execute such documents within ten (10) days after written demand shall constitute a material default by Lessee hereunder without further notice to Lessee and, at Lessor's discretion, Lessor shall execute such documents on behalf of Lessee as Lessee's attorney-in-fact. Lessee does hereby make, constitute and irrevocably appoint Lessor as Lessee's attorney-in-fact and in Lessee's name, place and stead, to execute such documents in accordance with this Section 30.2.

29.3 Nondisturbance: Notwithstanding Section 29.2, Lessor agrees that Lessee's obligations to subordinate to any future mortgage or deed of trust shall be conditioned upon Lessee's receipt of a non-disturbance agreement from the party requiring such subordination (the "**Superior Lienor**"). Such non-disturbance agreement shall provide that Lessee's possession of the Premises shall not be interfered with following a foreclosure, provided Lessee is not in default beyond any applicable cure periods. Lessee shall use good faith efforts to negotiate an acceptable

nondisturbance agreement with the Superior Lienor or, at Lessor's request, enter into a subordination and non-disturbance agreement which is assignable to any Superior Lienor.

30. Attorneys' Fees: If either party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, trial or appeal thereon, shall be entitled to its reasonable attorneys' fees and legal costs to be paid by the losing party as fixed by the court. The attorneys' fee award shall not be computed in accordance with any court fee schedule, but shall be as to fully reimburse all attorneys' fees reasonably incurred in good faith.

31. Lessor's Access.

31.1 Rights of Lessor: Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, performing any services required of Lessor, showing the same to prospective purchasers, lenders or lessees, taking such safety measures, erecting such scaffolding or other necessary structures, making such alterations, repairs, improvements or additions to the Premises, Building or to the Office Building Project as Lessor may reasonably deem necessary or desirable, and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises, as long as there is no material adverse effect to or interference with Lessee's use of the Premises. Lessor may at any time place on or about the Premises or the Building any ordinary "For Sale" and "For Rent" signs.

31.2 No Abatement of Rent: All activities of Lessor pursuant to this Section 31 shall be without abatement of Rent, nor shall Lessor have any liability to Lessee for the same.

31.3 Means of Entry: Lessor shall have the right to retain keys to the Premises and to unlock all doors in or upon the Premises other than to files, vaults and safes, and in the case of emergency to enter the Premises by any reasonable appropriate means, and any such entry shall not be deemed a forcible or unlawful entry or detainer of the Premises or an eviction. Lessee waives any charges for the damages or injuries or interference with Lessee's property or business therewith.

32. Auction. Lessee shall not conduct, nor permit to be conducted, either voluntarily or involuntarily, any auction upon the Premises or the Common Areas without first having obtained Lessor's prior written consent. Notwithstanding anything to the contrary in this Lease, Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to grant such consent. The holding of any auction on the Premises or Common Areas in violation of this section shall constitute a default of this Lease.

33. Signs and Directories. Lessee shall not place or permit to be placed any sign upon the Premises exterior, or in the windows (or within two (2) feet thereof), or the adjacent land of the Premises without Lessor's prior written consent. Lessor shall provide Lessee signage in the Building lobby directory display, at Lessor's cost, and shall further grant Lessee a right to consider any existing or future monument signage along McHenry Avenue, subject to Lessor's sole approval. Lessee shall be solely responsible to pay the cost of such monument signage and any unique directional signage in the Building lobby and other areas of the Building and Common Areas. All such signage shall comply with local laws and ordinances.

34. Merger. The voluntary or other surrender of this Lease by Lessee or a mutual cancellation thereof, or a termination of this Lease by Lessor, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.

35. Quiet Possession. Upon Lessee paying the Rent for the Premises and observing and performing all of the covenants, conditions and provisions on Lessee's part to be observed and performed hereunder, Lessee shall have quiet possession of the Premises for the entire Term hereof subject to all of the provisions of this Lease.

36. Options.

36.1 Definition: As used in this Section the word "**Option**" means the right or option to extend the Term of this Lease or to renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor.

36.2 Options Personal: Notwithstanding any contrary terms herein, each Option granted to Lessee in this Lease is personal to the original Lessee and may be exercised only by the original Lessee while occupying the Premises who does so without the intent of thereafter assigning this Lease or subletting the Premises or any portion thereof, and may not be exercised or be assigned voluntarily or involuntarily, by or to any person or entity other than Lessee; provided, however, that an Option may be exercised by or assigned to any Lessee Affiliate. The Options, if any, herein granted to Lessee are not assignable separate and apart from this Lease, nor may any Option be separated from this Lease in any manner, either by reservation or otherwise. For purposes of this Section 36, "original Lessee" includes any County Occupant.

36.3 Multiple Options: In the event that Lessee has any multiple Options to extend or renew this Lease a later Option cannot be exercised unless the prior Option to extend or renew this Lease has been so exercised.

36.4 Effect of Default on Options:

(a) Lessee shall have no right to exercise an Option, notwithstanding any provision in the grant of Option to the contrary, (i) during the time commencing from the date Lessor gives to Lessee a notice of default and continuing until the noncompliance alleged in said notice of default is cured, or (ii) during the period of time commencing on the day after a monetary obligation to Lessor is due from Lessee and unpaid (without any necessity for notice thereof to Lessee if the delinquency is for Base Rent, Total Base Rent, or any other regularly recurring amount) and continuing until the obligation is paid, or (iii) in the event that Lessor has given to Lessee three (3) or more notices of default under Sections 13.1(a) and 13.1(b), whether or not the defaults are cured, during the twelve (12)-month period of time immediately prior to the time that Lessee attempts to exercise the subject Option, (iv) if Lessee has committed any non-curable breach of any of the terms, covenants or conditions of this Lease.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's ability to exercise an Option because of the provisions of Section 35.4(a).

(c) All rights of Lessee under the provisions of an Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if after such exercise and during the Term of this Lease (i) Lessee fails to pay to Lessor a monetary obligation of Lessee for a period of thirty (30) days after such obligation becomes due (without any necessity of Lessor to give notice thereof to Lessee if the delinquency is for Base Rent, Total Base Rent, or any other regularly recurring amount), or (ii) Lessee fails to commence to cure a default specified in Section 13.1(b) within thirty (30) days after the date that Lessor gives to Lessee notice of such default and/or Lessee fails thereafter to diligently prosecute said cure to completion, (iii) Lessor gives to Lessee three or more notices of default under Sections 13.1(a) and Section 13.1(b),

whether or not the defaults are cured, or (iv) if Lessee has committed any non-curable breach or is otherwise in default of any of the terms, covenants and conditions of this Lease.

37. Security Measures-Lessor's Reservations.

37.1 No Obligation For Security: Lessee hereby acknowledges that Lessor shall have no obligation whatsoever to provide guard service or other security measures for the benefit of the Premises, the Office Building Project, or the Common Areas. Lessee assumes all responsibility for the protection of Lessee, its agents, and invitees and the property of Lessee and of Lessee's agents and invitees from acts of third parties. Nothing herein contained shall prevent Lessor, at Lessor's sole option, from providing security protection for the Office Building Project or any part thereof, in which event the cost thereof shall be included within the definition of Operating Expenses, as set forth in Section 4.2(a).

37.2 Reserved Rights: Lessor shall have the following rights:

(a) To change the name, address or title of the Office Building Project or Building in which the Premises are located upon not less than ninety (90) days' prior written notice to Lessee;

(b) To provide and install Building standard graphics or signage on such portions of the Common Areas as Lessor shall reasonably deem appropriate;

(c) To permit any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given to Lessee herein; and

(d) To place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the buildings or the Office Building Project or on pole signs in the Common Areas.

38. Restrictions On Signs/Access: Lessee shall not:

(a) Use a representation (photographic or otherwise) of the Building or the Office Building Project or their name(s) in connection with Lessee's business; and/or

(b) Suffer or permit anyone, except in emergency, to go upon the roof of the Building.

39. Easements.

39.1 Right To Grant Easements: Lessor reserves to itself the right, from time to time, to grant such easements, rights and dedications that Lessor deems necessary or desirable, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee shall sign any of the aforementioned documents upon request of Lessor and failure to do so shall constitute a material default of this Lease by Lessee without the need for further notice to Lessee.

39.2 Acceptance of Premises: The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or their parties shall in no way affect this Lease or impose any liability upon Lessor. Lessee accepts the use of the Premises and this Lease subject to all laws, rules, zoning, regulations, rights, easements, covenants, restrictions, and

obligations as applicable or of record as to the Office Building Project in the County in which the Building is located, and agrees that this Lease is subject to said restrictions and obligations and Lessee's use and occupancy shall be in compliance therewith.

40. Authority. If Lessee is a corporation, trust, limited liability company or general or limited partnership, Lessee, each individual executing this Lease on behalf of such entity, represents and warrants that such individual is duly authorized to execute and deliver this Lease on behalf of said entity. If Lessee is a corporation, trust, limited liability company or partnership, Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor evidence of such authority reasonably satisfactory to Lessor. If Lessor (or any member of Lessor) is a corporation, trust, limited liability company, general or limited partnership, or individual (unless that same individual is executing this Lease), Lessor, and each individual executing this Lease on behalf of such entity or non-executing individual, represent and warrant that (i) such executing individual is duly authorized to execute and deliver this Lease on behalf of said entity or non-executing individual, and all amendments, modifications, consents, waivers and supplements thereto, (ii) such authorizations are binding on any assignee, transferee or successor to any such corporation, trust, limited liability company, general or limited partnership, or individual, and (iii) true and complete copies of all documents providing such authority have been delivered to Lessee.

41. Conflict. Any conflict between the printed provisions, Exhibits or Addenda of this Lease and the typewritten or handwritten provisions, if any, shall be controlled by the typewritten or handwritten provisions.

42. No Offer. Preparation of this Lease by Lessor or Lessor's agent and submission of same to Lessee shall not be deemed an offer to Lessee to lease. This Lease shall become binding upon Lessor and Lessee only when fully executed by both parties.

43. Lender Modification. Lessee agrees to make such reasonable modifications to this Lease as may be reasonably required by an institutional lender in connection with the obtaining of normal financing or refinancing of the Office Building Project, provided that Lessee shall not be required to make any modification which would alter the basic business terms of this Lease or otherwise materially diminish any Lessee rights or materially increase any Lessee obligation hereunder.

44. Multiple Parties. If more than one (1) person or entities named as either Lessor or Lessee herein, except as otherwise expressly provided herein, the obligations of Lessor and Lessee herein shall be the joint and several responsibility of all persons or entities named herein as such Lessor or Lessee, respectively.

45. Hazardous Materials.

45.1 Definition of Hazardous Materials: "Hazardous Materials" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by any municipal, county, state or federal law, statute, ordinance, rule or regulation. Without limiting the generality of the foregoing the term "Hazardous Materials" shall include petroleum and petroleum products, asbestos or asbestos containing materials, polychlorinated biphenyls in concentrations greater than 50 parts per million, hazardous waste identified in accordance with Section 3001 of the Federal Resource Conservation and Recovery Act of 1976, as amended, substances defined as "hazardous substances" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act Of 1980, as amended, 42 U.S.C. Sec. 9061 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. Sec. 5102; and Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq., and all

of those materials and substances defined as "hazardous waste" in Section 66088 of Title 26 of the California Code of Regulations, Division 22, as the same shall be amended from time to time, or any other materials requiring remediation under federal, state or local laws, statutes, ordinances, rules or regulations.

45.2 Hazardous Materials Use: Lessee shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations relating to the storage, use, release, disposal, and clean-up of Hazardous Materials, including, but not limited to, the obtaining of proper permits. Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by or against Lessee or the Premises concerning any Hazardous Materials. If Lessee's storage, use, release or disposal of any Hazardous Materials in, on or adjacent to the Premises, Building or the Office Building Project results in any contamination of the Premises, Building or the Office Building Project, or the soil or surface or groundwater in or about the Building or Office Building Project, Lessee shall remove the contamination at its expense. Lessee further agrees to indemnify, defend and hold Lessor Parties harmless from and against any claims, suits, causes of action, costs, fees, judgments and liabilities, including attorneys' fees and costs arising out of or in connection with any Hazardous Materials used, stored, released or disposed of in, on or about the Premises or the Office Building Project by Lessee Parties or any clean-up work, inquiry or enforcement proceeding in connection therewith. Lessee's obligations under this Section 44.2 shall survive termination or expiration of this Lease. Lessee shall also pay to Lessor upon demand the cost of any inspections ordered by Lessor should the results of those inspections indicate that Lessee caused or permitted any of the contamination found in, on, under or about the Premises or the Office Building Project. Lessor hereby recognizes that Lessee shall not be in any way liable or be required to protect, indemnify, save and defend Lessor Parties harmless from any and all liability, loss, damage or expense, including reasonable attorneys' fees, claims, suits and judgments that Lessor Parties may suffer as a result of, or with respect to the presence of any Hazardous Materials existing on the Premises on the Commencement Date. The terms of this section shall survive the expiration or earlier termination of this Lease.

46. Bankruptcy.

46.1 Assumption or Rejection of Lease: Lessee acknowledges that the timely and continuing performance by Lessee of Lessee's obligations under the Lease is important and is a significant inducement to Lessor's entering into this Lease. Accordingly, Lessee agrees that if a petition for relief under any chapter of the U.S. Bankruptcy Code is filed by or against Lessee, the time in which Lessee may elect to assume or reject this Lease under 11 U.S.C. §365 shall be forty-five (45) days after the order for relief is entered. Lessee agrees that Lessee shall not seek any additional extensions of time beyond that provided for in this Section 46.1.

46.2 Adequate Assurances of Future Performance: Lessee further agrees that under the 11 U.S.C. § 365(b)(1), if Lessee elects to assume the Lease, all outstanding defaults must be cured within ninety (90) days from the date of assumption. Adequate assurance for future performance shall require an agreement that Rent payments will be kept current during the bankruptcy case and that a stipulation for relief from automatic stay may be entered without further order if such Rent payments are not kept current. In the alternative, if Lessee is unable to so perform, then adequate assurance of future performance shall require assignment of the Lease to a financially responsible third party, reasonably acceptable to Lessor, which is otherwise capable of performing this Lease.

46.3 Lessor's Remedies if Lease Rejected by Lessee: If this Lease is rejected by Lessee within the time period specified above, Lessee agrees that the automatic stay shall be lifted

and the Premises vacated by Lessee or Lessor shall be permitted to pursue its remedies under state law for Unlawful Detainer.

47. Mortgagee Protection Clause. Lessee agrees to give any mortgagees and/or trust deed holders ("**Holders**"), by certified or registered mail, or reputable overnight courier service (such as Fedex) a copy of any notice of default served upon Lessor, provided that prior to such notice Lessee has been notified, in writing (by way of notice of assignment of rents and leases, or otherwise) of the addresses of such Holders. Lessee further agrees that if Lessor shall have failed to cure such default within the time provided for in this Lease, then the Holders shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary, if within such thirty (30) days Holder has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceeding, if necessary to effect such cure) in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

48. Early Termination. Notwithstanding any other provisions for termination contained in this Lease, in the event Lessee desires to terminate the Lease at any time after the thirty-sixth (36th) complete month of the Initial Term, Lessee shall be obligated to provide Lessor a minimum of one (1) year's prior notice in writing. Upon such written notice of early termination, Lessee shall remain obligated for: i) payment of monthly Total Base Rent and Operating Expenses up through the date of Lease termination, plus ii) payment of the remaining unamortized principal (not interest) of the Eight Hundred Thousand Dollars (\$800,000.00) of Improvements as of the date of Lease termination, payable upon the date of Lease termination.

49. Attachments. Attached hereto are the following documents which constitute a part of this Lease:

- EXHIBIT "A": Floor Plan**
- EXHIBIT "B": Confirmation of Lease Terms Memorandum**
- EXHIBIT "C": Rules and Regulations**
- EXHIBIT "D": Improvements**
- EXHIBIT "E": Office Building Project**

50. Nondiscrimination. Lessee herein covenants by and for itself, and all persons claiming under or through Lessee, that this Lease is made and accepted upon and subject to the conditions that there be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical handicap, sexual orientation, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises herein leased, nor shall Lessee, or any person claiming under or through Lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of lessees, sublessees, or vendees in the Premises herein leased.

51. Patriot Act and Executive Order 13224. As an inducement to Lessor to enter into this Lease, Lessee hereby represents and warrants that: (i) Lessee is not, nor is it owned or controlled directly or indirectly by, any person, group, entity or nation named on any list issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") pursuant to Executive Order 13224 or any similar list or any law, order, rule or regulation or any Executive Order of the President of the United States as a terrorist, "Specially Designated National and Blocked Person" or other banned or blocked person (any such person, group, entity or nation being hereinafter referred to as a "Prohibited Person"); (ii) Lessee is not (nor is it owned or controlled, directly or indirectly, by any person, group, entity or nation which is) acting directly or indirectly for

or on behalf of any Prohibited Person; and (iii) neither Lessee (nor any person, group, entity or nation which owns or controls Lessee, directly or indirectly) has knowingly conducted or will knowingly conduct business or has knowingly engaged or will knowingly engage in any transaction or dealing with any Prohibited Person, with the exception of Lessee patients, including without limitation any assignment of this Lease or any subletting of all or any portion of the Premises or the making or receiving of any contribution of funds, goods or services to or for the benefit of a Prohibited Person. In connection with the foregoing, it is expressly understood and agreed that (x) any breach by Lessee of the foregoing representations and warranties shall be deemed a default by Lessee under this Lease and Lessee shall indemnify, defend and hold harmless Lessor Parties against any loss, cost, or damage arising from such breach, and (y) the representations and warranties and indemnity contained in this subsection shall be continuing in nature and shall survive the expiration or earlier termination of this Lease

52. Force Majeure. In the event that Lessor or Lessee shall be delayed or hindered in, or prevented from, the performance of any work, service or other act required under this Lease to be performed by either Lessor or Lessee, except for Lessee's payment of Rent and other charges, and such delay or hindrance is due to strikes, lockouts, acts of God, governmental restriction, enemy act, civil commotion, unavoidable fire or other casualty, or other cause of a like nature beyond the reasonable control of Lessor or Lessee, then performance of such work, service or other act shall be excused for the period of such delay, and the period for the performance of such work, service or other act shall be extended for a period equivalent to the period of such delay.

53. Counterparts. This Lease may be executed simultaneously in one (1) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one (1) and the same instrument, and it shall not be necessary that any single counterpart bear the signatures of all parties.

54. No Partnership. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee, and no provision contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

55. CASp Inspection. To Lessor's actual knowledge, the Office Building Project and the Premises have not undergone inspection by a Certified Access Specialist (CASp). The foregoing verification is included in this Lease solely for the purpose of complying with California Civil Code Section 1938 and shall not in any manner affect Lessor's and Lessee's respective responsibilities for compliance with construction-related and use-related accessibility standards as provided under this Lease.

46. Contract Interpretation. The parties hereto acknowledge that each has thoroughly reviewed this Lease and bargained over its terms. Accordingly, neither party will be considered responsible for the preparation or drafting of this Lease, this Lease will be deemed to have been prepared jointly and it shall be interpreted fairly, reasonably and not more strongly against one (1) party than the other. The provisions of this Lease allocate the risks between the parties. The terms and conditions contained in this Lease reflect this allocation of risk, and each provision is part of the bargained-for consideration of this Lease.

57. Captions. The captions in this Lease are for convenience only and are not a part of this Lease and shall not be deemed to explain, modify, amplify, expand, limit or define the terms and provisions of this Lease.

58. Independent Legal Representation. The parties acknowledge and agree that they have had adequate time and opportunity to seek the advice of independent legal counsel before executing this Lease.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

(Signature Page Follows)

IN TESTIMONY WHEREOF, the parties hereto have caused this Lease to be signed upon the day(s) and years written below:

"LESSOR"

4701 Stoddard, LLC,
A California limited liability company

By: Paul B. Draper
Paul B. Draper

Its: Member-Manager

"LESSEE"

County of Stanislaus

By: Keith D. Boggs

Print: Keith D. Boggs

Its: Purchasing Agent

Beebe Family Trust dated February 28, 1996

By: Centerra Properties, Inc.

Its: Agent

By: Paul B. Draper
Paul B. Draper, President

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL
BY

[Signature]
DATE: 5/6/16

Circle Bar Investments, LLC, a Delaware limited liability company

By: Centerra Properties, Inc.

Its: Agent

By: Paul B. Draper
Paul B. Draper, President

Voumard Properties, LLC, a California limited liability company

By: Centerra Properties, Inc.

Its: Agent

By: Paul B. Draper
Paul B. Draper, President

Philip A. Mastagni and Nella M. Mastagni 2000 Trust dated August 11, 2000

By: Centerra Properties, Inc.

Its: Agent

By: Paul B. Draper
Paul B. Draper, President

Brice Draper, an individual
By: Centerra Properties, Inc.
Its: Agent

By: Paul B. Draper
Paul B. Draper, President

Sylvia E. Cox, an individual
By: Centerra Properties, Inc.
Its: Agent

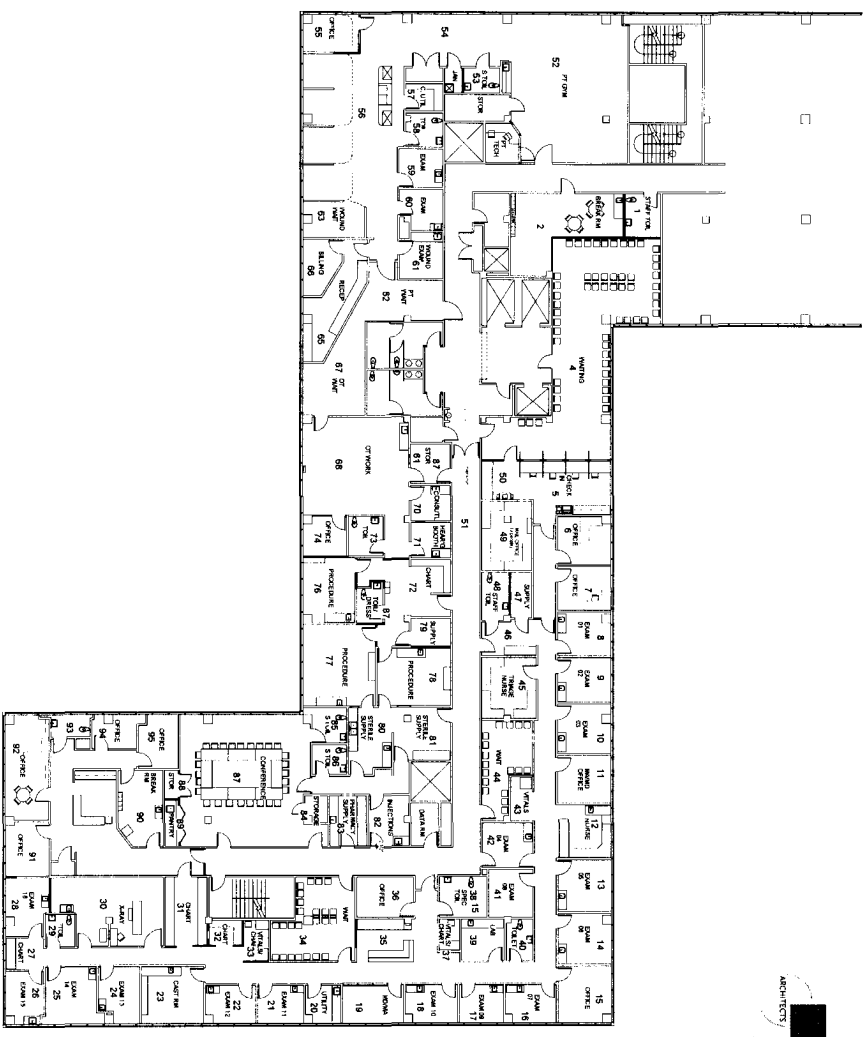
By: Paul B. Draper
Paul B. Draper, President

EXHIBIT "A"

FLOOR PLAN

Third Floor Layout of Premises

EXHIBIT "A" FLOOR PLAN



3RD FLOOR PLAN PROPOSED DESIGN V4.3 Stanislaus Specialty Clinic
 CENTENNIAL CAPITAL 1524 McHenry Ave Modesto CA April 12, 2016

EXHIBIT "B"

Confirmation of Lease Terms Memorandum

CERTIFICATE OF DELIVERY OF POSSESSION AND RENT COMMENCEMENT

**RE: That certain Lease by and between _____ ("Lessor), and
_____ ("Lessee") dated _____, 2016,
("Lease").**

Lessor and Lessee hereby confirm that Lessor delivered possession of the Premises to Lessee on _____, 2016, (for purposes of this Certificate, the "Delivery Date") in accordance with the terms and provisions of the Lease.

Lessor and Lessee hereby confirm that the Commencement Date of the Lease is _____, 2016 and that the Initial Term of the Lease will expire on _____.

Lessor and Lessee hereby agree that the initial monthly Total Base Rent under this Lease shall be \$_____, which includes \$41,808.90 in monthly Base Rent plus \$_____ in monthly amortization of Improvements, reflecting the final construction cost of the Improvements.

Lessee acknowledges that as of the date of this Certificate, the Lease is in full force and effect and to Lessee's knowledge Lessor has performed all of its obligations required to be performed as of the date hereof.

Lessor and Lessee have executed this Certificate as of the dates set forth below.

"LESSOR"

4701 Stoddard, LLC,
A California limited liability company
company

By: _____
Paul B. Draper
Its: Member-Manager

"LESSEE"

County of Stanislaus

By: _____
Print: _____
Its: _____

Beebe Family Trust dated February 28, 1996
By: Centerra Properties, Inc.
Its: Agent

By: _____
Paul B. Draper, President

Circle Bar Investments, LLC, a Delaware limited liability company
By: Centerra Properties, Inc.
Its: Agent

By: _____
Paul B. Draper, President

Voumard Properties, LLC, a California limited liability company
By: Centerra Properties, Inc.
Its: Agent

By: _____
Paul B. Draper, President

Philip A. Mastagni and Nella M. Mastagni 2000 Trust dated August 11, 2000
By: Centerra Properties, Inc.
Its: Agent

By: _____
Paul B. Draper, President

Brice Draper, an individual
By: Centerra Properties, Inc.
Its: Agent

By: _____
Paul B. Draper, President

Sylvia E. Cox, an individual
By: Centerra Properties, Inc.
Its: Agent

By: _____
Paul B. Draper, President

EXHIBIT "C"

RULES AND REGULATIONS

General Rules

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Lessor reserves the right to refuse access to any persons Lessor in good faith judges to be a threat to the safety, reputation or property of the Office Building Project or its occupants.
3. Lessee shall not make or permit any noise or odors that unreasonably annoy or interfere with other lessees or persons having business within the Office Building Project.
4. Lessee shall not keep animals or birds within the Office Building Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Lessee shall not alter any lock or install new or additional locks or bolts on any doors, except as approved by Lessor.
7. Lessee shall be responsible for the inappropriate use by Lessee's Parties of any toilet room, plumbing or other utilities. No foreign substances of any kind to be inserted therein.
8. Lessee shall not deface the walls, partitions or other surfaces of the Premises or Office Building Project.
9. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Office Building Project.
10. Furniture, significant freight and equipment shall be moved into or out of the Building only with Lessor's knowledge and consent, and subject to such reasonable limitation, techniques and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Office Building Project arising from any such activity.
11. Lessee shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Lessor in writing, which approval shall not be unreasonable withheld, conditioned or delayed.
12. Lessor reserves the right to close and lock the Building on Saturdays, Sundays and legal holidays, and on other days between the hours of 6 P.M. and 7 A.M. of the following day, provided, however that Lessee's Parties shall have the ability to access the Premises. If Lessee uses the Premises during such periods, Lessee shall be responsible for securely locking any doors it may have opened for entry.

13. Lessee shall return all keys at the termination or expiration of its tenancy and shall be responsible for the cost of replacing any keys that are lost.

14. No window coverings, shades or awnings shall be installed or used by Lessee without the prior written consent of Lessor.

15. No Lessee, employee or invitee shall go upon the roof of the Building.

16. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes except in areas reasonable designated by Lessor or by applicable governmental agencies as non-smoking areas.

17. Lessee shall not use any method of heating or air conditioning other than as provided or approved by Lessor.

18. Lessee shall not install, maintain or operate any vending machines upon the Premises without Lessor's prior written consent.

19. The Premises shall not be used for lodging or manufacturing, cooking or food preparation for resale.

20. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.

21. Lessor reserves the right to waive any one of these rules or regulations, and/or as to any particular lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.

22. Lessee assumes all risks from theft or vandalism or injury to persons and agrees to keep its Premises locked or secure as may be required.

23. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Office Building Project or its occupants. Lessee agrees to abide by these and such other rules and regulations, provided they do not conflict with Lessee's rights under the Lease.

Parking Rules

1. Parking stickers or identification devices shall be the property of Lessor and be returned to Lessor by the holder thereof upon termination of the holder's parking privileges. Lessee will pay such replacement charge as is reasonably established by Lessor for the loss of such devices.

2. Lessor reserves the right to relocate all or a part of parking spaces, and to reasonably allocate them between compact and standard size spaces, as long as the same complies with applicable laws, ordinances and regulations.

3. Unless otherwise instructed, every person is required to park and lock his or her own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons or loss of property.

4. The maintenance, washing, waxing or cleaning of vehicles in Common Areas is prohibited.

5. Lessee shall be responsible for seeing that all of its employees, agents, vendors and invitees comply with all applicable parking rules, regulations, laws and agreements.

6. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

7. Users will obey all posted signs and park only in the areas designated for vehicle parking.

8. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

EXHIBIT "D"
IMPROVEMENTS

EXHIBIT "D" IMPROVEMENTS

Fifteen24 Professional Center - 3rd Floor
Stanislaus County Specialty Clinic
Proposed TI Plan by Room

4/14/2016

Room	Floor Plan #	Flooring	Plumbing	Cabinetry	Paint	Lighting	Demolition	Venting	Ceiling Tiles	Plugs / Data	Notes
Staff Toilet	1	Replace with vinyl	Needs sink and toilet	No	Yes	LEDs	As per Demo Plan	As is	Replace near Demo	As is	New walls, hang sink from Exam 1
Break Room	2	Okay as is	Needs sink; plumbing for refrigerator and ice maker	6' cabinets/counter; lockers on far wall	Yes	LEDs	As per Demo Plan	As is	Replace near Demo	Electrical plugs along counter	New wall, new fire door; expand breakroom to encompass family waiting room, might need second door to hallway
Waiting Room	4	Needs some new VCT	No	No	Yes	LEDs	As per Demo Plan, remove wall	As is	As is	Data/plugs for TV?	Need to remove all Café equipment
Check-In	5	New VCT	No	Counters with spaces for paperwork; upper/lower cabinetry on back wall	Yes	LEDs	As per Demo Plan	As is	Replace near Demo	4 data; 4 electrical	Security windows at the counters (standard non-breakable Lexana glass with speaker and second glass
Office #1	6	New VCT	No	L shaped, upper & lower	Yes	LEDs	As per Demo Plan	As is	Replace 2 tiles	Add 1 data	Patch wall
Office #2	7	New VCT	Remove sink	No cabinetry	Yes	LEDs	As per Demo Plan	As is	Replace tile from curtain track	Move elec; Add 1 data	Remove curtain & track
Exam #1	8	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	Replce tile from curtain track	As is	Remove curtain & track
Exam #2	9	New VCT	Add stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	As is	
Exam #3	10	Repair VCT	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	As is	
MD/MA Office	11	New VCT	No sink	No	Yes	LEDs	As per Demo Plan	As is	As is	As is	Higher electrical for X-Ray viewer
Nurse's Station	12	New VCT	Plumbing for new sink (handwashing sink)	Yes, transaction counter (hall side high, inside counter low for sitting work); ADA	Yes	LEDs	As per Demo Plan; remove front wall	As is	Replace near Demo	As is	Patch wall
Exam #4	13	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	Replace tile from curtain track	Add 1 data	Remove curtain & track
Exam #6	14	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	Replace tile from curtain track	Add data	Remove curtain & track

Fifteen24 Professional Center - 3rd Floor
Stanislaus County Specialty Clinic
Proposed TI Plan by Room

4/14/2016

Room	Floor Plan #	Flooring	Plumbing	Cabinetry	Paint	Lighting	Demolition	Venting	Ceiling Tiles	Plugs / Data	Notes
Office #3	15	VCT okay as is	Remove sink	No	Yes	LEDs	As per Demo Plan	As is	Replace tile from curtain track	Add 1 data	Remove curtain & track
Exam #7	16	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	Move elec & data	Plumbing and cabinetry to be moved according to floor plan
Exam #9	17	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	3' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	Move elec & data	Location of cabinets/plumbing okay as is.
Exam #10	18	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	Move elec & data	Location of cabinets/plumbing okay as is.
MD/MA Glass Room	19	Repair VCT & baseboard	No	No	Yes	LEDs	As per Demo Plan	As is	As is	Add data	
Utility Room (Ortho)	20	Vinyl okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	As is	As is	Remove Pocket door, add reg door
Exam #11	21	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	3' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	Move elec & data	Location of cabinets/plumbing okay as is.
Exam #12	22	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	3' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	Replace tile from curtain track	Move elec & data	Location of cabinets/plumbing okay as is.
Cast Room	23	VCT okay as is	Add plumbing; remove sink; add new stainless steel sink w/ traps	4' upper/lower w/ sink; need storage floor to ceiling wall adjacent to sink (tenant may provide full height locking cabinet here)	Yes	LEDs	As per Demo Plan	As is	Replace tile from curtain track	Move elec & data; add 1 data	Remove curtain & track
Exam #13	24	Replace VCT where window cabinetry was	Add plumbing; remove sink; add new stainless steel sink w/ cabinetry	Remove cabinetry along windows; 4' upper/lower w/ sink & trash receptacle on right side	Yes	LEDs	As per Demo Plan	As is	As is	Move elec & data	Repair walls where window cabinetry was.
Exam #14	25	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	As is	Remove curtain
Exam #15	26	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	As is	Remove curtain
Chart Room (End of Ortho)	27	VCT okay as is	No	New counter for PC	Yes	LEDs	As per Demo Plan	As is	As is	As is	Remove door

Fifteen24 Professional Center - 3rd Floor
Stanislaus County Specialty Clinic
Proposed TI Plan by Room

4/14/2016

Room	Floor Plan #	Flooring	Plumbing	Cabinetry	Paint	Lighting	Demolition	Venting	Ceiling Tiles	Plugs / Data	Notes
Exam #16	28	New VCT	Add plumbing; remove sink; add new stainless steel sink w/ cabinetry in alcove expansion on exam room	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	As is	As is	Exam room will be expanded for sink/cabinetry alcove
Toilet (Ortho)	29	Okay as is	Okay as is	No	Yes	LEDs	As per Demo Plan	As is	As is	As is	
X-Ray	30	New VCT in old bathroom space	Remove sink; add new stainless steel sink w/ cabinetry opposite wall by staff toilet	2 each new cabinets (upper/lower) and sink	Yes	LEDs	As per Demo Plan	Add A/C in old bathroom	As is	As is	New door. Lead in walls. HSA needs to provide specs for X-Ray equipment ASAP
Chart Room 2	31	VCT okay as is	No	New standing counters	Yes	LEDs	As per Demo Plan; demo walls	As is	As is	As is	Remove door to X-Ray; may add studs to reinforce wall for X-Ray viewers and PC monitors
Chart Room 3	32	VCT okay as is	No	L shaped sitting counter along all walls	Yes	LEDs	As per Demo Plan; new walls	As is	As is	As is	Window created between 31 & 32
Vitals/Chart	33	VCT okay as is	No	Small standing counter for PC, no cabinets	Yes	LEDs	As per Demo Plan; new walls	As is	As is	As is	
Ortho Waiting Room	34	VCT okay as is	No	No cabinets	Yes	LEDs	As per Demo plan	As is	As is	TV? Add data	Full wall between WR and Nurse's Station
Nurse's Station (Ortho)	35	VCT okay as is	No	Transaction counter (side facing hallway is high, interior low) ADA; leave area for Bariatric scale (46" x 42")	Yes	LEDs	As per Demo Plan	As is	As is	Add 6 data	
Office #4	36	VCT okay as is	No	No cabinets	Yes	LEDs	As per Demo Plan	As is	As is	Add 1 data	
Vitals/Chart 2 (near Lab)	37	VCT okay as is	No	Small standing counter for PC	Yes	LEDs	As per Demo Plan	As is	As is	As is	
Spec Toilet	38	New vinyl	Needs sink and toilet/plumbing	No	Yes	LEDs	As per Demo Plan	New exhaust	As is	As is	
Lab	39	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	1 10' counter upper/lower	Yes	LEDs	As per Demo plan	As is	As is	Move elect & data	Add 2 pass throughs w/ latches on restroom side
Patient Toilet	40	New vinyl	Needs plumbing - toilet and sink	No	Yes	LEDs	As per Demo plan; demo all phone equipment	As is	As is	As is	Repurpose AC currently in this room for hall data closet

Fifteen24 Professional Center - 3rd Floor
Stanislaus County Specialty Clinic
Proposed TI Plan by Room

4/14/2016

Room	Floor Plan #	Flooring	Plumbing	Cabinetry	Paint	Lighting	Demolition	Venting	Ceiling Tiles	Plugs / Data	Notes
Exam #8	41	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan	As is	Replace tile from curtain track	Add 1 data	Remove curtain & track
Exam #5 (MA/MD on plan)	42	VCT okay as is	Remove sink; add new stainless steel sink w/ cabinetry	4' upper/lower w/ sink & trash receptacle	Yes	LEDs	As per Demo Plan; cut in door to hallway	As is	Replce tile from curtain track	As is	Remove curtain & track
Vitals	43	VCT okay as is	Remove sink	Small standing counter for PC	Yes	LEDs	As per Demo Plan	As is	New ceiling tiles	Add 1 data	Remove curtain & track; remove wall, new wall
Sub Waiting Room	44	VCT okay as is	Remove sink	No	Yes	LEDs	As per Demo Plan; wall for door	As is	Replace near demo & from curtain track	TV? Add data	Remove curtain & track
Triage Nurses	45	VCT okay as is	Remove sink	No; workstations to be provided by Tenant	Yes	LEDs	As per Demo Plan	As is	As is	As is	Remove curtain
Hallway/Workstations next to Triage	46	VCT okay as is	No	No cabinets; Standing counter	Yes	LEDs	As per Demo Plan	As is	As is	Add 3 data higher in wall for standing counter	
Supply Room	47	VCT okay as is	No	No cabinets; Tenant to provide shelving	Yes	LEDs; new lights	As per Demo Plan	As is	Move ceiling tile & T-bar	Move elect & data	Remove curtain
Staff Toilet	48	New vinyl	New sink and toilet/plumbing	New cabinets	Yes	LEDs; new light	As per Demo plan	New exhaust fan	Replace near demo	Move elect & data	New bathroom; New door cut in, sheet rock ceiling
Mail Room	49	VCT okay as is	Remove sink	No; upper casework with slots for staff mail; Tenant to provide desks	Yes	LEDs	As per Demo plan	As is	As is	Add 1 data	Sheet rock over door and window to hallway; pass through into check-in area instead of door
Suite 308 (part of check in)	50	New VCT	No	No	Yes	LEDs	As per Demo plan; remove wall	As is	Replace near demo	1 4-plex	New door; leave room for large copier along pass-through wall
Hallway	51	Okay as is	No	No	Yes	LEDs	As per Demo plan	As is	As is	As is	1 each D fire door; 6 each single fire door; Tenant would like dents in hallway repaired where possible.
PT Gym	52	New vinyl in the middle and south side	No	Remove cabinets; new cabinets ceiling to floor in storage room.	Yes	LEDs	As per Demo plan; remove control area wall near hallway entrance to PT gym	As is	As is	TV? Add data	Removal wall, remove doors; new wall, new doors; Mike recommends leaving one door inactive until equipment needs moved in. Remove covering of windows for natural lighting - no guarantee since it's unclear what is behind wall.

Fifteen24 Professional Center - 3rd Floor
Stanislaus County Specialty Clinic
Proposed TI Plan by Room

4/14/2016

Room	Floor Plan #	Flooring	Plumbing	Cabinetry	Paint	Lighting	Demolition	Venting	Ceiling Tiles	Plugs / Data	Notes
Staff Toilet (PT)	53	Okay as is	Hang sink from Exam Rm #2; install toilet	Remove cabinet	Yes	LEDs	As per Demo plan	As is	As is	As is	Remove wall, new door
N Hall	54	Okay as is	Replace sink in hallway	Remove cabinetry against north wall in extended gym space	Yes	LEDs	As per Demo Plan	As is	As is	As is	Remove oxygen tanks; Install new wall and use D Doors
Matt's Office	55	Okay as is	No	No	Yes	LEDs	As per Demo plan	As is	As is	Add data	New wall and door; window adjacent to door
E Hall	56	New VCT	No	No	Yes	LEDs	As per Demo plan	As is	As is	As is	
C Utility	57	Okay as is	No	No	Yes	LEDs	As per Demo plan	As is	As is	As is	*Order of 57 & 59 may differ plan versus actual space
Toilet (PT)	58	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	As is	As is	
Exam (PT)	59	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo plan	As is	As is	As is	
Wound Exam	60	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo plan	As is	As is	As is	
Wound Exam	61	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo plan	As is	As is	Add 2 data	
PT Wait	62	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo plan	As is	As is	Add 2 data	
Wound Wait	63	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	As is	Add 2 data	
Reception	65	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	As is	As is	
Billing	66	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	As is	As is	Small counter near window needs to be removed to make room for copier
OT Wait	67	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	Replace near demo	Add 3 data	New door to OT work
OT Work	68	New carpet	No	New cabinets or move	Yes	LEDs	As per demo plan; demo 6 walls, demo bathroom	As is	Replace near demo	Add 3 data	
Storage	69	Okay as is	Remove sink	Remove cabinets	Yes	LEDs	As per demo plan	As is	As is	As is	Fire door to hallway
Consult Room	70	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	As is	Mike indicated landlord provides electrical but Tenant responsible for connectivity	Window between 70-71
Audiology / Hearing Booth	71	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	New ceiling tiles	Add 2 data	Soundproof room; Mike needs STC rating

Fifteen24 Professional Center - 3rd Floor
Stanislaus County Specialty Clinic
Proposed TI Plan by Room

4/14/2016

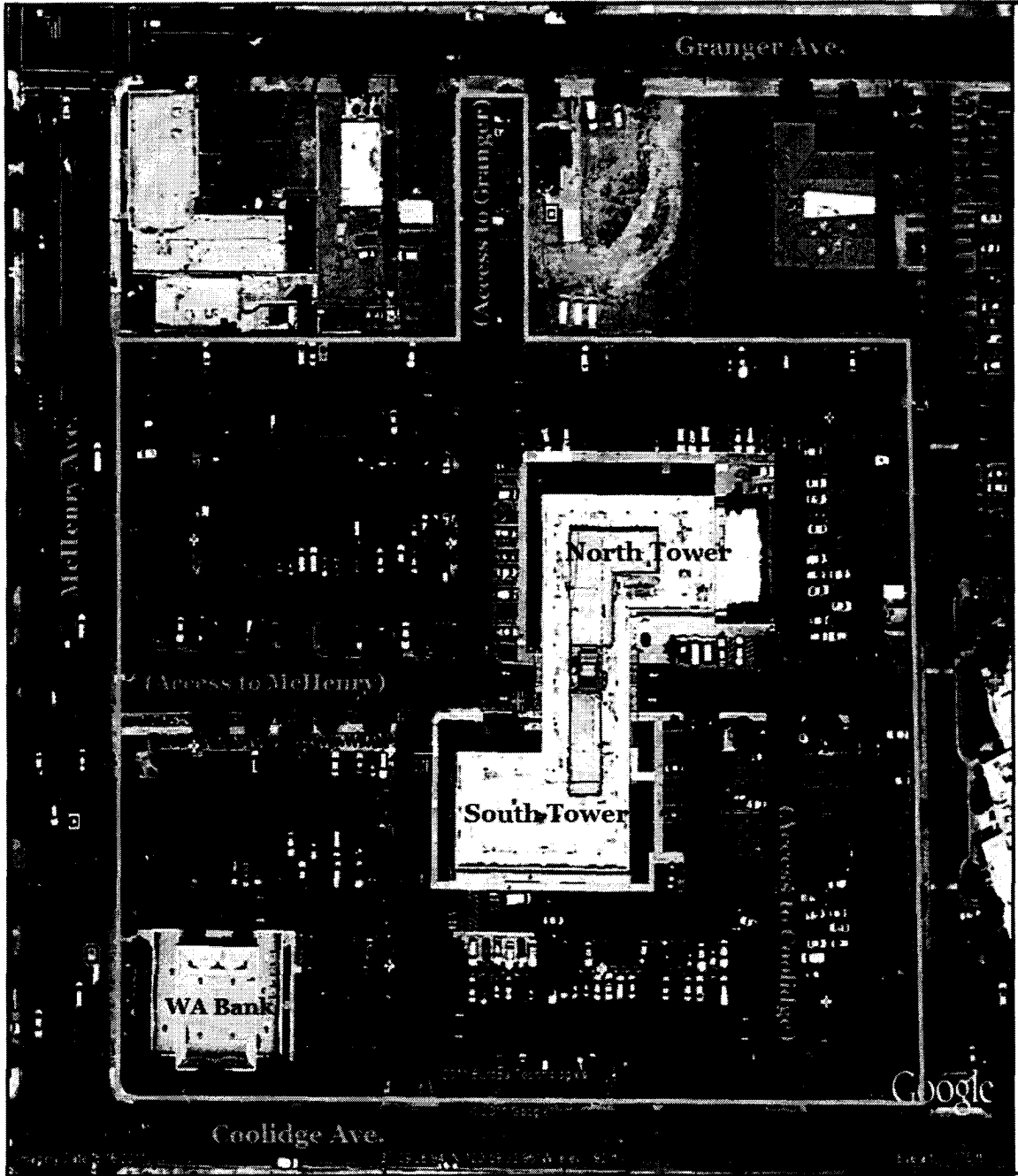
Room	Floor Plan #	Flooring	Plumbing	Cabinetry	Paint	Lighting	Demolition	Venting	Ceiling Tiles	Plugs / Data	Notes
Chart	72	Okay as is	Remove sink	Remove cabinet; add L-shaped counter	Yes	LEDs	As per demo plan	As is	As is	As is	Remove door, open walls in charting area w/ room for door opening from hallway
Toilet	73	New vinyl	Needs sink and toilet	No	Yes	LEDs	As per demo plan	As is	As is	As is	New door and walls
Office	74	Okay as is	No	No	Yes	LEDs	As per demo plan	As is	As is	As is	New walls, new door
Toilet / Dressing Rm	75	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per Demo Plan	As is	As is	As is	Two lockers outside 75
Procedure #1	76	Add sheet vinyl	New sink	Upper/lower cabinets	Yes	LEDs; reinforced ceiling for procedure track lighting - Tenant needs to provide specs	As per demo plan	As is	As is	Add 3 data; need electrical in the floor	Remove 2 ea doors and walls
Procedure #2	77	Add sheet vinyl	New sink	Upper/lower cabinets	Yes	LEDs; reinforced ceiling for procedure track lighting - Tenant needs to provide specs	As per demo plan	As is	As is	Add 3 data; need electrical in the floor	Remove part of wall
Procedure #3	78	Add sheet vinyl	New sink	Upper/lower cabinets	Yes	LEDs; reinforced ceiling for procedure track lighting - Tenant needs to provide specs	As per demo plan	As is	As is	Add 3 data; need electrical in the floor	Remove fire door, install new walls and door
Supply	79	New VCT	As is	As is; Tenant to provide floor to ceiling shelving	Yes	LEDs	As per demo plan	As is	As is	As is	Remove walls, install 1 ea new door, new walls
Sterile Supply #1	80	Okay as is	2 each sink	2 each new cabinets (upper/lower)	Yes	LEDs	As per demo plan	As is	New ceiling tile	Add data	2 ea new doors; pass through windows into both procedure rooms
Sterile Supply #2	81	Okay as is	Demo sink	Demo cabinets; new L shaped counter with upper/lower cabinets	Yes	LEDs	As per demo plan	As is	As is	Add 1 data; 220 electrical	Remove curtain, new fire door
Injection	82	Okay as is	Okay as is	Remove cabinet; new cabinet	Yes	LEDs	As per demo plan	As is	As is	Add 1 data & elect	New fire door, remove curtain
Pharmacy	83	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	As is	
Storage	84	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	As is	2ea new doors

Fifteen24 Professional Center - 3rd Floor
Stanislaus County Specialty Clinic
Proposed TI Plan by Room

4/14/2016

Room	Floor Plan #	Flooring	Plumbing	Cabinetry	Paint	Lighting	Demolition	Venting	Ceiling Tiles	Plugs / Data	Notes
S Toilet	85	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	As is	
S Toilet	86	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	As is	
Conference	87	New carpet	Okay as is	3 ea cabinet	Yes	LEDs	As per demo plan; demo 8 ea walls, 2 new walls	As is	All new ceiling tiles	Add 3 data , electrical in center of floor	
Storage	88	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	As is	New doors, new walls
Pantry	89	Okay as is	Okay as is	Lower cabinets with counter	Yes	LEDs	As per demo plan	As is	As is	As is	New doors, new walls
Break Room	90	New VCT	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	New ceiling tiles	As is	
Office #1 (Suite 300)	91	New VCT	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	Add 3 data	*VCT to replace carpet in all of Suite 300 if Tenant uses plastic floor mats under desk chairs
Office #2 (Suite 300)	92	New VCT	Remove sinks	Remove cabinets w/sinks; leave built in cabinet on north wall.	Yes	LEDs	As per demo plan	As is	Replace near demo	Add 4 data	
Bathroom	93	Okay as is	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	As is	
Office #3 (Suite 300)	94	New VCT	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	Add 1 data	
Office #4 (Suite 300)	95	New VCT	Okay as is	Okay as is	Yes	LEDs	As per demo plan	As is	As is	Add 2 data	Remove X-Ray equipment

EXHIBIT "E"
OFFICE BUILDING PROJECT



1524 Property Layout

DOCUMENT 00 5200

AGREEMENT

THIS AGREEMENT, dated this **1st day of August, 2016**, by and between **Adrian Construction, Inc.** whose place of business is located at **511 Galaxy Way, Modesto, CA 95356** ("Contractor"), and County of Stanislaus ("Owner"), acting under and by virtue of the authority vested in Owner by the laws of the State of California.

WHEREAS, Owner, on the **1 day of August, 2016** awarded to Contractor the following Contract:

**County of Stanislaus
Health Services Agency Pediatrics Clinic Remodel
at
830 Scenic Drive, Modesto, CA 95350**

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and Owner agree as follows:

ARTICLE 1 - SCOPE OF WORK OF THE CONTRACT

1.01 Work of the Contract

- A. Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents (**Work**).

1.02 Price for Completion of the Work

- A. Owner shall pay Contractor the following Contract Sum (**Contract Sum**) for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid, attached hereto.

Total Contract Sum: \$ 140,228.14

ARTICLE 2 - COMMENCEMENT AND COMPLETION OF WORK

2.01 Commencement of Work

- A. Contractor shall commence Work on the date established in the Notice to Proceed.
B. Owner reserves the right to modify or alter the Commencement Date.

2.02 Completion of Work

- A. Contractor shall achieve Substantial Completion of the entire Work within **Eight-Nine [89]** Calendar Days from the Commencement Date.
B. Contractor shall achieve Final Completion of the entire Work **One Hundred Nineteen (119)** Calendar Days from the Commencement Date.

ARTICLE 3 - PROJECT REPRESENTATIVES

3.01 Owner's Project Manager

- A. Owner has designated **Patricia Hill Thomas** as its Project Manager to act as Owner's Representative in all matters relating to the Contract Documents.
B. Project Manager shall have final authority over all matters pertaining to the Contract Documents and shall have sole authority to modify the Contract Documents on behalf of Owner, to accept work, and to make decisions or actions binding on Owner, and shall have sole signature authority on behalf of Owner.
C. Owner may assign all or part of the Project Manager's rights, responsibilities and duties to a Construction Manager, or other Owner Representative.

3.02 Contractor's Project Manager

- A. Contractor has designated **Donovan Adrian** as its Project Manager to act as Contractor's Representative in all matters relating to the Contract Documents.

3.03 Architect/Engineer

- A. **Pires, Lipomi & Navarro Architectural Corporation (PLN Architects)** furnished the Plans and Specifications and shall have the rights assigned to Architect/Engineer in the Contract Documents.
- B. Architect/Engineer has designated **Mike Navarro** as its project manager, to act as its representative for receiving and making communications authorized under the Contract Documents.

ARTICLE 4 - LIQUIDATED DAMAGES FOR DELAY IN COMPLETION OF WORK

4.01 Liquidated Damage Amounts

- A. As liquidated damages for delay Contractor shall pay Owner One Thousand dollars (\$1,000.00) for each Day that expires after the time specified herein for Contractor to achieve Substantial Completion of the entire Work, until achieved.
- B. As liquidated damages for delay Contractor shall pay Owner One Thousand dollars (\$1,000.00) for each Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

4.02 Scope of Liquidated Damages

- A. Measures of liquidated damages shall apply cumulatively.
- B. Limitations and stipulations regarding liquidated damages are set forth in Document 00 7200 (General Conditions).

ARTICLE 5 - CONTRACT DOCUMENTS

5.01 Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:

Document 00 5100	Notice of Award
Document 00 5200	Agreement
Document 00 5500	Notice to Proceed
Document 00 6113.13	Construction Performance Bond
Document 00 6113.16	Construction Labor and Material Payment Bond
Document 00 6536	Guaranty
Document 00 6530	Release of Claims
Document 00 6325	Substitution Request Form
Document 00 6290	Escrow Agreement for Security Deposits
Document 00 7200	General Conditions
Document 00 7201	Supplementary Conditions
Document 00 7316	Supplementary Conditions – Insurance
Document 00 7319	Supplemental Conditions – Hazardous Materials
Document 00 7380	Apprenticeship Programs
Document 00 9113	Addenda
Specifications	Divisions 1 through 27
Drawings listed in Document 00 0115	

5.02 There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented as provided in Document 00 7200 (General Conditions).

ARTICLE 6 - MISCELLANEOUS


- 6.01 Terms and abbreviations used in this Agreement are defined in Document 00 7200 (General Conditions) and Section 01 4200 (References and Definitions) and will have the meaning indicated therein.
- 6.02 It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of Owner or acting as an employee, agent, or representative of Owner, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of Owner is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.
- 6.03 Pursuant to Labor Code Section 1771.1(a), Contractor represents that it and all of its Subcontractors are currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. Contractor covenants that any additional or substitute Subcontractors will be similarly registered and qualified.
- 6.04 In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time Owner tenders final payment to Contractor, without further acknowledgment by the parties.
- 6.05 NOTICE OF PREVAILING WAGE REQUIREMENTS. NOTICE IS HEREBY GIVEN THAT PURSUANT TO LABOR CODE 1771, PREVAILING WAGES ARE REQUIRED TO BE PAID FOR ANY WORK WHICH IS A "PUBLIC WORK" AS DEFINED IN LABOR CODE SECTION 1720(a). THE WORK OF THIS CONTRACT IS A PUBLIC WORK.
- 6.06 Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at Owner's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code §§ 1860 and 1861, in accordance with the provisions of Section 3700 of the Labor Code, every contractor will be required to secure the payment of compensation to his employees. Contractor represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor shall comply with such provisions before commencing the performance of the Work of the Contract Documents.
- 6.07 This Agreement and the Contract Documents shall be deemed to have been entered into in the County of Stanislaus, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in the Superior Court for the County of Stanislaus.

IN WITNESS WHEREOF the parties have executed this Agreement in quadruplicate the day and year first above written.

CONTRACTOR: ADRIAN CONSTRUCTION, INC.

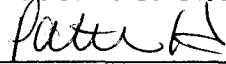
By: 
(Signature)

By: _____
(Signature)

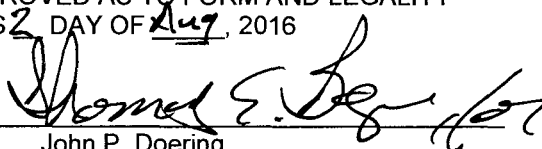
Its: 
Title (If Corporation: Chairman, President or Vice President)

Its: _____
Title (If Corporation: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer)

OWNER: COUNTY OF STANISLAUS

By: 
Patricia Hill Thomas
Chief Operations Officer

APPROVED AS TO FORM AND LEGALITY
THIS 2 DAY OF Aug, 2016

By: 
John P. Doering
County Counsel

END OF DOCUMENT