

***DRAFT***

**LEASE**

**LANDLORD: YOLO COUNTY**

**TENANT: DIGNITY COMMUNITY CARE**

**70 COTTONWOOD STREET, WOODLAND, CA 95695**

**LEASE**

THIS LEASE (this “*Lease*”) is by and between YOLO COUNTY, a [\_\_\_\_] (“*Landlord*”), and DIGNITY COMMUNITY CARE, a California nonprofit public benefit corporation (“*Tenant*”). Landlord and Tenant are sometimes referred to in this Lease as a “*Party*” or, collectively, as the “*Parties*.” The last date on which this Lease has been executed by both Parties as indicated under the signature lines for the Parties shall be the “*Execution Date*.”

**THE PARTIES AGREE AS FOLLOWS:**

**ARTICLE I  
SUMMARY OF TERMS**

1.1 **Building and Property.** The building (the “*Building*”) and grounds located at 70 Cottonwood Street, Woodland, CA 95695 (the “*Property*”).

1.2 **Premises.** The main building (the “*Building*”), which contains approximately 11,343 rentable square feet of space, and the ancillary buildings (the “*Ancillary Buildings*”), which contain approximately \_\_\_\_\_ rentable square feet of space.

1.3 **Commencement Date.** This Lease shall be effective as of the Execution Date; provided however, the “*Commencement Date*” shall be the date Tenant opens for business as a licensed and fully operational adult day care facility. In addition, Tenant may access the parking lot and Main Building on December 1, 2024 and at all times thereafter for the purposes of commencing demolition and improvement work (the “*Initial Access Date*”). Landlord shall use due diligence to complete all relocation efforts and other work necessary to enable Tenant to access the Ancillary Buildings as soon thereafter as reasonably practicable, but in no event later than the Commencement Date or July 1, 2025, whichever comes later (the “*Ancillary Buildings Access Date*”).

1.4 **Expiration Date.** This Lease shall expire twenty years after the Commencement Date (the “*Expiration Date*”), upon the terms and subject to the conditions set forth in this Lease, subject to Section 3.5 below, and, if applicable, subject to Tenant’s rights to extend the Term as set forth in Exhibit 1.4 attached hereto. If the Commencement Date is other than the first (1<sup>st</sup>) day of the month, the Expiration Date shall be extended to the last day of the month in which it would otherwise occur, such that the Expiration Date shall always be the last day of the calendar month.

1.5 **Basic Rent.** \$900.00 per month (the “*Basic Rent*”).

1.6 **Parking.** See Section 8.5.

1.7 **Janitorial.** Party responsible for Janitorial Services to the Premises:

Tenant

1.8 **Medical Waste.** Party responsible for Medical Waste (“*Medical Waste*”) disposal:

Tenant

1.9 **Landlord’s Address.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

1.10 **Tenant’s Address.**

CommonSpirit Health  
Attn: National Real Estate Services  
3400 Data Drive  
Rancho Cordova, CA 95670

With a copy to:

CommonSpirit Health  
Attn: Legal Team  
3200 N. Central Avenue, 23<sup>rd</sup> Floor  
Phoenix, AZ 85012

And to:

CommonSpirit Health  
Attn: SSVP National Real Estate Services  
198 Inverness Drive West  
Englewood, CO 80112

1.11 **Landlord’s Broker.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1.12 **Tenant’s Broker.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE II  
PREMISES AND COMMON AREAS**

2.1 **Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the Term set forth below, the Premises, upon the terms and subject to the conditions set forth in this Lease. Landlord shall deliver the Premises to Tenant broom clean and in good condition and repair on the Execution Date, subject only the exceptions noted in Attachment \_\_\_\_\_. Landlord further warrants that the Premises, as of the Execution Date, are in compliance with all applicable federal, state and local laws, rules, regulations and codes, including building and zoning codes and regulations (including but not limited to, disability, environmental and seismic retrofitting laws and regulations), and all state health department certifications and approvals, that are in effect and as interpreted as of the Execution Date. In the event of any breach of the foregoing warranty, Landlord shall promptly cure such breach upon notice by Tenant.

2.2 **Common Areas.** Tenant shall have the general nonexclusive right, in common with others, to use the Common Areas. “*Common Areas*” shall mean all areas and facilities outside the Premises and within the exterior boundary line of the Property, both within and outside of the Building, that Landlord provides and designates from time to time for the general nonexclusive use of Landlord, Tenant and of other lessees of the Property and their respective employees, suppliers, shippers, patients, customers and invitees.

2.3 **CASp Inspection.**

(a) In accordance with California Civil Code Section 1938, Landlord states that, to its actual knowledge, the Premises and Common Areas have not undergone inspection by a Certified Access Specialist (a “*CASp Inspection*”).

(b) The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord’s and Tenant’s respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease or any Work Letter.

(c) As required by California Civil Code Section 1938:

“A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

The Parties agree that in the event Tenant requests a CASp inspection pursuant to this paragraph, Tenant shall pay for the cost of such CASp Inspection. The Lease shall govern which Party is responsible for the cost of any repairs or modifications necessary to correct violations of construction-related accessibility standards identified in the CASp report.

**ARTICLE III  
TERM**

3.1 **Early Access; Term.**

(a) This Lease shall be effective as of the Execution Date. Landlord shall deliver exclusive possession of the Main Building and adjacent grounds, including the parking lot, to Tenant on the Initial Access Date, and such possession shall be on all of the terms and conditions of this Lease, except the obligation to pay Rent. Landlord shall deliver exclusive possession of the remainder of the Property (i.e., the Ancillary Buildings) on the Ancillary Building Access Date on the same terms and conditions.

(b) The term of this Lease shall commence on the Commencement Date and shall continue until the Expiration Date (the “*Term*”), subject to the termination provisions of this Lease.

3.2 **Automatic Holdover.** Should Tenant remain in possession of the Premises after: (i) the Expiration Date or earlier termination of Term of this Lease, or (ii) the expiration of any Extension Notice

Period, provided to Tenant pursuant to an Extension Notice as further set forth in Section 3.5 below; then, in addition to any other rights or remedies Landlord may have hereunder or at law, Tenant shall become a lessee at sufferance only, at a rental rate equal to one hundred fifty percent (150%) of the rate then in effect on the date immediately prior to such expiration or termination and otherwise upon the terms, covenants and conditions specified in this Lease, so far as applicable. Landlord's acceptance of any rent after such expiration or earlier termination shall not constitute a consent to any holdover under this Lease, result in a renewal or extension of this Lease, limit in any manner Landlord's right to regain possession of the Premises through summary proceedings, or otherwise, or result in a waiver of any claim of Landlord for any damages caused by Tenant's failure to vacate the Premises (including damages claimed by new lessees).

### 3.3 **Termination or Modification in the Event of Government Action.**

(a) In the event of any Government Action (as defined below), the Parties shall, within ten (10) days after either Party gives written notification of such Government Action to the other Party, meet and confer and negotiate in good faith to attempt to amend this Lease in order to comply with the Government Action.

(b) If the Parties, after good faith negotiations that shall not exceed thirty (30) days, are unable to mutually agree upon the amendments necessary to comply with the Government Action, or, alternatively, if either Party determines in good faith that compliance with the Government Action is impossible or infeasible, either Party may terminate this Lease effective ninety (90) days after a written notice of termination is given to the other Party.

(c) For the purposes of this Section, "**Government Action**" shall mean any legislation, statute, law, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body or any private agency, or any decision, finding, interpretation or action by any governmental or private agency, court or other third party which, in the opinion of counsel to either Party, as a result or consequence, in whole or in part, of the arrangement between the Parties set forth in this Lease, if or when implemented, could reasonably be expected to result in or present a material risk of any one or more of the following:

(i) revocation or threat of revocation of the status of any license, certification or accreditation granted to Tenant or any Affiliate (as defined below) of Tenant;

(ii) revocation or threat of revocation of the federal, state or local tax exempt status of Tenant or any Affiliate of Tenant or their respective tax exempt financial obligations, or violation of or threat of prosecution of the Intermediate Sanctions law applicable to tax exempt organizations;

(iii) prevention of Landlord from being able to access and use the facilities of Tenant or any Affiliate of Tenant, or prevention of Tenant from being able to access and use the Building;

(iv) violation or threat of prosecution under 42 U.S.C. § 1320a-7b(b) (commonly referred to as the Anti-Kickback law), 42 U.S.C. § 1395nn (commonly referred to as the Stark law) or any comparable state law governing kickbacks, bribes, rebates or patient referrals if Landlord (if Landlord is a physician) or any physician having an ownership interest in Landlord referred patients to Tenant or any Affiliate of Tenant;

(v) prohibition of Tenant or any Affiliate of Tenant from submitting claims or materially reducing the reimbursement received by Tenant or any Affiliate of Tenant for services

provided to patients referred by Landlord (if Landlord is a physician) or any physician having an ownership interest in Landlord; or

(vi) subjection of Landlord, Tenant, or any Affiliate of Landlord or Tenant, or any of their respective employees or agents, to civil action or criminal prosecution by any governmental authority or other person or entity or the imposition of any sanction (including any excise tax penalty under Internal Revenue Code § 4958), on the basis of their participation in executing this Lease or performing their respective obligations under this Lease.

(d) For the purposes of this Lease, “*Affiliate*,” when used with reference to a specific Party, shall mean any parent or subsidiary of such Party or any entity which, directly or indirectly, controls, is controlled by or is under common control with such Party. For purposes of this provision, “control” shall mean (i) the ownership or control of fifty percent (50%) or more of the equity interest or membership interest in the entity in question; (ii) the ownership or control of fifty percent (50%) or more of the voting rights of the entity in question, (iii) the power to appoint or approve and remove fifty percent (50%) or more of the members of the entity in question’s governing body (i.e., board of directors or other similar governing body), or (iv) the power to otherwise direct the affairs of the entity in question.

3.4 **Rights upon Termination.** Upon any termination or expiration of this Lease, all rights and obligations of the Parties shall cease except those rights and obligations that have accrued or expressly survive such termination or expiration.

3.5 **Extension of Term.** Notwithstanding Section 3.2 above, Landlord may, in its sole and absolute discretion, notify Tenant prior to the Expiration Date that this Lease shall extend on a month-to-month basis after the end of such Term (an “*Extension Notice*”). In the event Tenant receives such an Extension Notice, Tenant shall be a tenant from month-to-month for such period of time as set forth in the Extension Notice (the “*Extension Notice Period*”), subject to all of the terms contained herein, except as to Term. During the Extension Notice Period, Tenant shall pay to Landlord a monthly rental equivalent to the Base Rent payable by Tenant to Landlord with respect to the last month of the Term preceding such month-to-month Extension Notice Period, subject to annual rental adjustments as set forth in Section 4.2 below. Upon the expiration of any Extension Notice Period, Tenant shall automatically be deemed to be in hold over pursuant to Section 3.2. Notwithstanding anything contained herein to the contrary, either Landlord or Tenant may, at any time during an Extension Notice Period, elect to terminate this Lease upon at least thirty (30) days’ written notice thereof to the other Party.

## ARTICLE IV RENT

### 4.1 **Rent.**

(a) Tenant shall pay to Landlord, for each month during the Term, without deduction, set-off, prior notice or demand, the Basic Rent. Basic Rent shall be payable in advance on the Commencement Date and thereafter on the first (1st) day of each month and continuing through the Term. Basic Rent for any partial calendar month at the beginning or end of the Term shall be calculated by multiplying the Basic Rent by a fraction, the numerator of which shall be the actual number of days of the Term during such partial calendar month and the denominator of which shall be the actual number of days in such calendar month.

(b) Tenant shall have the right, by notice to Landlord, to elect to make payments under this Lease by electronic funds transfer (“*EFT*”). If Tenant makes such election, Landlord shall designate a financial institution for receipt of EFT payments no later than thirty (30) days following Tenant’s election. Such designation shall be on a form (“ACH Form”) reasonably acceptable to Tenant and shall include the following: (1) the American Bankers Association 9-digit identifying number for Automated Clearing House (ACH) transfers of the financing institution receiving payment if the institution has access to the Federal Reserve Communications System; (2) the number of the account to which funds are to be deposited; and (3) the type of depositor account (e.g., checking or savings). If Landlord, during the Term, elects to designate a different financial institution for the receipt of any payment, Tenant must receive notice of such change and the required information specified above no later than thirty (30) days before the date such change is to become effective. Landlord’s failure to properly designate a financial institution or to provide appropriate payee bank account information may delay payments of amounts otherwise due under the Lease; Tenant shall not be liable for late charges or interest with respect to any payments so delayed.

At the same time Landlord delivers the ACH form to Tenant, Landlord will provide Tenant with a W-9. If first month’s Basic Rent is due at Lease execution, and Tenant has elected to pay by EFT, Tenant may pay such Basic Rent by EFT within ten (10) business days following full execution of this Lease.

4.2 **Reserved.**

4.3 **Additional Rent.** Any amount of money due to Landlord under this Lease not specifically characterized as Basic Rent shall constitute additional rent (“*Additional Rent*”) and, if no specific due date is otherwise specified herein, shall be due within thirty (30) days after receipt by Tenant of a written statement from Landlord. If any sum is not paid when due, it shall be collectible as Additional Rent with the next installment of Basic Rent falling due.

4.4 **Late Charges.** Tenant acknowledges that late payment of Basic Rent and other amounts due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be difficult to ascertain. These costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by the terms of any mortgage or deed of trust covering the Premises. Accordingly, if any rent or any other amount due from Tenant is not received within five (5) days after Landlord notifies Tenant that such payment is due and unpaid, Tenant shall pay to Landlord a late charge equal to three percent (3%) of the overdue amount. For each additional 90-day period in which rent remains unpaid in full, and additional late charge in the same amount (inclusive of any prior late charge(s)) shall apply. The Parties agree that the late charge represents a fair and reasonable estimate of the costs Landlord will incur because of late payment.

**ARTICLE V  
USE OF PREMISES**

5.1 **Permissible Uses.** The Premises shall be used exclusively by Tenant and Tenant’s employees, agents, contractors, and invitees for the Yolo Adult Day Health Center, with services and other features as described in a separate agreement between the parties dated June 30, 2021, and entitled “Agreement Between the County of Yolo and Dignity Community Care Relating to the Adult Day Health Center,” and a first amendment thereto dated August 27, 2024 (collectively, the “Funding Agreement”).

5.2 **Compliance with Laws.** Tenant shall comply with all laws, statutes, ordinances and governmental rules and regulations relating to, or affecting the condition, use or occupancy of the Premises. Notwithstanding any other provision of this Lease, in the event any structural or other changes to the Premises, the Building or any other portion of the Property are required in order to comply with any

law or regulation relating to the condition, use, or occupancy of the Premises, or any requirement of any insurance organization, board of fire underwriters, or other similar body, Tenant shall not be required to make such structural or other changes, or be liable for the cost thereof, unless such structural or other changes to the Premises, Building, or Property are required due to Tenant's specific and unique (i) improvements to, or alterations of, the Premises (but not including the Tenant Improvements (if any) or any alterations or improvements made in accordance with Section 7.3 below), (ii) use of the Premises (as opposed to general or medical office use), or (iii) acts.

### 5.3 **Hazardous Materials and Medical Waste.**

(a) For the purposes of this Lease, the term "***Hazardous Materials Laws***" shall mean all federal, state and local environmental protection, occupational, health and safety or similar laws, ordinances, restrictions, licenses, rules, regulations and permit conditions, including, but not limited to, the Federal Water Pollution Control Act, Resource Conservation & Recovery Act, Safe Drinking Water Act, Toxic Substances Control Act, Clean Air Act, Comprehensive Environmental Response, Compensation and Liability Act, Emergency Planning and Community Right to Know Act and other federal, state, or local laws of similar effect, each as amended as of the Execution Date, and the term "***Hazardous Materials***" shall mean any hazardous or toxic, or extremely hazardous substance, waste contaminant, pollutant, or material, including petroleum or petroleum products, asbestos, blood, tissue and other human substances, as well as swabs, tissues and other materials containing such substances, and any other substances defined as "hazardous wastes" or "hazardous materials" under or governed by any applicable Hazardous Materials Laws.

(b) Landlord and Tenant shall each, at all times and in all respects, comply with all Hazardous Materials Laws. Landlord represents and warrants that, to Landlord's actual knowledge as of the Execution Date, except as noted in Section 2.1. above: (i) there are no outstanding environmental issues concerning the Property; (ii) Landlord has received no information that there are Hazardous Materials within a five hundred (500) foot radius of the Property; and (iii) the Property contains no Hazardous Materials that would be harmful to Tenant, its employees or invitees. Landlord and Tenant each agree that it shall not, under any circumstances, cause or permit any Hazardous Materials to be used, released, discharged, disposed of, handled, possessed or stored within the Building, or any part of the Property. In the event that either Landlord or Tenant discovers or is informed that any Hazardous Materials exist in the Premises, the Building, or any part of the Property, it shall immediately notify the other in writing of such discovery or information. Notwithstanding the foregoing, Tenant shall be permitted to use (without prior notice to Landlord) Hazardous Materials to the extent such Hazardous Materials are (i) solely of the kind and in the amounts customarily used by Tenant in the conduct of its medical business; (ii) used strictly in accordance with all Hazardous Materials Laws and the manufacturers' instructions with respect thereto; and (iii) not disposed of or intentionally released or discharged in or on the Premises, the Building or the Property. If the Premises are located in California, Tenant is hereby advised that there are certain notice requirements under Proposition 65 which may be applicable to Tenant and Tenant should consult its counsel with respect to its responsibilities thereto.

5.4 **Entry by Landlord.** Landlord reserves and shall have the right to enter the Premises during normal business hours when Tenant is present, upon reasonable prior notice (except in an emergency, when no notice shall be required), to inspect the Premises, to supply any service to be provided by Landlord to Tenant under this Lease, to show the Premises to prospective purchasers or, during the last six (6) months of the Term, to prospective lessees, and to post notices of nonresponsibility.

5.5 **Access.** Tenant shall have access to the Building, the Premises, and the parking areas for the Property twenty-four (24) hours per day, seven (7) days per week.

**ARTICLE VI  
TENANT IMPROVEMENTS**

6.1 **Tenant Improvements.** Tenant is installing initial lessee improvements within the Premises (the “*Tenant Improvements*”). [INSERT TERMS FOR TENANT IMPROVEMENTS].

**ARTICLE VII  
MAINTENANCE, ALTERATIONS AND ADDITIONS**

7.1 **Responsibilities of Landlord.** Subject to Section 7.2, Landlord shall be responsible for maintaining in good condition and repair and in compliance with all applicable laws, rules, and regulations, the Property, including, without limitation, (i) the foundation, roof, floors, footings, exterior walls, and structural condition of interior bearing walls of the Building; (ii) all mechanical, life safety, security, sprinkler, plumbing, heating, electrical, and air conditioning and ventilation systems; and (iii) exterior landscaping and parking areas. If Landlord fails to maintain, repair or replace the Property as required by this Section 7.1, Tenant may, upon thirty (30) days’ prior notice to Landlord (except that no notice shall be required in the case of an emergency), perform such maintenance or repair (including replacement, as needed) on behalf of Landlord. In such case, Landlord shall reimburse Tenant for all costs incurred in performing such maintenance or repair immediately upon demand, together with interest at the rate of eight percent (8%) per annum or, if a higher rate is legally permissible, at the highest rate legally permitted.

7.2 **Responsibilities of Tenant.** Subject to Sections 5.2 and 9.3, Tenant shall be responsible for the maintenance and repair of the non-structural, interior portions of the Premises. If Tenant fails to maintain or repair the Premises as required by this Section 7.2, Landlord may, upon thirty (30) days’ prior notice to Tenant (except that no notice shall be required in the case of an emergency), enter the Premises and perform such maintenance or repair (including replacement, as needed) on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all staff time, contractor expenses, materials, and other costs reasonably incurred in performing such maintenance or repair immediately upon demand, together with interest at the rate of eight percent (8%) per annum or, if a higher rate is legally permissible, at the highest rate legally permitted.

7.3 **Alterations, Additions and Improvements by Tenant.** Tenant shall make no alterations, additions or improvements in or to the Premises or the Property without the prior written consent of Landlord (such consent not to be unreasonably withheld, conditioned, or delayed), except that Tenant may make non-structural alterations within the Premises without Landlord’s consent; provided, however, that such alterations do not in the aggregate exceed Fifty Thousand Dollars (\$50,000) per 12-month period during the Term.

7.4 **Ownership of Improvements.** All alterations, modifications and improvements made or added to the Premises by Tenant (other than Tenant’s inventory, equipment, movable furniture, wall decorations and trade fixtures) shall be deemed real property and a part of the Premises, but shall remain the property of Tenant during the Lease. At the expiration or earlier termination of this Lease, Tenant may, at its option, remove any or all such alterations, modifications and improvements, unless Landlord shall have notified Tenant concurrently with Landlord’s consent to said alteration, modification, or improvement (if such consent is required) that it desires to have Tenant remove any of such alterations, modifications or improvements upon the termination or earlier expiration of this Lease, in which case Tenant shall so remove same. Any such alterations, modifications and improvements not removed or required to be removed by Tenant shall automatically become the property of Landlord and shall be surrendered to Landlord as part of the Premises as required pursuant to this Lease. In no event, however, shall Tenant be

required to remove any of the following materials or equipment (which shall be deemed Landlord's property if not removed): the initial Tenant Improvements (if any); any power wiring or power panels; data or telecommunications cabling, lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air conditioning equipment; or other similar building operating equipment and decorations. Additionally, Tenant may remove any of Tenant's trade fixtures, inventory, and equipment from the Premises at any time.

## **ARTICLE VIII SERVICES AND UTILITIES**

8.1 **Landlord's Provision of Services and Utilities.** Landlord shall deliver the Premises to Tenant equipped with direct access and connections for electricity, gas, heating, air conditioning, water and sewer services in reasonable and appropriate amounts for Tenant's use of the Premises, with all equipment and facilities providing such services in good, working order.

8.2 **Tenant's Responsibility for Services and Utilities.** Tenant shall arrange, at its sole expense, and be responsible for the provision of all of the customary services and utilities for the Premises and any such additional services and utilities as are necessary or convenient to Tenant's use of the Premises, including but not limited to: (a) any telephone and (if Tenant elects) cable television services to the Premises; (b) electricity, water, sewer, heat, air conditioning, trash and recyclables hauling; (c) janitorial services to the Premises; and (d) appropriate waste disposal services by a licensed Medical Waste hauler for disposal, in accordance with applicable laws and regulations, of any Medical Waste generated in Tenant's business.

8.3 **Interruption of Services.** If Landlord fails to furnish access, connections, and equipment and facilities reasonably necessary for services or utilities as required pursuant to Section 8.1 above and such failure is within Landlord's control, or if in connection with such matters the conduct of Tenant's business at the Premises is materially interfered with as a result of Landlord's negligence, Landlord's default or breach under this Lease, Landlord's construction outside the Premises, or Landlord's entry into the Premises to perform repairs, alterations or otherwise (each of the foregoing events is hereinafter referred to as an "***Interruption***"), Tenant shall give Landlord written notice of such Interruption and Tenant shall have the following rights: (i) if the cure of the Interruption is within Landlord's control, and the Interruption was not caused by Tenant, then should Landlord fail, within five (5) days following the effective date of Tenant's notice, to cure the Interruption, Basic Rent and Additional Rent shall abate commencing on the effective date of Tenant's notice and continuing until the Interruption is cured; (ii) if the Interruption was not caused by Tenant, then should Landlord fail, within thirty (30) days following the effective date of Tenant's notice, to cure the Interruption, Tenant shall have the right to terminate this Lease upon written notice to Landlord.

8.4 **Signage.** Tenant shall have the right to install building and other signage at the Property, subject to applicable laws. Landlord agrees to assist Tenant and cooperate with Tenant in obtaining all necessary third party consents and approvals for Tenant's signage, including, without limitation, consents or approvals from governmental agencies, ground lessors, mortgagees, other tenants or users of the Property, and private associations, as necessary. Notwithstanding the foregoing, Landlord hereby consents to Tenant's trademarked logo, letters and colors in Tenant's signage.

8.5 **Parking Areas.** Parking in the parking areas on the Property shall be at no additional cost to Tenant. Tenant shall also be entitled to use, whether or not Tenant is allocated any such parking spaces, in common with the others entitled thereto, the parking areas on the Property as designated from time to

time by Landlord. All parking shall be located within a mutually-determined parking field surrounding the Premises, which may not be modified without Tenant's consent.

## **ARTICLE IX INSURANCE**

9.1 **Insurance to Be Obtained by Tenant.** At all times during the Term, Tenant, at its own cost and expense, shall maintain insurance coverage, either through its self-insurance or through third-party insurers, as follows: (i) commercial general liability insurance with minimum coverage limits of not less than One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) annual aggregate for all covered claims and which names Landlord as an additional insured under such policy; (ii) fire and hazard "All Risk" or "Causes of Loss – Special Form" insurance covering one hundred percent (100%) of the full replacement cost of Tenant's personal property, including its business papers, furniture, fixtures and equipment, and all other improvements installed by or at the expense of Tenant, in the event of fire, lightning, windstorm, vandalism, malicious mischief and all other risks normally covered by "All Risk" policies carried by tenants of comparable buildings in the vicinity of the Property, and (iii) workers' compensation insurance and other insurance with coverage limits as may be required by applicable laws, rules and regulations.

9.2 **Insurance to Be Obtained by Landlord.** Landlord, at its own cost and expense, shall maintain in effect at all times during the Term: (i) commercial general liability insurance with minimum coverage limits of not less than One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) annual aggregate for all covered claims and which names Tenant as an additional insured under such policy; (ii) professional liability or errors and omission insurance with minimum coverage limits of not less than One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) annual aggregate; (iii) workers' compensation insurance and other insurance with coverage limits as may be required by applicable laws, rules and regulations;; and (iv) fire and hazard "All Risk" or "Causes of Loss – Special Form" insurance covering one hundred percent (100%) of the full replacement cost of the Property, the Premises and Landlord's personal property including its business papers, furniture, fixtures and equipment, subject to commercially reasonable deductibles, in the event of fire, lightning, windstorm, vandalism, malicious mischief and all other risks normally covered by "All Risk" policies carried by landlords of comparable buildings in the vicinity of the Property. Landlord's commercial general liability insurance shall permit, whether by endorsement or otherwise, payment of any deductibles, self-insured retentions, or co-payments by an additional insured; *provided, however*, additional insureds shall have no obligation to make any such payment. Landlord shall be entitled to provide the insurance required by this Section through appropriate blanket policies.

9.3 **Waiver of Subrogation.** Notwithstanding any provision of this Lease to the contrary, Landlord and Tenant each hereby agrees that the other shall not be liable for, and each hereby releases and relieves the other (and any of its contractors, agents, and employees) from, and waives its entire right of recovery against the other (and any of its contractors, agents, and employees) for, loss or damage arising out of or incident to the perils insured against and covered under property insurance policies required to be maintained under this Lease, whether or not such policies are actually in force at the time of any such damage, injury or loss. Landlord and Tenant further agree that the policies of property insurance required to be obtained and maintained pursuant to this Lease shall contain an acknowledgement of the waiver of any subrogation rights against the Party released pursuant to the foregoing by the insurer providing such insurance policy, which waiver shall be effective regardless of the cause (including negligence of the released Party) of any damage triggering recovery under such policy. The release of liability and waiver of subrogation rights granted by Landlord and accruing to Tenant pursuant to this Section 9.3 shall inure

to the benefit of any subtenant or licensee of Tenant as if such subtenant or licensee were the tenant under this Lease.

## **ARTICLE X CASUALTY, REPAIR AND CONDEMNATION**

10.1 **Casualty.** If the Premises or the Property is damaged or destroyed by fire or other casualty (collectively, a “*Casualty*”), Landlord shall, within thirty (30) days after the date of the Casualty, notify Tenant (“*Landlord’s Casualty Notice*”) of (i) the extent to which the Property was damaged or destroyed by the Casualty; and (ii) the number of days, from the date of the Casualty, that an architect, engineer, or contractor reasonably selected by Landlord estimates will be required to complete the material restoration of the Property. Subject to Sections 10.2, 10.3, 10.4, and 10.6 below, Landlord shall proceed to diligently rebuild and repair the Premises.

### 10.2 **Greater than 180 Days.**

(a) **Tenant’s Right to Terminate.** If the Premises or such portion of the Property as would materially and adversely affect Tenant’s access to, parking for, or use and enjoyment of, the Premises are damaged or destroyed by Casualty and Landlord’s Casualty Notice estimates that it will take longer than one hundred eighty (180) days from the date of the Casualty to complete the repair and restoration, then Tenant shall have the right to terminate this Lease effective as of the date of the Casualty, by notice given to Landlord within fifteen (15) days after Tenant’s receipt of Landlord’s Casualty Notice.

(b) **Landlord’s Right to Terminate.** If all or substantially all (greater than fifty percent (50%) of the rentable square feet) of the Property should be damaged or destroyed by Casualty and Landlord’s Casualty Notice estimates that it will take longer than one hundred eighty (180) days from the date of the Casualty to complete the repair and restoration, then Landlord shall have the right to terminate this Lease effective as of the date of the Casualty, by notice given to Tenant within fifteen (15) days after Landlord delivers Landlord’s Casualty Notice to Tenant.

10.3 **Landlord’s Failure to Timely Restore.** If pursuant to this Article 10, Landlord elects or is required to repair or restore the Property (including, without limitation, any and all damaged portions of the Premises) and fails to (i) commence the repair and restoration work within ninety (90) days from the date of the Casualty, (ii) proceed diligently to complete such repair and restoration work, or (iii) complete such repair and restoration work within the estimated time set forth in Landlord’s Casualty Notice, then at any time prior to the completion of such repairs and restoration, Tenant, at its option, may terminate this Lease by giving written notice of such termination to Landlord, or may commence and/or complete restoration of the Property upon written notice of such election to Landlord.

10.4 **Damage in Last 6 Months.** Notwithstanding any other provision of this Article 10, if the damage to the Premises or Property occurs during the last six (6) months of the Term and such damage will require more than thirty (30) days to repair, then either Landlord or Tenant may elect to terminate this Lease effective as of the date of the Casualty. The Party electing to terminate this Lease shall give written notification to the other Party of such election within fifteen (15) days after delivery of Landlord’s Casualty Notice.

10.5 **Temporary Reduction of Rent.** If the Premises or Property is destroyed or damaged, then until the date such damage is fully repaired or the earlier expiration or termination of this Lease, any Basic and Additional Rents payable during the period of such damage, repair and/or restoration shall be reduced according to the degree to which Tenant’s use and enjoyment of the Premises or Property (including, without limitation the parking areas) is impaired, but in no event shall such reduction be less than a

proportionate reduction based on the amount of square feet rented by Tenant that is damaged or destroyed as compared to the total amount of square feet rented by Tenant.

10.6 **Insurance Proceeds.** Notwithstanding anything herein to the contrary, if the Premises or Building are damaged or destroyed and the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises requires that the insurance proceeds be applied to such indebtedness, then in such case Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within thirty (30) days after the date of notice to Landlord that such requirement is made by any such holder, whereupon this Lease shall terminate.

10.7 **Condemnation.** If all or any part of the Property or Premises are taken as a result of the exercise of the power of eminent domain, this Lease shall terminate as to the part so taken (provided such taking is permanent) as of the date Tenant is deprived of possession of such portion of the Premises, and the Basic and Additional Rents shall be proportionately reduced according to the degree to which Tenant's use and enjoyment of the Premises or Property (including, without limitation the parking areas) is impaired, but in no event shall such reduction be less than a proportionate reduction based on the amount of square feet rented by Tenant that is taken by eminent domain as compared to the total amount of square feet rented by Tenant. Either Tenant or Landlord may, at their option, terminate this Lease in its entirety in the event a taking shall, in Tenant's or Landlord's reasonable judgment, materially or adversely interfere with Tenant's continued use and occupancy of the Premises. If in the event of any taking, this Lease is not terminated, Landlord shall make such repairs or alterations as may be necessary to restore and maximize the portion(s) of the Premises or Property not so taken to useful condition. A sale made in good faith by Landlord to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes of this Lease. In the event of any taking, Tenant shall have the right to seek an award or receive compensation or damages from the condemning authority for the following (as applicable): (i) Tenant's fixtures and personal property, (ii) the unamortized or un-depreciated value of any leasehold improvements paid for by Tenant, (iii) Tenant's goodwill; (iv) Tenant's business interruption expenses, and (v) Tenant's relocation costs.

## **ARTICLE XI ASSIGNMENT AND SUBLETTING**

11.1 **Assignment and Subletting.** Neither Landlord nor Tenant shall assign or transfer this Lease or any rights in this Lease, or sublet the Premises or any part of the Premises (as applicable) without the other Party's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. The Party requesting consent (the "***Requesting Party***") to such a proposed assignment, transfer, or sublease (as applicable) (a "***Transfer***"), shall provide the other Party (the "***Non-Requesting Party***") with written notice of the proposed Transfer, which notice shall include the terms of the proposed Transfer, the identity of the parties to the Transfer, the proposed documentation for the Transfer, and, to the extent applicable, reasonable documentation of the proposed transferee's ability to assume and satisfy the Requesting Party's responsibilities hereunder. The Non-Requesting Party shall provide the Requesting Party with written notice of the Non-Requesting Party's approval or disapproval of the proposed Transfer within ten (10) business days following receipt of written notice from the Requesting Party of such a proposed Transfer (together with all other supporting information and documentation as required hereunder).

## **ARTICLE XII RELATIONSHIP OF PARTIES**

12.1 **Independent Contractors.** Landlord's relationship to Tenant shall be that of an independent contractor supplying the Premises and any services required by this Lease. Nothing in this Lease is intended to create a partnership, employer employee or joint venture relationship between the Parties, or to allow either Party to exercise any control or direction over the other Party.

12.2 **Hold Harmless; Indemnity.**

(a) Tenant shall indemnify, protect, defend (with counsel reasonably acceptable to Landlord) and hold harmless Landlord and each of Landlord's trustees, shareholders, officers, Affiliates, employees, agents, attorneys, successors and assigns (collectively, "**Landlord Indemnified Parties**"), from all liabilities, judgments, costs, damages, claims or demands, including reasonable attorneys' fees, asserted by third parties for any loss of life, bodily or personal injury, or property damage caused by the negligence or misconduct of Tenant, its employees, contractors, volunteers, clients and other invitees, or others acting for or on behalf of Tenant (collectively, "**Tenant Parties**") and arising out of the use of the Premises by Tenant Parties, or out of anything done by Tenant, or permitted by Tenant to be done, in or about the Premises. Landlord need not first have paid any such expense in order to be so indemnified. Landlord agrees to notify Tenant promptly following Landlord's learning of any such claims; provided, however, that Landlord's failure to provide such notice shall not diminish Tenant's obligations hereunder. The foregoing shall not extend to any damage or injury which Tenant establishes in a court of competent jurisdiction was solely and proximately caused by the negligence or willful misconduct of any Landlord Party.

(b) Landlord shall indemnify, protect, defend (with counsel reasonably acceptable to Tenant) and hold harmless Tenant and each of Tenant's trustees, shareholders, officers, Affiliates, employees, agents, attorneys, successors and assigns (collectively, "**Tenant Indemnified Parties**"), from all liabilities, judgments, costs, damages, claims or demands, including reasonable attorneys' fees, asserted by third parties for any loss of life, bodily or personal injury, or property damage caused by the negligence or misconduct of Landlord, its employees, contractors, volunteers, or others acting for or on behalf of Landlord (collectively, "**Landlord Parties**") and arising out of the use or operation of the Property by Landlord Parties, or out of anything done by Landlord or Landlord's Parties, or permitted by Landlord to be done, in or about the Property. Tenant need not first have paid any such expense in order to be so indemnified. Tenant agrees to notify Landlord promptly following Tenant's learning of any such claims; provided, however, that Tenant's failure to provide such notice shall not diminish Landlord's obligations hereunder. The foregoing shall not extend to any damage or injury which Landlord establishes in a court of competent jurisdiction was solely and proximately caused by the negligence or willful misconduct of any Tenant Party.

(c) The Parties' indemnity obligations under this Section 12 shall survive for one (1) year following the expiration or earlier termination of this Lease.

**ARTICLE XIII  
DEFAULT AND REMEDIES**

13.1 **Default by Tenant.** The following shall each be considered a "**Tenant Event of Default**" under this Lease:

(a) Tenant fails to pay any installment of Basic Rent or any payment of Additional Rent when due, if such failure continues for a period of fifteen (15) days after Landlord gives written notice of such failure to Tenant;

(b) Tenant fails to observe or perform any covenant or provision of this Lease to be observed or performed by Tenant (other than those relating to subsection (a) above) and such failure continues for a period of thirty (30) days after Landlord gives written notice to Tenant of such failure, provided that if more than thirty (30) days are required to complete such performance, Tenant shall not be in default if Tenant commences such performance within the thirty (30)-day period and thereafter diligently pursues its completion;

(c) Tenant breaches any representation or warranty contained in this Lease; or

(d) Tenant (i) files a petition seeking relief under Title 11 of the United States Code, as amended from time to time (the “**Federal Bankruptcy Code**”), or (ii) files an answer consenting to, admitting the material allegations of, or otherwise not controverting, a petition filed against Tenant seeking relief under the Federal Bankruptcy Code, or (iii) files a petition or answer seeking relief under the provisions of any other now existing or future applicable bankruptcy, insolvency, or other similar federal or state law providing for the reorganization, winding up or liquidation of business organizations or for an arrangement, composition, extension or adjustment with creditors (the “**Other Insolvency Laws**”).

13.2 **Default by Landlord.** The following shall each be considered a “**Landlord Event of Default**” under this Lease:

(a) Landlord fails to observe or perform any covenant or provision of this Lease to be observed or performed by Landlord and such failure continues for a period of thirty (30) days after Tenant gives written notice of such failure to Landlord;

(b) Landlord breaches, defaults or fails for any reason to fully perform or observe, when and as required, any covenant, condition or agreement contained in any other agreement, promissory note, instrument or document with Tenant or any Affiliate of Tenant, subject to any applicable cure periods expressly provided for in such agreements, promissory notes, instruments or documents;

(c) Landlord breaches any representation or warranty contained in this Lease;

(d) Landlord (or any of Landlord’s owners) is suspended or excluded, whether temporarily or permanently, from participation in any federal health care program, as defined at 42 U.S.C. § 1320a-7b(f), regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(e) Landlord (or any of Landlord’s owners) is charged with or convicted of a felony, a misdemeanor involving fraud, dishonesty, or moral turpitude, or any crime relevant to Landlord’s (or any of Landlord’s owners) practice of medicine (as applicable);

(f) Landlord (i) files a petition seeking relief under the Federal Bankruptcy Code, or (ii) files an answer consenting to, admitting the material allegations of, or otherwise not controverting, a petition filed against Landlord seeking relief under the Federal Bankruptcy Code, or (iii) files a petition or answer seeking relief under the provisions of any Other Insolvency Laws;

(g) (i) an order for relief is entered against Landlord under the Federal Bankruptcy Code, which order is not stayed within sixty (60) days after filing, or (ii) an entered order, judgment or decree by operation of law or by a court having jurisdiction in the premises which is not stayed within sixty (60) days after filing (A) adjudges Landlord bankrupt or insolvent under, or orders relief against Landlord under, or approves as properly filed, a petition seeking relief against Landlord under the provisions of any

Other Insolvency Laws, (B) appoints a receiver, liquidator, assignee, trustee or custodian for Landlord or any substantial part of Landlord's assets, or (C) orders the reorganization, winding up or liquidation of Landlord's affairs, or (iii) any involuntary petition is filed against Landlord seeking any relief available under the Federal Bankruptcy Code or any Other Insolvency Laws without the petition being dismissed within sixty (60) days after filing;

(h) Landlord (i) makes a general assignment for the benefit of Landlord's creditors, (ii) consents to the appointment of a receiver, liquidator, assignee, trustee, or custodian of all or substantially all of Landlord's assets, (iii) consents to the attachment, execution, or other judicial seizure of substantially all of Landlord's or of Landlord's interest in this Lease, or such seizure is not otherwise discharged in sixty (60) days; (iv) admits Landlord's insolvency or inability to pay Landlord's debts generally as such debts become due, (v) takes any action initiating the dissolution of Landlord or Landlord's medical practice (if applicable); (vi) enters into any agreement with all or a significant number of Landlord's creditors regarding any moratorium or other indulgence with respect to Landlord's debts, or the participation of such creditors in the supervision, management, or control of Landlord or Landlord's medical practice (if applicable), (vii) conceals, removes or permits to be concealed or removed any assets with the intent to hinder or defraud creditors; or (viii) makes any transfer of assets that may be fraudulent under the Federal Bankruptcy Code or any Other Insolvency Laws, or that may be for the benefit of certain creditors at a time when other creditors similarly situated have not been paid.

13.3 **Remedies on Default.** Upon the occurrence of any Event of Default by Tenant (beyond any applicable notice and cure period), Landlord may immediately terminate this Lease and/or pursue any other remedy now or hereafter allowed by law. Upon the occurrence of any Event of Default by Landlord (beyond any applicable notice and cure period), Tenant may immediately terminate this Lease and/or pursue any other remedy now or hereafter allowed by law. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

13.4 **Performance of Obligations.** If either Party fails to promptly perform any of its obligations under this Lease, the non-defaulting Party may, at its option and upon thirty (30) days' prior notice to the defaulting Party (except that no notice shall be required in the case of an emergency), immediately or at any later time (prior to the satisfaction of such obligations), perform those obligations for the account of the defaulting Party without waiving the default. Any reasonable amount paid or expense (including reasonable attorneys' fees), penalty or other liability incurred by the non-defaulting Party in that performance shall be payable by the defaulting Party upon demand, and, if not so paid, shall bear interest at the lesser of (a) eight percent (8%) per annum or (b) the highest rate legally permitted.

#### **ARTICLE XIV ESTOPPEL CERTIFICATE; SUBORDINATION**

14.1 **Delivery of Certificate.** Either Party shall, upon not less than thirty (30) days' prior written notice from the other Party, execute and deliver to the requesting Party a statement in writing: (a) 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); (b) stating the date to which the Basic Rent and other charges are paid in advance, if any; (c) acknowledging that there are not, to the knowledge of the Party giving the certificate, any uncured defaults on the part of the other Party hereunder, or specifying such defaults if any are claimed; and (d) stating other matters as may be reasonably requested. If Landlord is the requesting Party, Tenant's statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Building or Property. If Tenant is the requesting Party, Landlord's statement may be conclusively relied upon by a prospective assignee or subtenant of this Lease or by a prospective encumbrancer of Tenant's leasehold interest in the Property.

14.2 **Subordination.** This Lease shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security placed upon the Property or any part of the Property, to any and all advances made on the security, and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding the foregoing, the subordination of Tenant's interests hereunder to any existing or future ground lease, mortgage, deed of trust, or other security instrument shall be conditioned upon Tenant's receipt of an executed and acknowledged Subordination, Non-Disturbance and Attornment Agreement ("**SNDA**") from the applicable mortgagee, trustee, deed of trust beneficiary, ground lessor, or security holder requesting the subordination. Such SNDA shall be substantially in the form attached hereto as Exhibit 14.2. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant observes and performs all of the provisions of this Lease. If any mortgagee, trustee, deed of trust beneficiary or ground lessor elects to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and gives written notice to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of the mortgage, deed of trust or ground lease, or the date of recording of the same.

## **ARTICLE XV TAXES**

15.1 **Real Property Taxes.** Landlord shall pay all Real Property Taxes applicable to the Property. For purposes of this Lease, "**Real Property Taxes**" shall mean all real property taxes or assessments (and any tax or assessment to the extent levied or assessed in lieu thereof) levied or assessed against the Premises, Building or the Property including all taxes (other than personal or corporate income taxes measured by Landlord's net income from all sources), possessory interest taxes, assessments (including all assessments for public improvements, services or benefits levied after the Commencement Date, irrespective of when commenced or completed), excises, levies, business taxes, license, permit, inspection and other authorization fees, transit development fees, assessments or charges for housing funds, service payments in lieu of taxes and any other fees or charges of any kind which are assessed, levied, charged, confirmed or imposed by any public authority: (a) on or measured by the rental payable hereunder, including any gross receipt or excise tax levied by any governmental body on the receipt of such rental; (b) on the development, possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy of the Building or the Property or any portion thereof, whether or not paid directly by Landlord; or (c) on this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

## **ARTICLE XVI COMPLIANCE**

### 16.1 **Referrals; Compliance with Stark Law.**

(a) Nothing in this Lease nor in any other written or oral agreement between Landlord and Tenant, nor any consideration offered or paid in connection with this Lease, contemplates or requires the admission or referrals of any patient to Tenant or any Affiliate of Tenant. This Lease is not intended to influence Landlord's judgment in choosing the hospital or other health care facility or provider deemed by Landlord to be best qualified to deliver goods or services to any particular patient. No provision of this Lease shall be construed as requiring or inducing Landlord or any employee, contractor or agent of Landlord to refer patients or business to Tenant or any Affiliate of Tenant. Landlord's rights under this Lease shall not be dependent in any way on the referral of patients or business to Tenant or any Affiliate of Tenant by Landlord or any employee, contractor or agent of Landlord.

(b) Landlord represents and warrants to Tenant that the Basic Rent and all Additional Rent due Landlord from Tenant under this Lease reflect fair market rent for the Premises and do not take into account the value or volume of referrals or other business generated by Landlord or any physician or dentist employed by or having an ownership interest in Landlord for Tenant or any Affiliate of Tenant.

16.2 **Disclosure of Interests.** Landlord shall provide to Tenant upon execution of this Lease (and as requested by Tenant from time to time) information sufficient to disclose any ownership, investment or compensation interest or arrangement of Landlord or any physician employed by or contracting with Landlord, or any such person's immediate family members, in any entity providing "designated health services" (as such term is defined in the Stark Law (42 U.S.C. § 1395nn) and its regulations) or any other health care services. This Section shall not impose on Tenant any disclosure or reporting requirements or obligations imposed on either Landlord or any physician employed by or contracting with Landlord under any governmental program or create an assumption of such disclosure obligations by Tenant. Landlord and each physician employed by or contracting with Landlord shall have the sole responsibility to fulfill any such federal and/or state reporting requirements or obligations.

16.3 **Excluded Provider.** Landlord hereby represents and warrants that neither Landlord, nor any owner of Landlord is, or at any time has been, excluded from participation in any federally funded health care program, including Medicare and Medicaid. Landlord hereby agrees to notify Tenant immediately of any threatened, proposed, or actual exclusion of Landlord or any owner of Landlord (collectively, the "***Landlord Parties***") from any federally funded health care program, including Medicare and Medicaid. In the event that the Landlord Parties are excluded from participation in any federally funded health care program during the Term, or if at any time after the Effective Date of this Lease it is determined that any of the Landlord Parties are in breach of this Section, Tenant shall, as of the effective date of such exclusion or breach, in addition to other remedies available to Tenant under this lease, have the right to terminate this Lease upon written notice to Landlord.

16.4 **Prevailing Wage Provision.** For those projects defined as "public works" pursuant to Labor Code §1720.2, the following shall apply:

(a) Tenant shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.

(b) Tenant (through its contractor or otherwise) shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Tenant will ensure are posted at the job site. All prevailing wage rates shall be obtained by the Tenant or its contractor from:

Department of Industrial Relations  
Division of Labor Statistics and Research  
455 Golden Gate Avenue, 8th Floor  
San Francisco, California 94102  
Phone:(415) 703-4774  
Fax: (415) 703-4771

For further information on prevailing wage: [http://www.dir.ca.gov/dlsr/statistics\\_research.html](http://www.dir.ca.gov/dlsr/statistics_research.html)

(c) Tenant shall ensure compliance with the payroll record keeping and availability requirement of §1776 of the Labor Code.

(d) Tenant shall ensure compliance with Labor Code requirements relating to travel and subsistence payments to workers needed for performance of work.

(e) Prior to commencement of work, Tenant shall ensure its contractor contacts the Division of Apprenticeship Standards and complies with §1777.5, §1777.6, and §1777.7 of the Labor Code and Applicable Regulations.

16.5 **Fair Employment Practices.** During the performance of this Lease, Tenant shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Tenant shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Tenant shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder.

## **ARTICLE XVII GENERAL PROVISIONS**

17.1 **Amendment.** This Lease may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated and signed by the Parties, and explicitly indicate that such writing modifies or amends this Lease.

17.2 **Attorneys' Fees.** If either Party brings an action or proceeding arising out of or relating to this Lease, the non-prevailing Party shall pay to the prevailing Party reasonable attorneys' fees and costs incurred in such action, including fees incurred in post judgment motions, contempt proceedings, garnishment, levy, debtor and third party examinations, discovery, bankruptcy litigation, arbitration, at trial, on appeal and on any review therefrom, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered shall contain a provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment. The prevailing Party shall be the Party who is entitled to recover its costs of suit (as determined by the court of competent jurisdiction or the arbitrator), whether or not the action or proceeding proceeds to final judgment or award.

17.3 **Brokers.** Landlord and Tenant hereby represent and warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the brokers identified (if any) in Sections 1.11 and 1.12 above (the "**Brokers**") and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each Party agrees to indemnify and defend the other Party against and hold the other Party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying Party.

17.4 **Counterparts.** This Lease may be executed in multiple counterparts, each of which shall be deemed an original (including copies sent to a party by electronic transmission) as against the party signing such counterpart, but which together shall constitute one and the same instrument.

17.5 **Disclosure of Lease.** The Parties acknowledge that this lease is a public record pursuant to the California Public Records Act and that it may be disclosed by Landlord to any third party upon request made pursuant thereto.

17.6 **Jurisdiction.** All actions and proceedings relating directly or indirectly to this Lease shall be litigated in any state or federal court located within the State and County where the Premises are located. Landlord consents to the jurisdiction of any such court and to venue therein, waives any and all rights under the laws of any other state to object to jurisdiction within such State, and consents to the service of process in any such action or proceedings, in addition to any other manner permitted by law, by compliance with the notices provision below.

17.7 **Entire Agreement.** This Lease is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understanding or discussions among the Parties with respect to such subject matter.

17.8 **Exhibits and Attachments.** The attached exhibits and attachments, together with all documents incorporated by reference in the exhibits and attachments, form an integral part of this Lease and are incorporated by reference into this Lease.

17.9 **Force Majeure.** No Party shall be liable for nonperformance, defective performance or late performance of any of its obligations under this Lease to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control ("***Force Majeure***"), including acts of God, war (declared or undeclared), terrorism, action of any governmental authority (including, without limitation, permitting delays), civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar non performance, defective performance or late performance of employees, suppliers or subcontractors).

17.10 **Governing Law.** This Lease shall be interpreted and enforced in accordance with the internal laws, and not the law of conflicts, of the State where the Premises are located.

17.11 **Headings.** The headings in this Lease are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Lease.

17.12 **Meaning of Certain Words.** Wherever the context may require, any pronouns used in this Lease shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Unless otherwise specified, "days" shall be considered "calendar days" and "months" shall be considered "calendar months" in this Lease and its exhibits and attachments.

17.13 **Consents.** Except as provided in this Lease, whenever this Lease requires the consent or approval of Landlord or Tenant to any action on the part of the other, such consent or approval shall not be unreasonably withheld, conditioned, or delayed.

17.14 **No Third-Party Beneficiary Rights.** This Lease shall not confer or be construed to confer any rights or benefits to any person or entity other than the Parties.

17.15 **Notices.** All notices or communications required or permitted under this Lease shall be given in writing and shall be delivered to the Party to whom notice is to be given either (a) by personal delivery (in which cases such notice shall be deemed given on the date of delivery), (b) by next business day courier service (e.g., Federal Express, UPS or other similar service) (in which case such notice shall be deemed given on the business day following date of deposit with the courier service), or (c) by United States mail, first class, postage prepaid, registered or certified, return receipt requested (in which case such notice shall be deemed given on the third (3rd) day following the date of deposit with the United States Postal

Service). In each case, notice shall be delivered or sent to the address indicated in Article I, or to such other address as provided by a Party to the other Party, from time to time, pursuant to this Section.

17.16 **Representations**. Each Party represents with respect to itself that (a) no representation or promise not expressly contained in this Lease has been made by the other Party or by the other Party's agents, employees, representatives or attorneys; (b) this Lease is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, by the other Party, other than such as are set forth expressly in this Lease; and (c) such Party has been represented by legal counsel of such Party's own choice or has elected not to be represented by legal counsel in this matter.

17.17 **Severability**. If any provision of this Lease, in whole or in part, or the application of any provision, in whole or in part, is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction, such provision, or part of such provision, shall be severed from this Lease. The illegality, invalidity or unenforceability of any provision, or part of any provision, of this Lease shall not affect any other provisions of this Lease, which shall continue in full force and effect.

17.18 **Short Form**. Landlord shall, at the request of Tenant, execute, deliver, and acknowledge a short form or memorandum of this Lease satisfactory to counsel for Tenant, and Tenant may in its sole discretion, record such short form or memorandum in the county where the Premises are located.

17.19 **Waiver**. No delay or failure to require performance of any provision of this Lease shall constitute a waiver of the performance of such provision or any other instance. Any waiver granted by a Party must be in writing, and shall apply solely to the specific instance expressly stated. A waiver of any term or condition of this Lease shall not be construed as a waiver of any other terms and conditions of this Lease, nor shall any waiver constitute a continuing waiver.

17.20 **No Litigation**. Except as otherwise disclosed in writing by Landlord, Landlord represents that there is no litigation pending, or to Landlord's actual knowledge, threatened, by or against Landlord concerning the Property, the Building, existing or prior tenants of the Building, or adjacent landowners.

17.21 **Authority**. Each Party represents and warrants to the other Party that such representing Party has the full power and authority to execute, deliver and perform the terms of this Lease and has taken or caused to be taken all necessary action required by law or any governing documents to authorize the execution, delivery and performance of this Lease. Without limiting the foregoing: If either Party signs this Lease as a corporation, such Party warrants that it is an authorized and existing corporation, that it is qualified to do business in the state where the Premises are located, that it has the right and authority to enter into this Lease, and that each person signing on behalf of the corporation is authorized to do so. If either Party signs this Lease as a limited liability company or a partnership, such Party warrants that it is a limited liability company or partnership, as the case may be, that the limited liability company or partnership, as applicable, has the right and authority to enter into this Lease, and that each person signing on behalf of the limited liability company or partnership, as applicable, is authorized to sign. If either Party signs this Lease as the trustee of a trust, each person executing this Lease on behalf of such Party warrants that such trustee has the right and authority to enter into this Lease in its capacity as the trustee of such trust.

17.22 **Further Assurances**. The Parties agree promptly to execute and deliver all documents and instruments reasonably requested to give effect to the provisions of this Lease.

17.23 **Submission of Lease**. Submission of this Lease for examination or signature by the Parties does not constitute an option or offer to lease the Premises on the terms in this Lease or a reservation of the

Premises in Tenant's favor. This document is not effective as a lease or otherwise until signed and delivered by both Tenant and Landlord.

17.24 **Successor and Assigns.** Subject to the prohibitions on assignment set forth in Section 11.1 above, the obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective successor and assigns.

17.25 **Joint and Several Liability.** If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease. If Landlord is comprised of more than one party, each such party shall be jointly and severally liable for Landlord's obligations under this Lease.

17.26 **Waiver of Consequential Damages.** Landlord and Tenant hereby waive any claims for any indirect or consequential damages or for any injuries, damages or inconvenience to, or interference with, Landlord and Tenant's respective businesses, including, without limitation, lost profits, any loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

[Signatures on next page.]

The Parties have executed this Lease effective as of the Execution Date.

**TENANT**

DIGNITY COMMUNITY CARE, a California  
nonprofit public benefit corporation

By: \_\_\_\_\_ *DRAFT – DO NOT SIGN*

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Approved as to form (Outside Counsel for Tenant):

POLSINELLI PC

By: \_\_\_\_\_

Name: Jared Rothkopf

Title: Shareholder

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

**LANDLORD**

\_\_\_\_\_  
a [*entity type*]

By: \_\_\_\_\_ *DRAFT – DO NOT SIGN*

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

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

Attest: Julie Dachtler, Senior Deputy Clerk  
Yolo County Board of Supervisors

By: \_\_\_\_\_

\_\_\_\_\_  
Deputy (Seal)

Approved as to Form:

By: \_\_\_\_\_

\_\_\_\_\_  
Philip J. Pogledich, County Counsel

**Exhibit 1.2**

**DESCRIPTION OF PREMISES**

## Exhibit 1.4

### OPTION TO RENEW

(A) Option and Exercise. Tenant shall have two option (each a “**Renewal Option**”) to extend the initial Term following the Expiration Date of the initial Term for additional term(s) (each, a “**Renewal Term**”) of five years each, potentially for a total of ten years, provided that no later than three months prior to expiration of the initial Term or then current Renewal Term, as applicable, Tenant provides Landlord with written notice that Tenant elects to extend the Lease for the applicable Renewal Term. The Renewal Term shall be on the same terms, covenants and conditions of this Lease.

(B) Lease Amendment. Within fifteen (15) days after receipt of written notice from Tenant to Landlord that Tenant has exercised a Renewal Option to extend the Term of the Lease, Landlord shall provide Tenant with an amendment to the Lease reflecting the extension of the Term for the Renewal Term; provided, however, in no event shall the Parties’ failure to execute such an amendment void Tenant’s timely exercise of a Renewal Option pursuant to Section (A) above.

(C) Termination. Tenant shall have no further options to extend the Term of this Lease beyond the expiration date of the last applicable Renewal Term created by exercise of the last applicable Renewal Option provided hereunder.

(D) Binding on Successors. The Renewal Option described in this Section shall be binding upon any transferee, assignee, buyer or successor of Landlord, regardless of the method (whether voluntary, involuntary, or by operation of law) by which such person acquired Landlord’s interest in the Premises or under this Lease, including, without limitation, a foreclosure by a mortgagee or deed of trust beneficiary or a transfer in lieu of foreclosure to a mortgagee or deed of trust beneficiary.

**Exhibit 14.2**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SUBORDINATION NONDISTURBANCE AND ATTORNMENT  
AGREEMENT**

This Subordination Nondisturbance and Attornment Agreement (“Agreement”) is made as of \_\_\_\_\_ between \_\_\_\_\_ (“Lender”) and DIGNITY COMMUNITY CARE, a California nonprofit public benefit corporation (“Tenant”).

**RECITALS**

A. Lender has made a loan to [\_\_\_\_\_] (“Landlord”), secured by a deed of trust, dated \_\_\_\_\_ and recorded on \_\_\_\_\_ as Instrument No. \_\_\_\_\_, in the Official Records of [\_\_\_\_\_] County, California (together with all amendments, increases, renewals, modifications, consolidations, spreaders, combinations, supplements, replacements, substitutions, and extensions, either current or future, referred to hereafter as the “Mortgage”) encumbering Landlord’s ownership interest in real property located in [\_\_\_\_\_] State of California. The legal description of the encumbered real property (the “Mortgaged Premises”) is set forth in Exhibit A, attached to this Agreement. The Mortgage, together with the promissory note or notes, the loan agreement(s), and other documents executed in connection with it are hereafter collectively referred to as the “Loan Documents”.

B. On \_\_\_\_\_, Tenant and Landlord entered into a lease for a portion of the Mortgaged Premises (the “Lease”). The Lease creates a leasehold estate in favor of Tenant for space (the “Leased Premises”) located on the Mortgaged Premises.

C. In connection with execution of the Mortgage, Landlord also executed and delivered to Lender an Assignment of Leases, Rents and Profits dated \_\_\_\_\_, and recorded on \_\_\_\_\_, as Instrument No. \_\_\_\_\_, in the Official Records of the County Recorder of [\_\_\_\_\_] County, California concerning all rents, issues and profits from the Mortgaged Premises. This document, together with all amendments, renewals, modifications consolidations, replacements, substitutions and extensions, is hereafter referred to as the “Assignment of Rents.”

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Accuracy of Recitals. The recitals set forth above are incorporated into the body of this Agreement by reference, and each party hereto acknowledges the recitals are complete and accurate in all material respects, and are an inducement for each party hereto to enter into and execute this Agreement.

2. Representations and Warranties. Tenant warrants and represents to Lender that the Lease is in full force and effect and that, as of the date of this Agreement and to the best of Tenant's knowledge, there is no default under the Lease by Landlord or Tenant.

3. Tenant Subordination.

3.1. Subject to the provisions of Section 4, the Loan Documents shall constitute a lien or charge on the Mortgaged Premises that is prior and superior to the Lease, to the leasehold estate created by it, and to all rights and privileges of Tenant under it; by this Agreement, the Lease, the leasehold estate created by it, together with all rights and privileges of Tenant under it, is subordinated, at all times, to the lien or charge of the Loan Documents in favor of Lender, provided, however, that none of Tenant's rights under the Lease, including, without limitation, its right to use and possession, its option to extend the term of the Lease, its right to any tenant improvement allowance, and its right to any rent abatement, shall be affected in any way by reason of being subordinate to the Loan Documents.

3.2. By executing this Agreement, Tenant subordinates the Lease and Tenant's interest under it to the lien right and security title, and terms of the Loan Documents, and to all advances or payments made, or to be made, under any Loan Document.

4. Nondisturbance.

4.1. Lender consents to the Lease.

4.2. Despite Tenant's subordination under Section 3, so long as the Lease has not been terminated on account of a default by Tenant (that has continued beyond any applicable cure period), Tenant's peaceful and quiet possession of the Leased Premises shall not be disturbed, except in accordance with the Lease and applicable law, and Tenant's rights and privileges under the Lease shall not be diminished by Lender's exercise of its rights or remedies under the Loan Documents.

4.3. If (a) Lender shall acquire title to, and possession of, the Leased Premises on foreclosure, and (b) Tenant is not in default under the Lease beyond any applicable cure or grace periods, has not canceled or terminated the Lease (without regard to whether Landlord or Tenant is then in default under the Lease), nor surrendered, or abandoned the Leased Premises and remains in actual possession of the Leased Premises (or a permitted assignee remains in possession of the Leased Premises) at the time Lender shall so acquire title to, and possession of, the Leased Premises, at Lender's election, Lender and Tenant (or a permitted assignee remains in possession of the Leased Premises) shall enter into a new lease on the same terms and conditions as were contained in the Lease, except that:

(a) the obligations and liabilities of Lender under a new lease shall be subject to the terms and conditions of this Agreement (including the provisions of Sections 6-8);

(b) Lender shall have no obligations or liabilities to Tenant under any such new lease beyond those of Landlord (or its predecessors-in-interest) as were contained in the Lease (to the extent assumed by Lender under this Agreement); and

(c) the expiration date of any such new lease shall coincide with the original expiration date of the Lease, as may be extended by applicable renewal or extension options.

4.4. Tenant shall not be named or joined in any foreclosure, trustee's sale, or other proceeding to enforce the Loan Documents unless such joinder shall be legally required to perfect the foreclosure,

trustee's sale, or other proceeding. In any instance in which Lender names or joins Tenant in any proceeding to enforce the Loan Documents, Landlord agrees not to terminate the Lease unless a default by Tenant has occurred and is continuing beyond any applicable cure period.

5. Attornment.

5.1. If Lender shall succeed to Landlord's interest in the Mortgaged Premises by foreclosure of the Mortgage, by deed in lieu of foreclosure, or in any other manner, Tenant shall be bound to Lender under all the terms, covenants and conditions of the Lease for the balance of its term with the same force and effect as if Lender were the Landlord under the Lease. Tenant shall be deemed to have full and complete attornment to, and to have established direct privity between Tenant and:

- (a) Lender when in possession of the Mortgaged Premises;
- (b) a receiver appointed in any action or proceeding to foreclose the Mortgage;
- (c) any party acquiring title to the Mortgaged Premises; or
- (d) any successor to Landlord.

5.2. Tenant's attornment is self-operating, and it shall continue to be effective without execution of any further instrument by any of the parties to this Agreement or the Lease. Lender agrees to give Tenant written notice if Lender has succeeded to the interest of the Landlord under the Lease. Subject to Section 6, the terms of the Lease are incorporated into this Agreement by reference.

5.3. If the interests of Landlord under the Lease are transferred by foreclosure of the Mortgage or deed in lieu of foreclosure, to a party other than Lender ("Transferee"), in consideration of, and as condition precedent to, Tenant's agreement to attorn to any such Transferee, Transferee shall be deemed to have assumed all terms, covenants, and conditions of the Lease to be observed or performed by Landlord from the date on which the Transferee succeeds to Landlord's interests under the Lease; provided that the liability of any Transferee to Tenant under the terms of the Lease shall be limited in the same manner as Lender's liability is limited under Section 6.

6. Lender as Landlord. If Lender shall succeed to the interest of Landlord under the Lease, Lender shall be bound to Tenant under all the terms, covenants and conditions of the Lease, and Tenant shall, from the date of Lender's succession to the Landlord's interest under the Lease, have the same remedies against Lender for breach of the Lease that Tenant would have had under the Lease against Landlord; provided, however, that despite anything to the contrary in this Agreement or the Lease, Lender, as successor to the Landlord's interest, shall not be:

(a) liable for any act or omission of any previous landlord (including Landlord), unless Tenant shall have given notice under Section 7 of this Agreement to Lender at that time (whether or not Lender elected to cure or remedy the act or omission), provided that the foregoing shall not be construed to limit Tenant's right to possession of the Leased Premises for the entire term of the Lease, as extended, on the terms and conditions of the Lease;

(b) subject to any offsets or defenses (except those expressly permitted under the Lease) which Tenant might have had against any previous landlord (including Landlord), unless Tenant shall have given notice under Section 7 to Lender at that time (whether or not Lender elected to cure or remedy the act or omission);

(c) subject to any obligation to pay Tenant any sums that any prior landlord (including Landlord) owed to Tenant, including, without limitation, any tenant improvement allowance, unless sums, if any, are specified in the Lease or have been actually delivered to Lender (or Transferee) by way of an assumption of escrow accounts or otherwise;

(d) bound by any rent or additional rent that Tenant might have paid for more than one month in advance to any prior landlord (including Landlord), unless such advance payment(s) of rent are specifically required by the terms of the Lease or have been actually delivered to Lender (or Transferee) by way of an assumption of escrow accounts or otherwise; or

(e) bound by an amendment or modification of the Lease which would materially adversely affect any right of Landlord under the Lease made without Lender's written consent, which consent shall not be unreasonably withheld.

7. Notice of Default; Right To Cure. Tenant agrees to give Lender prompt written notice of any default by Landlord under the Lease. Tenant agrees that, before Tenant exercises any of its rights or remedies under the Lease, Lender shall have the right, but not the obligation, to cure the default within the same time given Landlord in the Lease to cure the default, plus an additional thirty (30) days. In the event of any default by Landlord, the cure of which requires possession and control of the Mortgaged Premises, Tenant agrees that the cure period shall be extended by the time necessary for Lender to commence foreclosure proceedings and to obtain possession of the Mortgaged Premises, provided that:

(a) Lender shall notify Tenant of Lender's intent to effect its remedy within ten (10) days after receipt of Tenant's notice;

(b) Lender initiates immediate steps to foreclose on or to recover possession of the Mortgaged Premises;

(c) Lender initiates immediate legal proceedings to appoint a receiver for the Mortgaged Premises or to foreclose on or recover possession of the Mortgaged Premises within the thirty (30) day period; and

(d) Lender prosecutes such proceedings and remedies with due diligence and continuity to completion within not more than sixty (60) days following Lender's possession of the Mortgaged Premises.

Tenant also agrees to use its best efforts to give Lender notice of any casualty damage to the Mortgaged Premises, but Tenant's failure to provide such notice shall not be a default under this Agreement.

8. Assignment of Rents. If Landlord defaults in its performance of the terms of the Loan Documents, Tenant agrees to recognize the Assignment of Rents made by Landlord to Lender and shall pay to Lender, as assignee, from the time Lender gives Tenant proper notice that Landlord is in default under the terms of the Loan Documents, the rents under the Lease, but only those rents that are due or that become due under the terms of the Lease after notice by Lender. Payments of rents to Lender by Tenant under the assignment of rents and Landlord's default shall continue until the first of the following occurs:

(a) No further rent is due or payable under the Lease;

(b) Lender gives Tenant notice that the Landlord's default under the Loan Documents has been cured and instructs Tenant that the rents shall thereafter be payable to Landlord; or

(c) The lien of the Mortgage has been foreclosed and the purchaser at the foreclosure sale (whether Lender or a Transferee) gives Tenant notice of the foreclosure sale. On giving notice, the purchaser shall succeed to Landlord's interests under the Lease, after which time the rents and other benefits due Landlord under the Lease shall be payable to the purchaser as the owner of the Mortgaged Premises.

9. Tenant's Reliance. Tenant shall be entitled to full credit under the Lease for any rents paid to Lender in accordance with Section 8 to the same extent as if such rents were paid directly to Landlord. Any dispute between Lender (or Lender's Transferee) and Landlord as to the existence of a default by Landlord under the terms of the Mortgage, the extent or nature of such default, or Lender's right to foreclosure of the Mortgage, shall be dealt with and adjusted solely between Lender (or Transferee) and Landlord, and Tenant shall not be made a party to any such dispute (unless required by law).

10. Lender's Status. Nothing in this Agreement shall be construed to be an agreement by Lender to perform any covenant of the Landlord under the Lease unless and until it obtains title to the Mortgaged Premises by power of sale, judicial foreclosure, or deed in lieu of foreclosure, or obtains possession of the Mortgaged Premises under the terms of the Loan Documents.

11. Cancellation of Lease. Tenant agrees that it will not cancel, terminate, or surrender the Lease, except at the normal expiration of the Term or as provided in the Lease.

12. Special Covenants. Despite anything in this Agreement or the Lease to the contrary, if Lender acquires title to the Mortgaged Premises, Tenant agrees that: Lender shall have the right at any time in connection with the sale or other transfer of the Mortgaged Premises to assign the Lease or Lender's rights under it to any person or entity, and that Lender, its officers, directors, shareholders, agents, and employees shall be released from any further liability under the Lease arising after the date of such transfer, provided that the assignee of Lender's interest assumes Lender's obligations under the Lease, in writing, from the date of such transfer.

13. Transferee's Performance Obligations. Subject to the limitations provided in Section 5.3, if a Transferee acquires title to the Mortgaged Premises, the Transferee shall perform and recognize Landlord's obligations under the Lease.

14. Notice. All notices required by this Agreement shall be given in writing and shall be deemed to have been duly given for all purposes when: (i) deposited in the United States mail (by registered or certified mail, return receipt requested, postage prepaid); or (ii) deposited with a nationally recognized overnight delivery service such as Federal Express or Airborne. Each notice must be directed to the party to receive it at its address stated below or at such other address as may be substituted by notice given as provided in this Section.

The addresses are:

Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tenant: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With copies to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: Corporate Real Estate

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: Legal Department

Landlord:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

15. Miscellaneous Provisions.

15.1. Modification. This Agreement may not be modified orally; it may be modified only by an agreement in writing signed by the parties or their successors-in-interest. This Agreement shall inure to the benefit of and bind the parties and their successors and assignees.

15.2. Captions. The captions contained in this Agreement are for convenience only and in no way limit or alter the terms and conditions of the Agreement.

15.3. Governing Law. This Agreement has been executed under and shall be construed, governed, and enforced, in accordance with the laws of the State of California except to the extent that California law is preempted by the U.S. federal law.

15.4. Severability. The invalidity or unenforceability of one or more provisions of this Agreement does not affect the validity or enforceability of any other provisions.

15.5. Integration. This Agreement shall be the entire and only agreement concerning subordination of the Lease and the leasehold estate created by it, together with all rights and privileges of Tenant under it, to the lien or charge of the Loan Documents and shall supersede and cancel, to the extent that it would affect priority between the Lease and the Loan Documents, any previous subordination agreements, including provisions, if any, contained in the Lease that provide for the subordination of the Lease and the leasehold estate created by it to a deed of trust or mortgage. This Agreement supersedes any inconsistent provision of the Lease.

15.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which copies, taken together, shall constitute but one and the same instrument. Signature and acknowledgment pages may be

detached from the copies and attached to a single copy of this Agreement to physically form one original document, which may be recorded without an attached copy of the Lease.

15.7. Attorney's Fees. If any legal action or proceeding is commenced to interpret or enforce the terms of this Agreement or obligations arising out of it, or to recover damages for the breach of the Agreement, the party prevailing in such action or proceeding shall be entitled to recover from the non-prevailing party or parties all reasonable attorneys' fees, costs, and expenses it has incurred.

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

IN WITNESS WHEREOF, the parties hereto duly executed and delivered this Agreement as of the date first written above.

**TENANT:**

DIGNITY COMMUNITY CARE, a California nonprofit public benefit corporation

Dated: \_\_\_\_\_

By: EXHIBIT ONLY – DO NOT SIGN

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

**LENDER:**

\_\_\_\_\_

Dated: \_\_\_\_\_

By: EXHIBIT ONLY – DO NOT SIGN

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Accepted and Agreed To:

**LANDLORD:**

\_\_\_\_\_, a  
[\_\_\_\_\_]

By: *EXHIBIT ONLY – DO NOT SIGN* \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**

Legal Description of Mortgaged Premises

**ACKNOWLEDGMENT**

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

State of California )  
 )  
County of \_\_\_\_\_ )

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**ACKNOWLEDGMENT**

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

State of California )  
 )  
County of \_\_\_\_\_ )

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**ACKNOWLEDGMENT**

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

State of California )  
 )  
County of \_\_\_\_\_ )

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)