

NAPA COUNTY AGREEMENT NO. 260113B

**COMMERCIAL LEASE
BASIC LEASE INFORMATION**

LEASE DATE: September 9, 2025

LANDLORD: Gateway Partners 1, LLC, a California limited liability company

LANDLORD'S ADDRESS: 1850 Soscol Avenue, Suite 207
Napa, CA 94559
Attn: Mark R. Funseth
Phone: (707) 252-5460
Email: mfunseth@channelprop.com

TENANT: County of Napa

TENANT'S ADDRESS: Napa County Director of Public Works
Attn: Leases and Rents
1195 Third Street, Suite 101
Napa, CA 94559

PREMISES: Approximately 40,000 rentable square feet of space in the Building, commonly known as 555 Gateway Drive, Napa, CA, as more particularly shown on Exhibit A-1 attached hereto.

BUILDING: That certain office building located within the Project, commonly known as 555 Gateway Drive, Napa, CA, and consisting of approximately 40,000 rentable square feet of space.

PROJECT: That certain property located in Napa, California, and commonly known as 501-555 Gateway Drive, consisting of approximately 13.10 acres.

TERM:

a. Commencement Date

The date that Tenant receives the Premises from the Landlord with Landlord's Work substantially completed, which date is estimated to be approximately eight (8) to twelve (12) weeks following the commencement of Landlord's Work (as further described in Exhibit C-1 attached hereto). Tenant shall be provided with access to the space thirty (30) business days prior to the Commencement Date pursuant to Section 3.4 and the Work Letter.

b. Termination Date	The last day of the 120 th full calendar month following the Commencement Date
c. Option Period	Tenant shall have the option to extend the Term for two (2) consecutive periods of five (5) years each
BASE RENT:	<p>Base Rent shall be payable to Landlord pursuant to the following rent schedule:</p> <p>1st Lease Year: \$86,000.00 per month 2nd Lease Year: \$88,580.00 per month 3rd Lease Year: \$91,237.40 per month 4th Lease Year: \$93,974.52 per month 5th Lease Year: \$96,793.76 per month 6th Lease Year: \$99,697.57 per month 7th Lease Year: \$102,688.50 per month 8th Lease Year: \$105,769.16 per month 9th Lease Year: \$108,942.24 per month 10th Lease Year: \$112,210.51 per month</p>
BASE YEAR	The Base Year shall be the period from the Commencement Date until the day immediately preceding the first anniversary of the Commencement Date
TENANT'S PERCENTAGE SHARE:	100% of the Building and Common Areas as of the Lease Date. As of the Commencement Date there are no other buildings or tenants on the Project. .
SECURITY DEPOSIT:	None
PERMITTED USE:	For use by the Napa County Probation Department and Child Support Services , and other County Departments and Agencies for office space and all related administrative uses and for no other use or purpose. Tenant shall be allowed to sublet space to partner agencies that provide services to Tenant's customers/clients.
PARKING SPACES:	Tenant shall have the right to use one hundred and sixty (160) spaces, of which eighty-eight (88) spaces may be used by Tenant on a non-exclusive basis, and seventy-two spaces may be used by Tenant on an exclusive basis, in the parking areas shown on <u>Exhibit A-2</u> .
REAL ESTATE BROKERS:	
a. Landlord's Broker:	Jones Lang LaSalle Brokerage, Inc. (Matthew R. Bracco)

b. Tenant's Broker:

Colliers International (Bill Kampton)

GUARANTOR:

Name:

None

EXHIBITS AND ADDENDUM

<u>Exhibit A-1:</u>	Diagram of Premises
<u>Exhibit A-2:</u>	Diagram of Project
<u>Exhibit B:</u>	Rules and Regulations
<u>Exhibit C-1:</u>	Landlord's Work
<u>Exhibit C-2:</u>	Approved Space Plan

COMMERCIAL LEASE

THIS COMMERCIAL LEASE (this “Lease”) dated as of September 9, 2025 (“Effective Date”), is entered into by and between Gateway Partners 1, LLC, a California limited liability company (“Landlord”), and Napa County, a political subdivision of the State of California (“Tenant”).

1. Definitions. The following terms shall have the meanings set forth below:

1.1. Building. The term “Building” shall have the meaning set forth in the Basic Lease Information.

1.2. Building Common Areas. Not applicable

1.3. Commencement Date. The term “Commencement Date” shall have the meaning set forth in the Basic Lease Information.

1.4. Common Areas. The term “Common Areas” shall mean the Project Common Areas.

1.5. Premises. The term “Premises” shall have the meaning set forth in the Basic Lease Information.

1.6. Project. The term “Project” shall mean the land upon which the Building is located, as more particularly described in the Basic Lease Information, attached hereto.

1.7. Project Common Areas. The term “Project Common Areas” shall mean the areas and facilities within the Project provided and designated by Landlord for the general use, convenience or benefit of Tenant and other tenants and occupants of the Project (e.g., walkways, traffic aisles, accessways, utilities and communications conduits and facilities).

1.8. Rentable Area. The term “Rentable Area” shall mean the rentable area of the Premises, Building and Project as reasonably determined by Landlord. The parties agree that for all purposes under this Lease, the Rentable Area of the Premises and Building shall be deemed to be the number of rentable square feet identified in the Basic Lease Information.

1.9. Term. The term “Term” shall have the meaning set forth in the Basic Lease Information.

2. Premises.

2.1. Demise. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the Term, at the rent and upon the conditions set forth below, the Premises, together with the right in common to use the Common Areas.

2.2. Condition Upon Delivery; Landlord’s Work; Commencement Date Memorandum. Tenant acknowledges that it has had an opportunity to thoroughly inspect the Premises and, subject to Landlord’s obligations pursuant to this Section 2.2, Section 9.2 and as part of Landlord’s Work pursuant to Exhibit C-1, Tenant accepts the Premises in its existing “as is” condition, with all faults and defects and without any representation or warranty of any kind, express or implied. Tenant acknowledges that Landlord shall have no obligation whatsoever to construct any improvements on the Premises or otherwise modify the current condition of the Premises, except for the Landlord’s Work as described in Exhibit C-1

("Landlord's Work"). The Landlord's Work must be performed in conformance with the prevailing wage provisions of State laws and the relevant provisions of the California Labor Code. The Landlord's Work shall be deemed "substantially completed" when (i) such portion of Landlord's Work is, in fact, complete except for "punch list" items (as hereinafter defined) and Landlord has removed all of its equipment used in connection with, and all debris caused by the performance of, Landlord's Work, and (ii) Landlord has obtained all consents, approvals, and "sign-offs" from governmental authorities with jurisdiction, indicating that Landlord's Work has been completed in accordance with all applicable legal requirements. Such consents, approvals and "sign-offs" shall be without any condition that would prevent or materially interfere with Tenant's lawful use of the Premises for its intended purposes. "Punch list" items are those items of minor or insubstantial details of construction or mechanical adjustment that will not materially interfere with the performance of Tenant's Work or Tenant's use of the Premises, if any, of such portion of Landlord's Work which remain incomplete. Following substantial completion of the Landlord's Work, Tenant shall inspect the Landlord's Work and compile and furnish Landlord with a punch list of any missing or deficient improvements. Landlord shall use commercially reasonable efforts to complete the corrective work noted in the punch list in a prompt, good and workman-like manner. Punch list corrections shall not be grounds for a delay or reduction in any rent payments due Landlord. Following the substantial completion of the Landlord's Work, Landlord shall prepare and deliver to Tenant a commencement date memorandum (the "**Commencement Date Memorandum**") in the form of Exhibit D, attached hereto, subject to such changes in the form as may be required to ensure the accuracy thereof. The Commencement Date Memorandum shall certify the date on which Landlord delivered possession of the Premises to Tenant with the Landlord's Work substantially complete and the dates upon which the Term commences and expires. Upon execution by Tenant, the Commencement Date Memorandum shall be binding on Tenant without the need for countersignature by Landlord. In addition, Tenant's failure to execute and deliver to Landlord the Commencement Date Memorandum within five (5) business days after Tenant's receipt of the Commencement Date Memorandum shall be conclusive upon Tenant as to the matters set forth in the Commencement Date Memorandum. In the event of a dispute regarding Landlord's completion of Landlord's Work, Landlord and Tenant agree to submit the matter to mediation to resolve the dispute. The mediation shall be held prior to any court action or arbitration. The mediation shall be confidential and in accordance with California Evidence Code §1152.5. In the event the parties are not able to agree on a mediator within thirty days JAMS or another judicial and mediation service mutually acceptable to the parties shall appoint a mediator. In the event the mediator determines that a second mediation session is necessary, it shall be conducted in accordance with this paragraph. The venue for the mediation shall be in Napa County. Each party shall pay its own costs and expenses for the mediation, with the parties equally sharing in the costs of the mediator.

2.3. Reserved Rights. Landlord reserves the right to do the following from time to time, provided such activity does not substantially interfere with Tenant's use of the Premises:

(a) Changes. To install, use, maintain, repair, replace and relocate pipes, ducts, shafts, conduits, wires, appurtenant meters and mechanical, electrical and plumbing equipment and appurtenant facilities for service to other parts of the Building or Project above the ceiling surfaces, below the floor surfaces and within the walls of the Premises and in the central core areas of the Building and in the Building Common Areas, and to install, use, maintain, repair, replace and relocate any pipes, ducts, shafts, conduits, wires, appurtenant meters and mechanical, electrical and plumbing equipment and appurtenant facilities servicing the Premises, which are located either in the Premises or elsewhere outside of the Premises;

(b) Boundary Changes. To change the boundary lines of the Project;

(c) Facility Changes. To alter or relocate the Common Areas or any facility within the Project;

(d) Parking. To designate and/or redesignate specific parking spaces in the Project for the exclusive or non-exclusive use of specific tenants in the Project;

(e) Services. To install, use, maintain, repair, replace, restore or relocate public or private facilities for communications and utilities on or under the Building and/or Project; and

(f) Other. To perform such other acts and make such other changes in, to or with respect to the Common Areas, Building and/or Project as Landlord may reasonably deem appropriate.

2.4. CASp. Landlord hereby advises Tenant that the Premises have not undergone an inspection by a Certified Access Specialist ("CASp"). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "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." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (i) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp approved in advance by Landlord; and (ii) Landlord shall have no obligation to perform any work or repairs identified in any such CASp inspection, except as otherwise provided in Sections 7.2.2 or 9.2 below.

3. Term; Option.

3.1. Commencement Date. The Term shall be for the period of time specified in the Basic Lease Information unless sooner terminated as hereinafter provided. The Term shall commence on the Commencement Date and shall continue thereafter in full force and effect for the period specified as the Term or until this Lease is terminated as otherwise provided herein. For purposes of this Lease, the first "Lease Year" shall mean the period commencing on the Commencement Date and ending twelve (12) months thereafter, except that if the Commencement Date is other than the first day of a calendar month, the first "Lease Year" shall mean the period commencing on the Commencement Date and ending on the last day of the twelfth (12th) full calendar month after the Commencement Date. Thereafter, the term "Lease Year" shall mean a period equal to twelve full calendar months.

3.2. Delay in Delivery. Landlord shall not be liable for any damage or loss incurred by Tenant for Landlord's failure for whatever cause to deliver possession of the Premises by any particular date (including the Commencement Date), nor shall this Lease be void or voidable on account of any such failure to deliver possession of the Premises. However, the Base Rent (as defined below) owing hereunder shall be abated in proportion to that portion of the Premises not delivered on or before the Commencement Date for the period commencing with the Commencement Date and ending on the actual delivery of possession of such portion of the Premises by Landlord. Notwithstanding the foregoing, should Landlord be delayed more than three (3) months in delivering possession of the Premises, Tenant shall have the right to terminate this Lease by providing Landlord thirty (30) days written notice.

3.3 Options. If Tenant is not then in material default under the terms of this Lease, Tenant shall have the option (each, an "Option" and together, the "Options") to extend the Term for two (2) consecutive periods of five (5) years each (each, an "Option Period" and together, the "Option Periods"), commencing upon the expiration of the then current Term (each, an "Option Period Commencement Date"). The Options shall be exercisable by written notice from Tenant to Landlord (the "Option Notice") of

Tenant's intent to exercise its election for said Options and must be given not earlier than twelve (12) months and not later than ten (10) months prior to, the applicable Option Period Commencement Date. If Tenant fails to timely give notice of its intent to exercise the Option, said Option shall thereupon expire. Unless otherwise agreed in writing by Landlord and Tenant, all other provisions of this Lease shall continue in full force and effect during any extension of the Term. If Tenant is in material default on the date of giving its Option Notice, such Option Notice shall be totally ineffective, unless Tenant is in the process of curing such material default and diligently completes the cure of such material default, or if Tenant is in material default on the pertinent Option Period Commencement Date, the Option Period shall not commence and this Lease shall expire at the end of the then current Term, unless Tenant is in the process of curing such material default and diligently completes the cure of such material default. Tenant shall have no other right to extend the Term except as provided in this Section 3.3. The Options granted to Tenant in this Lease are personal to the original Tenant named hereinabove, and cannot be voluntarily or involuntarily assigned or exercised by any person or entity other than said original Tenant while the original Tenant is in full and actual possession of the Premises and without the intention of thereafter assigning or subletting. The Base Rent during the Option Period shall be as provided in Section 4.7 of this Lease.

3.4 Early Access. While the Base Rent shall not commence until the Commencement Date, the Tenant shall be permitted early access of the Premises thirty (30) days prior to the Commencement Date, pursuant to the terms and conditions of Section 7 of the Work Letter attached hereto as Exhibit C-1.

4. Rent.

4.1. Base Rent. For purposes of this Lease, the term "Rent" shall mean the Base Rent, all additional rent, and all of the other monetary obligations of Tenant under this Lease. Upon execution of this Lease, Tenant shall pay to Landlord the first month's Base Rent. Tenant shall pay to Landlord the Base Rent specified in the Basic Lease Information, in advance, on or before the first day of each and every successive calendar month following the Commencement Date. If the Term commences on other than the first day of a calendar month, the first payment of Base Rent shall be appropriately prorated on the basis of the number of days in such calendar month. If the Term expires on other than the last day of a calendar month, the last payment of Base Rent shall be appropriately prorated based on the number of days in such calendar month. Tenant's Rent payments shall be made in a single payment, and in no event shall Tenant's Rent be separated in multiple payments (for example by separate Tenant agencies operating within the Building). Tenant shall provide Landlord with the contact information for an individual who shall serve as Tenant's primary contact person for communications between Landlord and Tenant, including but not limited to, any communications related to the payment of Rent and maintenance and repairs of the Premises.

4.2. Adjustments to Base Rent. (See the rent schedule in the Basic Lease Information).

4.3. Additional Rent. Tenant shall pay, as additional rent, all amounts of money that Tenant is required to pay to Landlord under this Lease in addition to monthly Base Rent whether or not the same is designated "additional rent." Tenant shall pay to Landlord all additional rent upon Landlord's written request or otherwise as provided in this Lease.

4.4 Late Payment. Tenant acknowledges that late payment of Rent to Landlord will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which is extremely difficult to ascertain. Such 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 trust deed covering the Premises. Accordingly, if any installment of Rent or any other sums due from Tenant shall not be received by Landlord within 5 days of being due, Tenant shall pay to Landlord a late charge in an amount equal to five percent (5%) of such overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of

such late charge by Landlord shall not constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Notwithstanding the foregoing, Landlord will not assess the late charge for one (1) late rent payment in any 12-month period. Any subsequent late payment within a 12-month period will be subject to the late payment.

4.5 Interest. In addition to the imposition of a late payment charge pursuant to Section 4.4 above, any Rent that is not paid within 5 days of being due shall bear interest from the date due until paid at the rate that is the lesser of ten percent (10%) per annum (the "Interest Rate") or the maximum rate permitted by law. Payment of interest shall not excuse or cure any default hereunder by Tenant.

4.6 Payment. All payments due from Tenant to Landlord hereunder shall be made to Landlord without deduction or offset, in lawful money of the United States of America at Landlord's address for notices hereunder, or to such other person or at such other place as Landlord may from time to time designate in writing to Tenant

4.7. Option Period Base Rent. In the event Tenant exercises the Option(s), the Base Rent shall adjust as of the Option Period commencement date to an amount equal to the fair market rental value for similar commercial property, taking into account rental abatement, tenant improvements and any other tenant inducements then given to new tenants of similar size and credit in comparable buildings in Napa County; provided however, that in no event shall the Base Rent be less than the Base Rent payable during the Lease Year immediately preceding the applicable Option Period. Landlord and Tenant shall have ninety (90) days after Landlord receives an Option Notice from Tenant in which to agree on the Base Rent for the initial year of the Option Period. If the parties agree on Base Rent for the first year of the Option Period during such thirty (30) business day period, they shall immediately execute an amendment to this Lease stating the new Base Rent. In addition to the Base Rent, during the Option Period, Tenant shall continue to pay Landlord additional rent pursuant to Section 4.3 above.

If the parties are unable to agree on the Base Rent for the first year of the Option Period within said thirty (30) business day period, then within twenty (20) business days after the expiration thereof, each party, at its cost and by giving notice to the other party, shall appoint a real estate appraiser with at least five (5) years' full time commercial appraisal experience to appraise and set the Base Rent for the first year of the Option Period, based upon the fair market rental value for similar commercial property in Napa County. If a party does not appoint an appraiser within twenty (20) days after the other party has given notice of the name of its appraiser, the single appraiser appointed shall be the sole appraiser and shall set the Base Rent for the first year of the Option Period. If the two appraisers are appointed by the parties as stated in this paragraph, they shall each prepare and deliver to the other appraiser, their respective appraisal of the fair market rental value for the first year of the Option Period. If they are unable to agree within ten (10) business days after the second appraiser has been appointed, they shall select a third appraiser meeting the qualifications stated in this paragraph within ten (10) business days thereafter. If they are unable to agree on the third appraiser, either of the parties to this Lease, by giving ten (10) days' notice to the other party, can file a petition with the Superior Court of Napa County solely for the purpose of selecting and appointing the third appraiser who meets the qualifications stated in this paragraph. Each party shall bear half the cost of such petition and of the third appraiser's fee.

Within twenty (20) days after selection of the third appraiser, the third appraiser shall submit an appraisal of the fair market rent of the Premises. The highest and lowest appraisal submitted by the three appraisers shall be rejected and the remaining appraisal shall be binding upon the parties. Alternatively, in the event that any two (2) appraisers agree on the fair market rental of the Premises, such appraisals shall be binding.

After the Base Rent for the first year of the Option Period has been set, the appraisers shall immediately notify the parties hereto. Thereafter, the parties shall immediately execute an amendment to this Lease setting forth the Base Rent for the first year of the Option Period. After the Base Rent for the first year of the Option Period has been set, the Base Rent shall be subject to annual increases in the amount of three percent (3%) per year.

5. Taxes.

5.1. Definition of Taxes. The term "Taxes" shall include all transit charges, housing fund assessments, real estate taxes and all other taxes relating to the Premises, Building and Project of every kind and nature whatsoever, including any supplemental real estate taxes attributable to any period during the Term; all taxes which may be levied in lieu of real estate taxes; and all assessments, assessment bonds, levies, fees, penalties (if a result of Tenant's delinquency) and other governmental charges (including, but not limited to, charges for parking, traffic and any storm drainage/flood control facilities, studies and improvements, water and sewer service studies and improvements, and fire services studies and improvements); and all amounts necessary to be expended because of governmental orders, whether general or special, ordinary or extraordinary, unforeseen as well as foreseen, of any kind and nature for public improvements, services, benefits or any other purpose, which are assessed, based upon the use or occupancy of the Premises, Building and/or Project, or levied, confirmed, imposed or become a lien upon the Premises, Building and/or Project, or become payable during the Term, and which are attributable to any period within the Term. Landlord and Tenant acknowledge and agree that Taxes shall not include real property taxes attributable to any portion of the Project that consists of unimproved land.

5.2. Limitation. Nothing contained in this Lease shall require Tenant to pay any franchise, estate, inheritance, succession or transfer tax of Landlord, or any income, profits or revenue tax or charge upon the net income of Landlord from all sources; provided, however, that if at any time during the Term under the laws of the United States Government or the State of California, or any political subdivision thereof, a tax or excise on rent, or any other tax however described, is levied or assessed by any such political body against Landlord on account of Rent, or any portion thereof, one hundred percent (100%) of any said tax or excise shall be included in the definition of Taxes and Tenant shall pay its proportionate share as additional rent.

5.3. Installment Election. In the case of any Taxes which may be evidenced by improvement or other bonds or which may be paid in annual or other periodic installments, Landlord shall elect to cause such bonds to be issued or such assessment to be paid in installments over the maximum period permitted by law.

5.4. Personal Property Taxes. Tenant represents to Landlord that it is exempt from personal property taxes. In the event any taxes or assessments are levied upon Tenant's trade fixtures, inventories and other personal property in, on or about the Premises, Tenant shall be responsible for payment of such taxes. When possible, Tenant shall cause Tenant's personal property to be assessed and billed separately from the real or personal property of Landlord. On request by Landlord, Tenant shall furnish Landlord with satisfactory evidence of payment of Tenant's business personal property taxes related to the Premises and deliver copies of such business personal property tax bills to Landlord.

5.5. Taxes on Tenant Improvements. Notwithstanding any other provision hereof, Tenant shall pay to Landlord the full amount of any increase in Taxes during the Term resulting from any and all alterations and tenant improvements of any kind whatsoever placed in, on or about or made to the Premises, Building or Project for the benefit of, at the request of, or by Tenant. Notwithstanding the terms of Section 6.1 below regarding Tenant's obligation to pay Operating Expenses (including Taxes) in excess of the Base Year Operating Expenses, Tenant acknowledges that it shall be solely responsible for paying

all taxes attributable to Tenant's alterations and tenant improvements at the Premises. For purposes of calculating the Base Year Operating Expenses, the parties acknowledge and agree that all taxes attributable to Tenant's alterations and tenant improvements that occur prior to or during the Base Year shall not be included in the calculation of the Base Year Operating Expenses.

6. Operating Expenses.

6.1. Obligation to Pay Operating Expenses. Operating Expenses at the level incurred for the Base Year are included in the Base Rent for each calendar year of the Lease Term. Commencing with the first anniversary of the Commencement Date, Tenant shall pay to Landlord, as additional rent, Tenant's Percentage Share of any increase in Operating Expenses over the Base Operating Expenses. The term "Base Operating Expenses" shall mean those Operating Expenses incurred by Landlord during the calendar year specified as the Base Year in the Basic Lease Information.

6.2. Definition of Operating Expenses. The term "Operating Expenses" shall include all commercially reasonable expenses and costs of every kind and nature which Landlord shall pay or become obligated to pay because of or in connection with the ownership, operation, repair and/or maintenance of the Building, Common Areas and/or Project, the surrounding property, and the supporting facilities, including, without limitation: (A) all maintenance, janitorial (if applicable, pursuant to Section 8.2 below) and security costs, (B) costs for all materials, supplies and equipment used in connection with the operation and maintenance of the Building or the Common Areas; (C) all costs of water, heat, gas power, electricity, refuse collection, parking lot sweeping, landscaping, and other utilities and services relating or allocated to the Building or the Common Areas; (D) all property management expenses, including, without limitation, all property management fees and all expense and cost reimbursements, (E) all costs of alterations or improvements to the Building or Common Areas made to achieve compliance with federal, state and local law including, without limitation, the Americans with Disabilities Act (42 U.S.C. Section 12101 et seq.), or to reduce Operating Expenses or improve the operating efficiency of the Building or the Project, all of which costs will be amortized over the useful life of such alteration or improvement as reasonably determined by Landlord, together with interest upon the unamortized balance at the Interest Rate or such other higher rate as may have been paid by Landlord on funds borrowed for the purpose of making the alterations or improvements; (F) all Taxes payable by Tenant pursuant to Section 5 above, (G) premiums for insurance maintained by Landlord pursuant to this Lease or with respect to the Building or the Project; (H) costs for repairs, replacements, uninsured damage or insurance deductibles and general maintenance of the Building, Common Areas and Project, but excluding any repairs or replacements paid for out of insurance proceeds or by other parties; (I) all costs incurred by Landlord for making any capital improvements to the Building or the Common Areas, which costs will be amortized over the useful life of such improvement, repair or modification, together with interest upon the unamortized balance at the Interest Rate or such other higher rate as may have been paid by Landlord on funds borrowed for the purpose of constructing the improvements or making the improvements or repairs; (J) all costs of maintaining machinery, equipment and directional signage or other markers; and (K) the share allocable to the Building of dues and assessments payable under any reciprocal easement or common area maintenance agreements or declarations or by any owners' associations affecting the Building or the Project.

Notwithstanding the foregoing, the amount of Tenant's Percentage Share of "Controllable Operating Expenses" shall not increase by more than five percent (5%) on a cumulative basis during the initial Term of the Lease. For purposes of this section, "Controllable Operating Expenses" shall be all Operating Expense Charges except taxes, insurance, utilities, security measures, and any other expenses which are outside of Landlord's control. Landlord shall include a calculation of the Controllable Operating Expenses for the Base Year and the calculation of the capped annual increase in subsequent years in Landlord's annual Statement as described in Section 6.5 below.

Tenant's obligation to pay Landlord's insurance premiums in excess of Landlord's Base Year insurance premiums pursuant to Section 6.2(g) above is based on Landlord's insurance premiums as of the Lease Date (which information has been provided to the Tenant). In the event that Landlord's insurance premiums for the Project increase as a result of the identity of the Tenant and/or its specific use of the Premises, Tenant acknowledges that it shall be responsible for any additional Landlord insurance premiums. For purposes of calculating the Base Year Operating Expenses, the parties acknowledge and agree that any such additional Landlord insurance premiums that are incurred prior to or during the Base Year shall not be included in the calculation of the Base Year Operating Expenses.

Operating Costs shall not include (i) interest and principal payments on loans or indebtedness secured by the Project; (ii) depreciation or amortization, other than as specifically enumerated in the definition of Operating Costs above; (iii) costs, fines or penalties incurred due to Landlord's violation of any law; (iv) advertising and promotional expenses, and (v) repairs or other work needed due to fire, windstorms, or other casualty or cause actually insured against by Landlord or to the extent the Landlord's insurance required under Section 11 would have provided coverage, whichever is greater; (vi) costs, including permit, license and inspection costs, incurred with respect to the installation of improvements made for Landlord or other occupants in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for Landlord or other occupants of the Building; (vii) costs of alterations or improvements for Landlord (viii) costs associated with the operation of the business of the entity which constitutes Landlord as the same are distinguished from the costs of operation of the Project, including accounting and legal matters, costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building or Project; and (ix) increased Taxes due to a sale of the Building, the Project, or any portion thereof, within the first three (3) years of the Lease Term.

6.3. Less Than Full Occupancy. If the Building or the Project are less than ninety-five percent (95%) occupied during any year of the Term, Operating Expenses for each such calendar year shall be adjusted to equal Landlord's reasonable estimate of Operating Expenses as though ninety-five percent (95%) of the total rentable area of the Building and/or the Project as applicable had been occupied.

6.4. Cost Pools. Notwithstanding the foregoing, Landlord shall have the right, from time to time in connection with the further development of the Project, to equitably allocate some or all of the Operating Expenses for the Project among different portions or occupants of the Project (the "Cost Pools") in Landlord's reasonable discretion. Such Cost Pools may include, but shall not be limited to, the tenants located in different buildings within the Project. The Project Operating Expenses allocable to each such Cost Pool shall be allocated to such Cost Pool and charged to the tenants within such Cost Pool in an equitable manner. In the event of a dispute regarding Landlord's allocation of Project Operating Expenses and the use of Cost Pools for such allocation, Landlord and Tenant agree to submit the matter to mediation to resolve the dispute. The mediation shall be held prior to any court action or arbitration. The mediation shall be confidential and in accordance with California Evidence Code §1152.5. In the event the parties are not able to agree on a mediator within thirty days JAMS or another judicial and mediation service mutually acceptable to the parties shall appoint a mediator. In the event the mediator determines that a second mediation session is necessary, it shall be conducted in accordance with this paragraph. The venue for the mediation shall be in Napa County. Each party shall pay its own costs and expenses for the mediation, with the parties equally sharing in the costs of the mediator.

6.5 Estimates of Operating Expenses. Tenant shall pay to Landlord each month at the same time and in the same manner as monthly Base Rent one-twelfth (1/12th) of Landlord's estimate of the amount of Operating Expenses payable by Tenant for the then-current calendar year. If at any time it appears to Landlord that Tenant's share of Operating Expenses payable for the current calendar year will vary from Landlord's estimate, Landlord may give notice to Tenant of Landlord's revised estimate for the calendar year, and subsequent payments by Tenant for the calendar year shall be based on the revised estimate.

Within one hundred twenty (120) days after the close of each calendar year, or as soon after such 120-day period as practicable, Landlord shall deliver to Tenant a statement ("Statement") in reasonable detail of the actual amount of Operating Expenses payable by Tenant for such calendar year.. Landlord's failure to provide such Statement to Tenant within the 120 day period shall not act as a waiver and shall not excuse Tenant or Landlord from making the adjustments to reflect actual costs as provided herein. If on the basis of such statement Tenant owes an amount that is less than the estimated payments for such calendar year previously made by Tenant, Landlord shall credit such excess against the next payment of Operating Expenses due. If on the basis of such statement Tenant owes an amount that is more than the estimated payments for such calendar year previously made by Tenant, Tenant shall pay the deficiency to Landlord within thirty (30) days after delivery of the statement and all adequate documentation supporting the increased expenses. In addition, if, after the end of any calendar year or any annual adjustment of Operating Expenses for a calendar year, Operating Expenses are incurred or billed to Landlord that are attributable to any period within the Term (e.g., sewer district flow fees), Landlord shall notify Tenant of its share of such additional Operating Expenses and Tenant shall pay such amount to Landlord within thirty (30) days after Landlord's written request therefor. The obligations of Landlord and Tenant under this Section 6.4 with respect to the reconciliation between the estimated and actual amounts of Operating Expenses payable by Tenant for the last year of the Term shall survive the termination of this Lease.

6.6 Audit Right. Tenant may audit Landlord's Operating Costs in order to verify the amount and commercial reasonableness of Tenant's Additional Rent provided that:

(a) Tenant requests such audit within thirty (30) days after delivery of the Landlord's Statement and specifically designates the Lease Year(s) that Tenant intends to audit, which shall be a year within three (3) years of the date of the audit but must be within the Term of this Lease;

(b) Such audit will be conducted only during regular business hours at the office where Landlord maintains Operating Expenses records and only after Tenant gives Landlord twenty (20) days' notice. Such audit shall be conducted by an independent certified public accountant of Tenant's own selection who may not be compensated on a contingency basis, and if the statements of Additional Rent or reconciliation as provided and previously made by Landlord to Tenant are found to be equal to or less than one hundred two and a half percent (102.5%) as previously provided by Landlord, then Tenant shall immediately pay the reasonable cost of such audit including Landlord's costs; otherwise the reasonable cost of such audit shall be paid for by Landlord. In the event the audit reveals that Tenant paid excessive Additional Rent, such overpayment shall be deducted from the Tenant's subsequent payment(s) of Additional Rent until the amount of such excess payment has been remedied; and

(c) Tenant shall deliver to Landlord a copy of the results of such audit within fourteen (14) days of its receipt by Tenant. Landlord shall have the right to share the contents of the audit with such other persons as Landlord may select. No audit shall be conducted at any time that Tenant is in default of any of the terms of this Lease. No subtenant shall have any right to conduct an audit and no assignee shall conduct an audit for any period during which such assignee was not in possession of the Premises.

6.7 Payment at End of Term. Any amount payable by Tenant which would not otherwise be due until after the termination of this Lease, shall, if the exact amount is uncertain at the time that this Lease terminates, be paid by Tenant to Landlord upon such termination in an amount to be estimated by Landlord with an adjustment to be made once the exact amount is known.

7. Use; Compliance with Laws.

7.1. Use. The Premises shall be used and occupied by Tenant solely for the Permitted Use set forth in the Basic Lease Information. Tenant shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance, or that unreasonably disturbs other tenants of the Building or Project, nor shall Tenant place or maintain any signs (except as permitted under Section 7.3), antennas, awnings, lighting or plumbing fixtures, loudspeakers, exterior decoration or similar devices on the Building or the Project or visible from the exterior of the Premises without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Tenant shall not use any corridors, sidewalks, stairs, elevators or other areas outside of the Premises for storage or any purpose other than access to the Premises. Tenant shall not use, keep or permit to be used or kept on the Premises any foul or noxious gas or substance, nor shall Tenant do or permit to be done anything in and about the Premises, either in connection with activities hereunder expressly permitted or otherwise, which would cause an increase in premiums for or a cancellation of any policy of insurance (including fire insurance) maintained by Landlord in connection with the Premises, Building or Project or which would violate the terms of any covenants, conditions or restrictions, the design guidelines, the sign guidelines affecting the Building or the land on which it is located, or the Rules (as the term is defined under Section 7.5.2 below).

7.2. Compliance with Laws.

7.2.1. Tenant. Tenant shall, at Tenant's expense, comply promptly with all applicable federal, state and local laws, regulations, ordinances, rules, orders, and requirements in effect during the Term relating to the condition, use or occupancy of the Premises (each a "Law"). If, in order to comply with any such Law, Tenant must obtain or deliver any permit, certificate or other document evidencing such compliance, Tenant shall provide a copy of such document to Landlord promptly after obtaining or delivering it. If a change to any Common Area, the Building structure, or any Building system becomes required under Law (or any such requirement is enforced) as a result of any Tenant-Insured Improvement (defined in Section 11.1.4), the installation of any trade fixture, or any particular use of the Premises (as distinguished from general office use), Tenant, upon demand, shall (x) at Landlord's option, either make such change at Tenant's cost or pay Landlord the cost of making such change, and (y) pay Landlord a coordination fee equal to 10% of the cost of such change. As used herein, "Law" means any existing or future law, ordinance, regulation or requirement of any governmental authority having jurisdiction over the Project or the parties.

7.2.2. Landlord. Landlord, at its expense (subject to Section 6), shall cause the structural portions of the Building, the Building systems, the Premises and the Common Areas to comply with all Laws (including the Americans with Disabilities Act ("ADA")) to the extent that (a) such compliance is necessary for Tenant to use the Premises for the permitted use hereunder in a normal and customary manner and for Tenant's employees and visitors to have reasonably safe access to and from the Premises, or (b) Landlord's failure to cause such compliance would impose liability upon Tenant under Law; provided, however, that Landlord shall not be required to cause or pay for such compliance to the extent that (x) Tenant is required to cause or pay for such compliance under Section 7.2.1 or 10 or any other provision hereof, (y) such compliance is triggered by Tenant's alterations or particular use of the Premises (excluding compliance required due to Landlord's Work and Tenant's office use of the Premises, which compliance is the obligation of Landlord pursuant to this Section 7.2.2), or (z) non-compliance arises under any provision of the ADA other than Title III thereof. Notwithstanding the foregoing, Landlord may contest any alleged violation in good faith in a reasonable time period, including by applying for and obtaining a waiver or deferment of compliance, asserting any defense allowed by Law, and appealing any order or judgment to the extent permitted by Law; provided, however, that after exhausting any rights to contest or appeal, Landlord shall perform any work necessary to comply with any final order or judgment. Landlord represents and warrants to Tenant that Landlord has not received any notice from any governmental authority that the Premises are not in compliance with the ADA as of the Lease Date.

7.3. Signs. Subject to approval of governmental agencies and applicable CC&Rs (if any), Tenant may at its sole cost and expense, install Tenant's name on the ground monument signage at the corner of Gateway and Airport Drive and the Building entrance. Tenant shall, at Tenant's sole cost and expense, have the right to place its business sign on the Premises, provided such signage is in compliance with the applicable ordinances of all appropriate governmental agencies and all Laws and approved by the County of Napa, and Tenant obtains the prior written approval of Landlord regarding the sign, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall also have the right to place the Tenant's name and the name(s) of any subtenants on the Building directory board in the lobby of the Building. Tenant shall be responsible for the cost of maintenance and repair of all Tenant signage during the term of this Lease and the removal of such signage upon the expiration or earlier termination of such term. Tenant shall maintain its signage in first class condition at all times throughout the Term.

7.4. Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, Building or with respect to the suitability or fitness of either for the conduct of Tenant's business or for any other purpose.

7.5 Use of Common Areas.

7.5.1 Right to Use Common Areas. Landlord gives Tenant and its authorized employees, agents, customers, representatives and invitees the nonexclusive right to use the Common Areas with others who are entitled to use the Common Areas, subject to Landlord's rights as set forth in this Section 7.5.

7.5.2 Rules. All Common Areas shall be subject to the exclusive control and management of Landlord and Landlord shall have the right to establish, modify, amend and enforce reasonable rules and regulations with respect to the Common Areas. Tenant acknowledges receipt of a copy of the current rules and regulations (the "Rules") attached hereto as Exhibit B, and agrees that they may, from time to time, be modified or amended by Landlord in a commercially reasonable manner with prior written notice to Tenant. Tenant agrees to abide by and conform with the Rules; to cause its concessionaires and its and their employees and agents to abide by the Rules; and to use its best efforts to cause its customers, invitees and licensees to abide by the Rules.

7.5.3 Use. Landlord shall have the right to: (i) close temporarily any portion of the Common Areas for the purpose of discouraging use by parties who are not tenants or customers of tenants; (ii) use portions of the Common Areas while engaged in making additional improvements or repairs or alterations to the Building or the Project; and (iii) use or permit the use of the Common Areas by others to whom Landlord may grant or have granted such rights, and to do and perform such acts in, to and with respect to the Common Areas as in the use of good business judgment Landlord shall determine to be appropriate for the Project; provided however, Landlord's exercise of its rights pursuant to this Section shall not substantially or unreasonably interfere with Tenant's use of the Premises and Common Areas.

7.5.4 Change in Common Areas. Landlord shall have the unqualified right to increase or reduce the Common Areas, provided the Project meets the parking requirement under Section 7.7 below.

7.5.5 Recycling. Tenant shall cooperate with Landlord and other tenants in the Project in recycling waste paper, cardboard or such other materials identified under any trash recycling program that may be established in order to reduce trash collection costs.

7.6 Environmental Matters.

7.6.1 Hazardous Materials. The term "Hazardous Materials" as used herein means any petroleum products, asbestos, polychlorinated biphenyls, P.C.B.'s, or chemicals, compounds, materials, mixtures or substances that are now or hereafter defined or listed in, or otherwise classified as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", "infectious waste", "toxic substance", "toxic pollutant" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity or toxicity pursuant to any federal, state or local environmental law, regulation, ordinance, resolution, order or decree relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, release, disposal or transportation of the same ("Hazardous Materials Laws").

7.6.2 Tenant's Covenants. Except for ordinary office supplies and janitorial cleaning materials which in common business practice are customarily and lawfully used, stored and disposed of in small quantities, Tenant shall not use, manufacture, store, release, dispose or transport any Hazardous Materials in, on, under or about the Premises, the Building or the Project without giving prior written notice to Landlord and obtaining Landlord's prior written consent, which consent Landlord may withhold in its sole discretion. Tenant shall at its own expense procure, maintain in effect, and comply with all conditions of any and all permits, licenses, and other governmental and regulatory approvals required in connection with Tenant's generation, use, storage, disposal and transportation of Hazardous Materials. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Tenant shall cause any and all Hazardous Materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant shall not maintain or install in, on, under or about the Premises, the Building or the Project any above or below-ground storage tanks, clarifiers or sumps, nor any wells for the monitoring of ground water, soils or subsoils.

7.6.3 Notice. Tenant shall immediately notify Landlord in writing of: (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Law; (b) any claim made or threatened by any person or entity against Tenant or the Premises relating to damage, contribution, cost, recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (c) any reports, information, inquiries or demands made, ordered, or received by or on behalf of Tenant which arise out of or in connection with the existence or potential existence of any Hazardous Materials in, on, under or about the Premises, the Building or the Project, including, without limitation, any complaints, notices, warnings, asserted violations, or mandatory or voluntary informational filings with any governmental agency in connection therewith, and immediately supply Landlord with copies thereof.

7.6.4 Indemnity. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect and hold harmless Landlord, and each of Landlord's officers, directors, partners, employees, affiliates, joint venturers, members, trustees, owners, shareholders, principals, agents, representatives, lenders, successors and assigns, from and against any and all claims, liabilities, damages, fines, penalties, forfeitures, losses, cleanup and remediation costs or expenses (including attorneys' fees) or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (i) the use, analysis, generation, manufacture, storage, release, disposal, or transportation of Hazardous Materials by Tenant and Tenant's agents, employees, contractors, licensees or invitees to, in, on, under, about or from the Premises, the Building or the Project, or (ii) Tenant's failure to comply with any Hazardous Materials Law. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all reasonable costs of any required or necessary repair, cleanup, detoxification or decontamination of such contamination of the Premises, the Building, or the Project and the preparation and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration or earlier termination of this Lease.

7.6.5 Landlord's Rights. Landlord acknowledges that Tenant's operations may be subject to strict security standards and operations and that Landlord shall first contact Tenant's representative to arrange for access to the interior portions of the Premises so that Landlord is accompanied by authorized Tenant personnel. Subject to the foregoing, Landlord shall have the right to enter the Premises for the purposes of ascertaining compliance by Tenant with all applicable Hazardous Materials Laws; provided, however, that in the instance of an emergency no notice shall be required. Landlord shall have the option to declare a default of this Lease for the release or discharge of Hazardous Materials by Tenant or Tenant's employees, agents, contractors, or invitees on the Premises, Building or Project in violation of law or in deviation from prescribed procedures in Tenant's use or storage of Hazardous Materials. If Tenant fails to comply with any of the provisions under this Section 7.6, Landlord shall have the right (but not the obligation) to remove or otherwise cleanup any Hazardous Materials from the Premises, the Building or the Project. In such case, the reasonable costs of any Hazardous Materials investigation, removal or other cleanup (including, without limitation, transportation, storage, disposal and attorneys' fees and costs) will be additional rent due under this Lease, whether or not a court has ordered the cleanup, and will become due and payable on demand by Landlord.

7.6.6 Landlord's Indemnity. Landlord warrants that to its actual knowledge, with no duty of investigation or inquiry, no other tenant, past or present, has materially violated any laws, rules or regulations concerning the disposal, handling or storage of any Hazardous Materials within the Premises or Project. Landlord further warrants that it will indemnify and hold Tenant harmless from any and all losses, claims, injuries, or causes of action (including reasonable attorney's fees) arising out of or caused by the existence of any Hazardous Materials, not created by or brought on the Premises or Project by Tenant, or Tenant's employees, agents, contractors, or invitees during the term and any renewals of this Lease. This indemnification and hold harmless provision shall survive termination of this Lease.

7.7 Parking. Landlord grants to Tenant and Tenant's customers, suppliers, employees and invitees during the Term the right to use in the parking areas designated on Exhibit A-2 the number of parking spaces stated in the Basic Lease Information on an exclusive and non-exclusive basis, respectively, for the use of motor vehicles, subject to rights reserved to Landlord as specified in this Section 7.7. Tenant shall also have the right, to the exclusive use of the four (4) EV Charges located in the Common Areas and one (1) RV parking space for Tenant's exclusive use, which shall be close to the building with access to a 220 V 30 AMP electrical outlet. Landlord reserves the right to grant similar nonexclusive rights to other tenants with respect to Tenant's non-exclusive parking spaces; to promulgate rules and regulations relating to the use of the parking area; to make changes in the parking layout of the parking spaces from time to time; and to do and perform any other acts in and to these areas and improvements as Landlord determines to be advisable. Tenant agrees not to overburden the parking facilities and to abide by and conform with the rules and regulations and to cause its employees and agents to abide by and conform to the rules and regulations. Upon request, Tenant shall provide Landlord with license plate numbers of all vehicles regularly driven by its employees and to cause Tenant's employees to park only in spaces specifically designated for Tenant parking. Landlord shall have the unqualified right to rearrange or reasonably reduce the overall number of parking spaces in the Common Areas, provided that Tenant continues to have access to its seventy-two (72) exclusive parking spaces and eighty-eight (88) non-exclusive parking spaces.

8. Services

8.1 Utilities and Services. Landlord shall have a building superintendent or a locally designated representative available to manage and coordinate services, and to promptly correct deficiencies. Tenant shall be solely responsible for arranging and paying all costs associated with electricity, domestic water, gas, telephone, cable and internet service, building alarm and refuse collection (including the disposal of refuse and yard waste generated in the Common Areas and collected by Landlord as part of its

maintenance responsibilities). Tenant's obligation to arrange for all utilities shall include all utilities necessary for the operation of the developed portion of the Project as of the Lease Date.

8.2. Janitorial Services. Tenant shall provide its own janitorial services for the interior only portion of the Building at its own costs and shall maintain the interior of the Building in a clean and safe condition, including, without limitation, floors, rugs, carpets, floor coverings, interior fixtures, improvements, decorations, walls, and interior surfaces of windows and doors as well as the exterior surfaces of windows and doors at the first floor entries to the Building, all trash and recycling removal from the Premises and the stocking of all supplies for restrooms. Except as otherwise provided herein, Landlord shall be responsible for all exterior janitorial and cleaning services of the Building in a first class appearance at all times.

8.3. No Liability. Landlord shall not be in default hereunder or be liable for any damages or personal injuries to any person directly or indirectly resulting from, nor shall there be any Rent abatement by reason of, any interruption or curtailment whatsoever in utility services.

9. Maintenance and Repairs.

9.1. Tenant's Repairs and Maintenance. Tenant shall, at Tenant's expense, maintain in good order, condition and repair, (i) all of Tenant's personal property, and ii) all other furniture, fixtures and equipment. Tenant shall not enter onto the roof area of the Building. Tenant shall repair any damage to the roof area caused by its entry.

9.2. Landlord's Repairs and Maintenance. Subject to reimbursement pursuant to Section 6.1 above, and subject to the provisions of Section 9.1 above, Landlord shall keep in good condition and repair in conformance with all regulations and consistent with any applicable industry building standards so as to minimize breakdowns and reasonably preventable or recurring disruption loss of Tenant's use of the Premises caused by deferred or inadequate maintenance, as is required for Tenant's access to, occupancy, possession, use and enjoyment of the Premises as provided in this Lease including but not limited to the following items: (i) the foundation, roof structure, exterior walls and other structural parts of the Building, (ii) the elevators on the Premises, (iii) all other portions of the Building not the obligation of Tenant or any other tenant in the Building, (iv) the Common Areas, (v) exterior window washing on an as requested basis by Tenant (except Tenant is responsible for the exterior windows and doors located at the first floor entries to the Building); provided however, that all Landlord exterior window washing costs shall be passed through to the Tenant as Additional Rent, whether occurring during the Base Year or in subsequent years during the Term, and (vi) the HVAC, life safety, mechanical, electrical and plumbing systems installed in the Building (excluding, however, any heating, air conditioning or lighting equipment installed by Tenant in the Premises after the completion of the Landlord's Work, such as additional supplemental air conditioning in a server room within the Premises, which repair shall be Tenant's sole responsibility), but Landlord shall not be liable or responsible for breakdowns or temporary interruptions in service where reasonable efforts are used to restore service (except as otherwise provided in this Lease), and provided further that Landlord shall not be responsible for any repair or maintenance which is caused in whole or in part by the act or omission of Tenant or its agents, contractors, employees, or guests. In the event of such repair or maintenance caused by the act or omission of Tenant, Tenant shall pay for such repair or maintenance upon demand from Landlord and shall indemnify, defend, protect and hold harmless Landlord against any and all loss, cost or liability in connection therewith. Tenant expressly waives the benefits of any statute, including Civil Code Sections 1941 and 1942, which would afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease due to Landlord's failure to keep the Building in good order, condition and repair. Landlord shall have no liability to Tenant for any damage, inconvenience or interference with the use of the Premises by Tenant as the result of Landlord commercially reasonable acts in performing any such maintenance and repair work. Landlord shall make all necessary

repairs and replacements required of Landlord pursuant to this Section 9.2, within a reasonable period following receipt of notice of the need therefor from Tenant. Except in emergency situations (as described in Section 23 below), Landlord shall give not less than three (3) business days prior notice (including phone numbers and a contact to call with any questions or concerns) to Tenant, in the event of any material pest control, painting, remodeling, renovation, repair, carpet installation, or other work ("Non-emergency Work") affecting the Premises or common areas of the Building or Project, including but not limited to any Non-emergency Work that generates dust, fumes, mists, vapors, gases or other odors.

9.3 Landscaping Services. Landlord shall arrange and pay for professional landscaping services to maintain the appearance, cleanliness and safety of the landscaping of the Project, which costs will be reimbursed by Tenant in proportion to Tenant's Percentage Share as part of Tenant's additional rent obligation described in Section 4.3 above. Landlord's obligations shall include the removal of routine trash and litter removal from the Common Areas.

9.4 Failure to Repair or Maintain. In the event Tenant fails to perform Tenant's obligations under this Section 9, Landlord may, but shall not be required to, give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant shall fail to commence such work and diligently prosecute it to completion, then Landlord shall have the right (but not the obligation) to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any reasonable amounts so expended by Landlord will be additional rent due under this Lease, and such amounts will become due and payable on demand by Landlord. Landlord shall have no liability to Tenant for any such damages, inconvenience or interference with the use of the Premises by Tenant as a result of performing such work.

9.5 Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in good condition and repair, ordinary wear and tear excepted. The term "ordinary wear and tear" as used herein shall mean wear and tear which manifests itself solely through normal intensity of use and passage of time consistent with the employment of commercially prudent measures to protect finishes and components from damage and excessive wear, the application of regular and appropriate preventative maintenance practices and procedures, routine cleaning and servicing, waxing, polishing, adjusting, repair, refurbishment and replacement at a standard of appearance and utility and as often as appropriate for Class A corporate and professional office occupancies in the Napa Valley Gateway Business Park area. The term "ordinary wear and tear" would thus encompass the natural fading of painted surfaces, fabric and materials over time, and carpet wear caused by normal foot traffic. To the extent that such wear and tear exceeds the normal Class A office occupancy standards of the Napa Valley Gateway Business Park area, such would be considered items of deferred maintenance indicative of a degradation of the improvements. The term "ordinary wear and tear" shall not include any damage or deterioration that could have been prevented by Tenant's employment of ordinary prudence, care and diligence in the occupancy and use of the Premises and the performance of all of its obligations under this Lease. Items not considered reasonable wear and tear hereunder include the following for which Tenant shall bear the obligation for repair and restoration (except to the extent caused by the gross negligence or willful misconduct of Landlord or its employees or agents) (i) excessively soiled, stained, worn or marked surfaces or finishes; (ii) damage, including holes in building surfaces (e.g., cabinets, doors, walls, ceilings and floors) caused by the installation or removal of Tenant's trade fixtures, furnishings, decorations, equipment, alterations, utility installations, security systems, communications systems (including cabling, wiring and conduits), displays and signs; and (iii) damage to any component, fixture, hardware, system or component part thereof within the Premises, and any such damage to the Building or Project, caused by Tenant or its agents, contractors or employees, and not fully recovered by Landlord from insurance proceeds. Tenant, at its sole cost and expense, agrees to repair any damages to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, signs, machinery, equipment, cabinetwork, furniture, moveable partitions or permanent improvements or

additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction. Tenant shall indemnify Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation, any claims made by any succeeding tenant resulting from such delay.

9.6 Tenant Real Property Lease Annual Inspection. Tenant's Public Works Property Management Division staff ("Division Staff") shall have unobstructed access to the Project for visual observation and non-intrusive physical examination of the subject areas during annual walk-through inspections. The intent of the annual inspection is to identify major health and safety concerns in locations leased from external entities where Tenant provides public service, living environments, or work environments. Division Staff will contact Landlord to arrange a mutually agreeable date and time for the annual inspection. If conditions are identified during the annual inspection that would threaten the health and safety of Tenant's staff or any members of the public, and said deficiencies are within the responsibility of Landlord under this Lease, Division Staff will report said deficiencies to Landlord within five (5) business days of the date of the annual inspection. The report will specifically identify the deficiencies and establish a reasonable time frame for Landlord to cure the deficiencies. The timeframe for Landlord to cure deficiencies shall be reasonable and will reflect the seriousness of the issues identified and the impact to Tenant's programs.

10. Alterations.

10.1 Consent Required. Tenant shall not make any alterations, improvements or additions (each, an "Alteration") in, on or about the Premises without Landlord's prior written consent, which consent may not be unreasonably withheld. Notwithstanding the foregoing, Tenant may make Alterations without Landlord's prior written consent where (i) the reasonably estimated cost of the Alteration and together with the cost of any other Alteration made during the immediately preceding twelve (12) months does not exceed \$10,000, and (ii) such Alterations do not affect or involve the structural integrity, roof membrane, exterior areas, building systems or water-tight nature of the Premises, Building or Project. In requesting Landlord's consent, Tenant shall, at Tenant's sole cost, submit to Landlord complete drawings and specifications describing the Alteration and the identity of the proposed contractor.

10.2 Conditions.

10.2.1 Notice. Before commencing any work relating to Alterations, Tenant shall notify Landlord of the expected date of commencement thereof and of the anticipated cost thereof. Landlord shall then have the right at any time and from time to time to post and maintain on the Premises such notices as Landlord reasonably deems necessary to protect the Premises and Landlord from mechanics' liens or any other liens.

10.2.2 Liens. Tenant shall pay when due all claims for labor or materials furnished to Tenant for use in the Premises. Tenant shall not permit any mechanics' liens or any other liens to be levied against the Premises for any labor or materials furnished to Tenant in connection with work performed on the Premises by or at the direction of Tenant. Tenant shall indemnify, hold harmless and defend Landlord (by counsel reasonably satisfactory to Landlord) from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event that Tenant shall not, within five (5) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein by law, the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith, including attorneys' fees and costs, shall be payable to Landlord by Tenant on demand with interest at the Interest Rate.

10.2.3 Compliance with Laws. All Alterations in or about the Premises performed by or on behalf of Tenant shall be done in a first-class, workmanlike manner, shall not unreasonably lessen the value of leasehold improvements in the Premises, and shall be completed in compliance with all applicable laws, ordinances, regulations and orders of any governmental authority having jurisdiction thereover, as well as the requirements of insurers of the Premises and the Building.

10.2.4 Labor Disputes. Upon Landlord's request, Tenant shall remove any contractor, subcontractor or material supplier from the Premises and the Building if the work or presence of such person or entity results in labor disputes in or about the Building or Project or damage to the Premises, Building or Project.

10.2.5 Americans with Disabilities Act. Except for the Landlord's Work, Landlord, at Landlord's sole discretion, may refuse to grant Tenant permission for Alterations that require, because of application of the Americans with Disabilities Act or other laws, substantial improvements or alterations to be made to the Common Areas, unless Tenant agrees to payment of the costs of such improvements or alterations to the Common Areas.

10.2.6 End of Term. Landlord, by written notice, may require that Tenant, at Tenant's expense, remove any Alterations prior to or upon the expiration of this Lease, and restore the Premises to their condition prior to such Alterations. Unless Landlord requires their removal, as provided above, all Alterations made to the Premises shall become the property of Landlord and remain upon and be surrendered with the Premises upon the expiration of this Lease; provided, however, that Tenant's machinery, equipment, and trade fixtures, other than any which may be affixed to the Premises so that they cannot be removed without material damage to the Premises, shall remain the property of Tenant and may be removed by Tenant subject to the provisions of Section 9.4 above.

10.2.7 Trade Fixtures. Subject to the provisions of this Lease regarding compliance with Laws and the foregoing provisions of this Section, Tenant may install and maintain furnishings, equipment, movable partitions, business equipment and other trade fixtures (the "Trade Fixtures") in the Premises, provided that the Trade Fixtures do not become an integral part of the Premises or the Building. Tenant shall promptly repair any damage to the Premises caused by any installation or removal of such Trade Fixtures.

11. Insurance and Indemnity.

11.1 Insurance. Tenant shall obtain and maintain during the Term the following insurance:

11.1.1 Commercial General Liability Insurance. Tenant shall maintain in full force throughout the Term, commercial general liability insurance providing coverage on an occurrence form basis with limits of not less than Three Million and No/100ths Dollars (\$3,000,000.00) each occurrence for bodily injury and property damage combined and Three Million and No/100ths Dollars (\$3,000,000.00) annual general aggregate. Tenant's liability insurance policy or policies shall: (i) include premises and operations liability coverage, products and completed operations liability coverage, broad form property damage coverage, blanket contractual liability coverage including, to the maximum extent possible, coverage for the indemnification obligations of Tenant under this Lease, and personal and advertising injury coverage; (ii) provide that the insurance company has the duty to defend all insureds under the policy; (iii) provide that defense costs are paid in addition to and do not deplete any of the policy limits; (iv) cover liabilities arising out of or incurred in connection with Tenant's use or occupancy of the Premises; and (v) extend coverage to cover liability for the actions of Tenant's representatives and visitors.

11.1.2 Automobile Liability Insurance. Comprehensive automobile liability insurance having a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence, and insuring Tenant against liability for claims arising out of ownership, maintenance or use of any owned, hired, borrowed or non-owned automobiles;

11.1.3 Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance having limits not less than those required by state statute and federal statute, if applicable, and covering all persons employed by Tenant in the conduct of its operations on the Premises (including the all states endorsement and, if applicable, the volunteers endorsement), together with employer's liability insurance coverage in the amount of at least Two Million Dollars (\$2,000,000);

11.1.4 Property Insurance. Tenant shall at all times maintain in effect with respect to any Alterations and Tenant's Trade Fixtures and personal property, commercial property insurance providing coverage, at a minimum, for "special form" perils, to the extent of one hundred percent (100%) of the full replacement cost of covered property, and for business income coverage for a minimum of twelve (12) months. Tenant may carry such insurance under a blanket policy, provided that such policy provides equivalent coverage to a separate policy. During the Term, the proceeds from any such policies of insurance shall be used for the repair or replacement of the Alterations, Trade Fixtures and personal property so insured. Landlord shall be provided coverage under such insurance to the extent of its insurable interest and, if requested by Landlord, both Landlord and Tenant shall sign all documents reasonably necessary or proper in connection with the settlement of any claim or loss under such insurance. Landlord will have no obligation to carry insurance on any Alterations or on Tenant's Trade Fixtures or personal property; and

11.1.5 Increased Insurance Coverage. Tenant shall increase the amounts of insurance as required by any mortgagee of Landlord, and as recommended by Landlord's insurance broker, if, in the opinion of either of them, the amount of insurance then required under this Lease is not adequate. Any limits set forth in this Lease on the amount or type of coverage required by Tenant's insurance shall not limit the liability of Tenant under this Lease.

11.2 General. The insurance carrier shall be authorized to do business in the State of California, with a policyholders and financial rating of at least A:IX Class status as rated in the most recent edition of Best's Key-Rating guide. Tenant's commercial general liability insurance policy shall be endorsed to provide that (i) it may not be canceled or altered in such a manner as to adversely affect the coverage afforded thereby without thirty (30) days' prior written notice to Landlord, and (ii) Landlord is designated as an additional insured, and (iii) such insurance is primary with respect to Landlord and that any other insurance maintained by Landlord is excess and noncontributing with such insurance. If, in the opinion of Landlord's lender or in the commercially reasonable opinion of Landlord's insurance adviser, the specified amounts of coverage are no longer adequate, such coverage shall, within thirty (30) days' written notice to Tenant, be appropriately increased. Prior to the commencement of the Term, Tenant shall deliver to Landlord a duplicate of such policy or a certificate thereof to Landlord for retention by it with endorsements. At least thirty (30) days prior to the expiration of such policy or any renewal or modification thereof, Tenant shall deliver to Landlord a replacement or renewal binder, followed by a duplicate policy or certificate within a reasonable time thereafter. If Tenant fails to obtain such insurance or to furnish Landlord any such duplicate policy or certificate as herein required, Landlord may, at its election, without notice to Tenant and without any obligation to do so, procure and maintain such coverage and Tenant shall reimburse Landlord on demand as additional rent for any premium so paid by Landlord.

11.3 Waiver of Claims. Landlord waives all claims against Tenant and Tenant's officers, directors, partners, employees, agents and representatives for loss or damage to the extent that such loss or damage is insured against under any valid and collectable insurance policy insuring Landlord or would have been insured against but for any deductible amount under any such policy. Tenant waives all

claims against Landlord and Landlord's officers, directors, partners, employees, affiliates, joint venturers, members, trustees, owners, shareholders, principals, agents, representatives, successors and assigns, for loss or damage to the extent such loss or damage is insured against under any valid and collectable insurance policy insuring Tenant or required to be maintained by Tenant under this Lease, or would have been insured against but for any deductible amount under any such policy. The insuring party shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease. Tenant agrees that in the event of a sale, assignment or transfer of the Premises by Landlord, this waiver of subrogation shall continue in favor of the original Landlord and any subsequent Landlord.

11.4 Landlord's Insurance. During the Term, Landlord shall keep the Building insured against loss or damage by fire, with extended coverage and vandalism, malicious mischief and special extended perils (all risk) endorsements or their equivalents, in amounts not less than one hundred percent (100%) of the replacement cost of the Building and structures insured. Landlord may maintain rent insurance, for the benefit of Landlord, equal to at least one year's Base Rent hereunder. If this Lease is terminated as a result of damage by fire, casualty or earthquake, all insurance proceeds shall be paid to and retained by Landlord, subject to the rights of any authorized encumbrancer of Landlord (with standard mortgagee loss payable clause) in accordance with their respective interests. If this Lease is terminated as a result of damage by fire, flood, casualty or earthquake, all insurance proceeds shall be paid to and retained by Landlord, subject to the rights of any authorized encumbrancer of Landlord. In addition, Landlord may maintain rent insurance for the benefit of Landlord, equal to at least one year's Base Rent hereunder. The premiums for Landlord's insurance obtained and maintained pursuant to this Section 11.4 will be added to the Operating Costs for purpose of determining Additional Rent. Landlord shall also maintain commercially reasonable liability insurance covering the Common Areas.

11.5 Earthquake and Flood. Tenant acknowledges that Landlord does not, at the time of the signing of this Lease, insure the Building for earthquake or flood damage. Landlord may, if required by Landlord's lender, insure the Building fully or partially for earthquake and/or flood damage at Landlord's sole cost and expense and shall not pass on any added costs to Tenant related to earthquake or flood insurance.

11.6 Indemnity. Tenant waives all claims against Landlord for any injury to Tenant's business or loss of income there from, damage to any property or injury to or death of any person in, on, or about the Premises, the Building, or any other portion of the Project arising at any time and from any cause, unless caused by the negligence or willful misconduct of Landlord or its agents, employees or contractors. Tenant hereby agrees to defend, indemnify, protect and hold harmless Landlord from and against any and all damages, loss claim, cause of action, liability and expense (including reasonable attorneys' fees) to the extent such arise out of Tenant's negligent acts or omissions or willful misconduct occurring in connection with this Lease. Landlord hereby agrees to defend, indemnify, protect and hold harmless Tenant, its offices, employees and agents from and against any and all damage, loss, claim, cause of action, liability and expense (including reasonable attorneys' fees) to the extent such arise out of the negligent acts, omissions or willful misconduct of Landlord or its employees, subcontractors or agents, occurring in connection with this Lease. The provisions of this Section 11.6 shall survive the termination or expiration of this Lease with respect to any damage, injury, or death occurring prior to such expiration or termination.

12. Damage or Destruction.

12.1 Landlord's Obligation to Rebuild. Subject to the provisions of Sections 12.2, 12.3 and 12.4 below, if, during the Term, the Premises are totally or partially destroyed from any insured casualty, Landlord shall, within ninety (90) days after the destruction, commence to restore the Premises to substantially the same condition as they were in immediately before the destruction and prosecute the same

diligently to completion. Such destruction shall not terminate this Lease. Landlord's obligation shall not include repair or replacement of Tenant's alterations or Tenant's equipment, furnishings, fixtures and personal property. If the existing laws do not permit the Premises to be restored to substantially the same condition as they were in immediately before destruction, and Landlord is unable to get a variance to such laws to permit the commencement of restoration of the Premises within the 90-day period, then either party may terminate this Lease by giving written notice to the other party within thirty (30) days after expiration of the 90-day period.

12.2 Right to Terminate.

(a) Landlord shall have the option to terminate this Lease if the Premises or the Building is destroyed or damaged by fire or other casualty, regardless of whether the casualty is insured against under this Lease, if Landlord reasonably determines that (i) there are insufficient insurance proceeds made available to Landlord to pay all of the costs of the repair or restoration or (ii) the repair or restoration of the Premises or the Building cannot be completed within one hundred eighty (180) days after the date of the casualty. If Landlord elects to exercise the right to terminate this Lease as a result of a casualty, Landlord shall exercise the right by giving Tenant written notice of its election to terminate this Lease within sixty (60) days after the date of the casualty, in which event this Lease shall terminate fifteen (15) days after the date of the notice. If Landlord does not exercise its right to terminate this Lease, within forty-five (45) days following the date of the casualty Landlord shall provide written notice to Tenant of its election to proceed with the repair or restoration of the Premises or the Building and the estimated completion date.

(b) Notwithstanding anything stated to the contrary in this Section 12.2, Tenant shall have the right to terminate this Lease if the repair or restoration cannot be completed within one hundred eighty (180) days after the date of the casualty, by providing written notice within ten (10) days following receipt of such notice from Landlord. If Tenant does not exercise its right to terminate the Lease, Landlord shall promptly commence the process of obtaining all of the necessary permits and approvals for the repair or restoration of the Premises or the Building as soon as practicable and thereafter prosecute the repair or restoration of the Premises or the Building diligently to completion and this Lease shall continue in full force and effect.

12.3 Last Year of Term. In addition to Landlord's right to terminate this Lease under Section 12.2, Landlord shall have the right to terminate this Lease upon thirty (30) days' prior written notice to Tenant if the Premises or Building is substantially destroyed or damaged during the last twelve (12) months of the Term. Landlord shall notify Tenant in writing of its election to terminate this Lease under this Section 12.3, if at all, within forty-five (45) days after Landlord determines that the Premises or Building has been substantially destroyed. If Landlord does not elect to terminate this Lease, the repair of the Premises or Building shall be governed by Sections 12.1, 12.2 and 12.4.

12.4 Uninsured Casualty. If the Premises are damaged from any uninsured casualty to any extent whatsoever, Landlord may within ninety (90) days following the date of such damage: (i) commence to restore the Premises to substantially the same condition as they were in immediately before the destruction and prosecute the same diligently to completion, in which event this Lease shall continue in full force and effect; or (ii) within the 90-day period Landlord may elect not to so restore the Premises, in which event this Lease shall cease and terminate. In either such event, Landlord shall give Tenant written notice of its intention within the 90-day period.

12.5 Abatement of Rent. In the event of destruction or damage to the Premises which materially interferes with Tenant's use of the Premises, if this Lease is not terminated as above provided, there shall be an abatement or reduction of Base Rent between the date of destruction and the date Landlord substantially completes its reconstruction obligations, based upon the extent to which the destruction

materially interferes with Tenant's use of the Premises. All other obligations of Tenant under this Lease shall remain in full force and effect. Except for abatement of Base Rent, Tenant shall have no claim against Landlord for any loss suffered by Tenant due to damage or destruction of the Premises or any work of repair undertaken as herein provided.

12.6 Waiver. The provisions of California Civil Code Sections 1932(2) and 1933(4), and any successor statutes, are inapplicable with respect to any destruction of the Premises, such sections providing that a lease terminates upon the destruction of the Premises unless otherwise agreed between the parties to the contrary.

13. Eminent Domain.

13.1 Condemnation. If all or any part of the Premises shall be taken as a result of the exercise of the power of eminent domain or sold in lieu of condemnation ("Condemned"), this Lease shall terminate as to the part so taken as of the date of title vesting in such proceeding. In the case of a partial condemnation of greater than fifty percent (50%) of the rentable area of the Premises, either Landlord or Tenant shall have the right to terminate this Lease as to the balance of the Premises by notice to the other within thirty (30) days after the date of title vesting in such proceeding. In the event of a partial condemnation of the Premises which does not result in a termination of this Lease, the monthly Base Rent thereafter to be paid shall be equitably reduced on a rentable square footage basis. If the continued occupancy of Tenant is materially interfered with for any time during the partial taking, notwithstanding the partial taking does not terminate this Lease as to the part not so taken, the Base Rent shall proportionately abate so long as Tenant is not able to continuously occupy the part remaining and not so taken.

13.2 Award. If the Premises are wholly or partially Condemned, Landlord shall be entitled to the entire award paid in connection with such condemnation, and Tenant waives any right or claim to any part thereof from Landlord or the condemning authority. Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all costs which Tenant might incur in moving Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment to a new location.

14. Assignment and Subletting.

14.1 Assignment and Subletting; Prohibition. Tenant shall not assign, mortgage, pledge or otherwise transfer this Lease, in whole or in part (each hereinafter referred to as an "assignment"), nor sublet or permit occupancy by any party other than Tenant of all or any part of the Premises (each hereinafter referred to as a "sublet" or "subletting"), without the prior written consent of Landlord in each instance, which consent may not be withheld in Landlord's sole and absolute discretion. Notwithstanding the foregoing, Tenant shall have the right to sublet or license space within the Premises to partners providing program services to Tenant's customers and clients, without Landlord's consent but with prior written notice to Landlord, provided that such subtenant's use of the Premises is permitted pursuant to Section 7 of this Lease. No assignment or subletting by Tenant shall relieve Tenant of any obligation under this Lease, including Tenant's obligation to pay Base Rent and additional rent hereunder. Any purported assignment or subletting contrary to the provisions of this Lease without Landlord's prior written consent shall be void. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for obtaining Landlord's consent to any subsequent assignment or subletting. Landlord may consent to any subsequent assignment or subletting, or any amendment to or modification of this Lease with the assignees of Tenant, without notifying Tenant or any successor of Tenant, and without obtaining its or their consent thereto, and such action shall not relieve Tenant or any successor of Tenant of any liability under this Lease.

As additional rent hereunder, Tenant shall reimburse Landlord for all reasonable legal fees and other expenses incurred by Landlord in connection with any request by Tenant for consent to an assignment or subletting.

14.2 Information to be Furnished. If Tenant desires at any time to assign its interest in this Lease or sublet the Premises, Tenant shall first notify Landlord of its desire to do so and shall submit in writing to Landlord: (i) the name of the proposed assignee or subtenant; (ii) the nature of the proposed assignee's or subtenant's business to be conducted in the Premises; (iii) the terms and provisions of the proposed assignment or sublease, including the date upon which the assignment shall be effective or the commencement date of the sublease (hereinafter referred to as the "Transfer Effective Date") and a copy of the proposed form of assignment or sublease; and (iv) such financial information, including financial statements, and other information as Landlord may reasonably request concerning the proposed assignee or subtenant.

14.3 Landlord's Election. At any time within thirty (30) days after Landlord's receipt of the information specified in Section 14.2, Landlord may, by written notice to Tenant, elect to (i) consent to the proposed assignment or subletting by Tenant; or (ii) withhold its consent to the proposed assignment or subletting by Tenant.

14.4 Withholding Consent. Without limiting other situations in which it may be reasonable for Landlord to withhold its consent to any proposed assignment or sublease, Landlord and Tenant agree that it shall be reasonable for Landlord to withhold its consent in any one (1) or more of the following situations: (1) in Landlord's reasonable judgment, the proposed subtenant or assignee or the proposed use of the Premises would detract from the status of the Building as a first-class office building, generate vehicle or foot traffic, parking or occupancy density materially in excess of the amount customary for the Building or the Project or result in a materially greater use of the elevator, janitorial, security or other Building services (e.g., HVAC, trash disposal and sanitary sewer flows) than is customary for the Project; (2) in Landlord's reasonable judgment, the creditworthiness of the proposed subtenant or assignee does not meet the credit standards applied by Landlord in considering other tenants for the lease of space in the Project on comparable terms, or Tenant has failed to provide Landlord with reasonable proof of the creditworthiness of the proposed subtenant or assignee; (3) in Landlord's reasonable judgment, the business history, experience or reputation in the community of the proposed subtenant or assignee does not meet the standards applied by Landlord in considering other tenants for occupancy in the Project; or (4) the proposed subtenant or assignee is a then existing or prospective tenant of the Project. If Landlord fails to elect any of the alternatives within the thirty (30) day period referenced in Section 14.3, it shall be deemed that Landlord has refused its consent to the proposed assignment or sublease.

14.5 Bonus Rental. If, in connection with any assignment or sublease, Tenant receives rent or other consideration, either initially or over the term of the assignment or sublease, in excess of the Rent called for hereunder, or in case of the sublease of a portion of the Premises, in excess of such Rent fairly allocable to such portion, Tenant shall pay to Landlord, as additional rent hereunder, fifty percent (50%) of the excess of each such payment of Rent or other consideration received by Tenant promptly after Tenant's receipt of such Rent or other consideration. To the extent that a subtenant or assignee pays the leasing commissions or brokerage fees incurred in connection with the assignment or sublease, the cost of partitioning the Premises for multiple occupancy, or any other costs or expenses normally paid by a landlord in connection with a lease of commercial office property located in Napa County, or a sublandlord in connection with a sublease of office space in Napa County, or the subtenant purchases goods or services from sublandlord or an affiliate of sublandlord for an amount in excess of the fair market value for such goods or services, such costs incurred or amounts expended shall be deemed to be "other consideration" for purposes of calculating excess Rent due to Landlord hereunder.

14.6 Scope. The prohibition against assigning or subletting contained in this Section 14 shall be construed to include a prohibition against any assignment or subletting by operation of law. If this Lease is assigned, or if the underlying beneficial interest of Tenant is transferred, or if the Premises or any part thereof is sublet or occupied by anybody other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent due herein and apportion any excess rent so collected in accordance with the terms of Section 14.6, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of the provisions regarding assignment and subletting, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. No assignment or subletting shall affect the continuing primary liability of Tenant (which, following assignment, shall be joint and several with the assignee), and Tenant shall not be released from performing any of the terms, covenants and conditions of this Lease.

14.7 Executed Counterparts. Except for subleases allowed under Section 14.1, no other sublease or assignment shall be valid, nor shall any subtenant or assignee take possession of the Premises, until a fully executed counterpart of the sublease or assignment has been delivered to Landlord and Landlord, Tenant and the applicable assignee or subtenant have entered into a consent to assignment or sublease in a form acceptable to Landlord.

14.8 Transfer of a Majority Interest. If Tenant is a non-publicly traded corporation, the transfer (as a consequence of a single transaction or any number of separate transactions) of fifty percent (50%) or more or of a controlling interest or the beneficial ownership interest of the voting stock of Tenant issued and outstanding as of the Effective Date shall constitute an assignment hereunder for which Landlord's prior written consent is required. If Tenant is a partnership, limited liability company, trust or an unincorporated association, the transfer of a controlling or majority interest therein shall constitute an assignment hereunder for which Landlord's prior written consent is required.

14.10 Transfer to Affiliate. Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's written consent, but subject to all other provisions of this Lease, to any corporation or other entity which controls, is controlled by, or is under common control with Tenant, or to any corporation or other entity resulting from a merger or consolidation of Tenant (collectively, an "Affiliate"), subject to all the terms of this Lease upon such an assignment or sublease to an Affiliate), provided that (i) the Affiliate assumes in writing all of Tenant's obligations under this Lease, and (ii) the original party(ies) executing this Lease as "Tenant" remain fully liable under this Lease, and (iii) Landlord receives written notification of such transfer and provides Landlord with all relevant documents requested by Landlord, at least twenty (20) days prior to the effective date of such transfer; and (iv) Tenant is not then and has not been in default under this Lease.

15. Default by Tenant.

15.1 Events of Default. The occurrence of any of the following events shall constitute an event of default on the part of Tenant under this Lease:

15.1.1 Payment. A failure by Tenant to pay Rent within five (5) business days after such payment is due;

15.1.2 Bankruptcy. The bankruptcy or insolvency of Tenant, any transfer by Tenant to defraud creditors, any assignment for the benefit of creditors, or the commencement of any proceedings of any kind by or against Tenant under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act unless, in the event any such proceedings are involuntary, Tenant is discharged from the same within sixty (60) days thereafter; the appointment of a

receiver for a substantial part of the assets of Tenant; or the levy upon this Lease or any estate of Tenant hereunder by any attachment or execution;

15.1.3 Abandonment or Vacation. The abandonment or vacation of the Premises without payment of Rent;

15.1.4 Performance of Lease Terms. Tenant's failure to perform any of the terms, covenants, agreements or conditions of this Lease to be observed or performed by Tenant (excluding any event of default under Section 15.1.1 above), which default has not been cured within thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within the 30-day period, Tenant shall not be deemed to be in default if within such period Tenant shall commence such cure and thereafter diligently prosecute the same to completion; and

15.1.5 Failure to Comply. Tenant's failure to comply with the provisions contained in Sections 18 and 19.

An event of default shall constitute a default by Tenant under this Lease.

15.2 Remedies. In the event of any default or breach by Tenant, Landlord may at any time thereafter, without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

15.2.1. Continue Lease. Pursue the remedy described in California Civil Code Section 1951.4 whereby Landlord may continue this Lease in full force and effect after Tenant's breach and recover the Rent and any other monetary charges as they become due, without terminating Tenant's right to sublet or assign this Lease, subject only to reasonable limitations as herein provided. During the period Tenant is in default, Landlord shall have the right to do all acts necessary to preserve and maintain the Premises as Landlord deems reasonable and necessary, including removal of all persons and property from the Premises, and Landlord can enter the Premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining Term.

15.2.2. Perform. Pay or perform such obligation due (but shall not be obligated to do so), if Tenant fails to pay or perform any obligations when due under this Lease within the time permitted for their payment or performance. In such case, the costs incurred by Landlord in connection with the performance of any such obligation will be Additional Rent due under this Lease and will become due and payable on demand by Landlord.

15.2.3. Terminate. Terminate Tenant's rights to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including, without limitation, the following: (A) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (B) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that is proved could have been reasonably avoided; plus (C) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that is proved could be reasonably avoided; plus (D) any other amount necessary to compensate Landlord for all the detriment

proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of events would be likely to result therefrom; plus (E) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State law. In addition, Landlord shall be entitled to recover from Tenant the unamortized portion of any tenant improvement allowance, free rent or other allowance provided by Landlord to Tenant and any brokerage commission or finders fee paid or incurred by Landlord in connection with this Lease (amortized with interest at the Interest Rate on a straight line-basis over the original term of this Lease.) Upon any such termination of Tenant's possessory interest in and to the Premises, Tenant (and at Landlord's sole election, Tenant's sublessees) shall no longer have any interest in the Premises, and Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises which Landlord in its sole discretion deems reasonable and necessary. The "worth at the time of award" of the amounts referred to in subparagraphs (A) and (B) above is computed by allowing interest at the maximum rate an individual is permitted by law to charge. The worth at the time of award of the amount referred to in subparagraph (C) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

15.2.4. Additional Remedies. Pursue any other legal or equitable remedy available to Landlord. Unpaid installments of Rent and other unpaid monetary obligations of Tenant under the terms of this Lease shall bear interest from the date due at the rate of ten percent (10%) per annum.

15.3. Waiver of Right of Redemption. In the event Tenant is evicted or Landlord takes possession of the Premises by reason of any default by Tenant hereunder, Tenant hereby waives any right of redemption or relief from forfeiture as provided by law.

15.4. Continue. Even though Tenant has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover Rent as it becomes due under this Lease. Acts of maintenance or preservation, efforts to relet the Premises, or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease, shall not constitute a termination of Tenant's right to possession.

15.5. Tenant's Exercise Rights. In the event Tenant is in default under any provision of this Lease then, at Landlord's sole election: (i) Tenant shall not have the right to exercise any available right, option or election under this Lease ("Tenant's Exercise Rights"), (ii) Tenant shall not have the right to consummate any transaction or event triggered by the exercise of any of Tenant's Exercise Rights, and (iii) Landlord shall not be obligated to give Tenant any required notices or information relating to the exercise of any of Tenant's Exercise Rights hereunder.

16. Default by Landlord; Tenant's Remedies.

16.1. Each of the following shall constitute a default by Landlord under this Lease:

16.1.1. Landlord's failure to maintain, repair, operate or service the Premises as and when specified in this Lease, or failure to perform any other requirement of this Lease as and when required provided any such failure shall remain uncured for a period of thirty (30) days next following Landlord's receipt of notice thereof from the Tenant-authorized representative.

16.2. If a default, occurs, Tenant may, by notice to the Landlord, proceed with either of the following remedies:

16.2.1. Terminate this Lease, which termination shall be effective when received by Landlord, and pursue any other remedy Tenant has in law and in equity.

16.2.2 In addition to any other remedies at law or in equity, to commence suit against Landlord to compel Landlord's performance and to recover damages suffered by Tenant.

17. Intentionally Deleted.

18. Estoppel Certificate.

18.1. Obligation to Execute Estoppel. Tenant shall within fifteen (15) days after notice from Landlord, execute, acknowledge and deliver to Landlord a statement certifying (i) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), (ii) the amount of the Rent and the Security Deposit, (iii) the date to which the Rent has been paid, (iv) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults, if any are claimed, and (v) such other matters as may reasonably be requested by Landlord. Any such statement may be conclusively relied upon by Landlord and any prospective purchaser or encumbrancer of the Building.

18.2. Failure to Execute Estoppel. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant that (i) this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) there are no uncured defaults in Landlord's performance, and (iii) not more than one month's Base Rent has been paid in advance.

19. State of Title; Subordination and Attornment.

19.1 State of Title. Landlord warrants and represents to Tenant that there is no recorded and/or nonrecorded matter of any kind whatsoever affecting the real property that restricts or impedes, and/or is in conflict with, the use or occupancy of the Premises, and/or the rights, liabilities, and obligations of the parties to this Lease.

19.2 Subordination and Attornment. Subject to the provisions of this paragraph, this Lease and all of Tenant's rights hereunder shall be subordinate to the lien of any future mortgage, deed of trust or any other security instrument, hereafter affecting or encumbering the Project (an "Encumbrance"; the holder of the beneficial interest thereunder being referred to as an "Encumbrancer"). Subordination of this Lease to an Encumbrance shall be effected only pursuant to a subordination, attornment and nondisturbance agreement between Landlord, Tenant and the Encumbrancer under an Encumbrance, based on the Landlord's lender's standard form of agreement, a copy of which is attached hereto as Exhibit D (which as of the date of this Lease, the current Landlord's lender is Bank of Stockton) (the "Subordination Agreement"). In no event shall the provisions of this paragraph, nor any Subordination Agreement, in any manner increase or enlarge the obligations of Tenant under this Lease or diminish or adversely affect Tenant's rights under this Lease. If Landlord, Tenant and an Encumbrancer have entered into a Subordination Agreement hereunder, then, if such Encumbrancer's Encumbrance to which this Lease is subordinated is foreclosed, or a deed in lieu of foreclosure is given to the Encumbrancer, Tenant shall attorn to the purchaser at the foreclosure sale or to the grantee under the deed in lieu of foreclosure, and such purchaser shall assume Landlord's obligations under this Lease in accordance with the terms of the Subordination Agreement. An Encumbrancer may subordinate its Encumbrance to this Lease and, if any Encumbrancer so elects by notice to Tenant, this Lease shall be deemed prior to such Encumbrance, now or hereinafter placed on or against the Project or on or against Landlord's interests or estate therein without the necessity of having further instruments on the part of Tenant to effect such subordination. Provided,

however, that as to any future holder of a mortgage or deed of trust, such subordination shall be effective only if said holder agrees that this Lease shall survive termination of the mortgage or deed of trust by foreclosure, or otherwise, so long as Tenant is not in default with respect to any material provision of this Lease. In the event of the foreclosure of any mortgage or deed of trust, Tenant shall automatically be and become the tenant of and shall attorn to any mortgagee in possession or purchaser at foreclosure.

19.3 Nondisturbance. If any Encumbrance to which this Lease is subordinate is foreclosed, or a deed in lieu of foreclosure is given to the Encumbrancer thereunder, this Lease shall not terminate and the rights and possession of Tenant under this Lease shall not be disturbed if no default by County then exists under this Lease.

20. Attorneys' Fees. If Landlord uses the services of an attorney in order to secure Tenant's compliance with the terms of this Lease, Tenant shall reimburse Landlord upon demand for any and all attorneys' fees and expenses incurred by Landlord, whether or not formal legal proceedings are instituted by Landlord. In any action or proceeding which Landlord or Tenant brings against the other party in order to enforce its respective rights hereunder or by reason of the other party failing to comply with all of its obligations hereunder, whether for declaratory or other relief, the unsuccessful party therein agrees to pay all costs incurred by the prevailing party therein, including reasonable attorneys' fees, to be fixed by the court, and said costs and attorneys' fees shall be made a part of the judgment in said action. A party shall be deemed to have prevailed in any action (without limiting the definition of prevailing party) if such action is dismissed upon the payment by the other party of the amounts allegedly due or the performance of obligations which were allegedly not performed, or if such party obtains substantially the relief sought by such party in the action, regardless or whether such action is prosecuted to judgment.

21. Inducement Recapture. Any agreement by Landlord for free or abated rent or other charges applicable to the Premises, or for the giving or paying by Landlord to or for Tenant of any cash or other bonus, inducement or consideration for Tenant's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions" shall be deemed conditioned upon Tenant's full and faithful performance of all of the terms, covenants and conditions of this Lease to be performed or observed by Tenant during the Term hereof as the same may be extended. Upon the occurrence of a Breach of this Lease by Tenant, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Landlord under such an Inducement Provision shall be immediately due and payable by Tenant to Landlord, and recoverable by Landlord, as additional rent due under this Lease, notwithstanding any subsequent cure of said Default by Tenant. The acceptance by Landlord of rent or the cure of the Default which initiated the operation of this Section 21 shall not be deemed a waiver by Landlord of the provisions of this Section 21 unless specifically so stated in writing by Landlord at the time of such acceptance

22. Notices. Any notice required or permitted to be given hereunder must be in writing and may be given by personal delivery or by mail, and if given by mail shall be deemed sufficiently given when sent by registered or certified mail addressed to Landlord or Tenant at their respective addresses set forth in the Basic Lease Information. Either party may by written notice to the other specify a different address for notice purposes.

23. Access. Landlord hereby understands and acknowledges that Tenant's operations are subject to strict security operational requirements under Federal and State law. Given such security restrictions, Landlord, its agents, representatives and designees shall only have the right to enter the Premises by providing Tenant at least three (3) business days' notice and making prior arrangements with Tenant so that Landlord and its agents can be escorted by a Tenant authorized representative inside the Premises. Notwithstanding the foregoing, in the event of an emergency, Landlord may

access the Premises after providing notice to Tenant, and Tenant shall have the right, but not the obligation to accompany Landlord into the Premises during Landlord's performance of any emergency related work. During the ninety (90) days prior to the expiration of the Lease Term, Landlord may place upon the Premises "For Lease" or other similar signs which shall not obstruct Tenant's signage or access the Premises and Tenant shall permit said "For Lease" signs to remain thereon displayed.

24. Compliance with Applicable Law. Landlord shall comply with all Federal, state and local laws applicable to the Landlord as owner or lessor, or both, of the Premises or Project, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Landlord's expense. Tenant will comply with all Federal, state and local laws applicable to and enforceable against it as a tenant under this Lease.

25. General Provisions.

25.1. Applicable Law. This Lease shall be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any choice of law statutes, regulations, provisions or requirements to the contrary.

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

25.3. Waiver. No waiver of any provision hereof by either party shall be deemed by the other party to be a waiver of any other provision, or of any subsequent breach of the same provision. Landlord's or Tenant's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to, or approval of, any subsequent act by the other party.

25.4. Holdover. Should Tenant, or any of its successors in interest, hold over in the Premises, or any part thereof, for three (3) months after the expiration of the Term unless otherwise agreed to in writing, such holding over shall constitute and be construed as tenancy from month-to-month only, at a monthly rent starting in the fourth month equal to the greater of (i) two hundred percent (200%) the Base Rent owed during the final year of the Term, as the same may have been extended, together with the Additional Rent due under this Lease, or (ii) fair market rent for the Premises, as reasonably determined by Landlord. The inclusion of the preceding sentence shall not be construed as Landlord's permission for Tenant to hold over. In addition, Tenant shall indemnify, protect, defend and hold harmless Landlord for all losses, expenses and damages, including any consequential damages incurred by Landlord, as a result of Tenant failing to surrender the Premises to Landlord and vacate the Premises by the end of the Term.

25.5. Successors and Assigns. Subject to the provisions of this Lease restricting assignment or subletting by Tenant, this Lease shall bind the parties, their personal representatives, successors and assigns.

25.6. Subleases. The voluntary or other surrender of this Lease by Tenant, the mutual cancellation thereof or the termination of this Lease by Landlord as a result of Tenant's default shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

25.7. Limitation of Liability. In the event that Landlord or any successor owner of the Building sells or conveys the Building, then all liabilities and obligations of Landlord or the successor owner under this Lease accruing after the sale or conveyance shall terminate and become binding on the

new owner, and Tenant shall release Landlord from all liability under this Lease (including, without limitation, the Security Deposit), except for acts or omissions of Landlord occurring prior to such sale or conveyance. Tenant expressly agrees that (i) the obligations of Landlord shall not constitute personal obligations of the officers, directors, partners, employees, affiliates, joint venturers, members, trustees, owners, shareholders, or other principals, agents or representatives of Landlord ("Member of Landlord"), and (ii) Tenant shall have recourse only to Landlord's interest in the Building of which the Premises are a part for the satisfaction of such obligations and not against the other assets of Landlord. In this regard, Tenant agrees that in the event of any actual or alleged failure, breach or default by Landlord of its obligations under this Lease, that (i) no Member of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction of Landlord), (ii) no judgment will be taken against any Member of Landlord, and any judgment taken against any Member of Landlord may be vacated and set aside at any time without hearing, (iii) no writ of execution will ever be levied against the assets of any Member of Landlord, and (iv) these agreements by Tenant are enforceable both by Landlord and by any Member of Landlord.

25.8. Authority. If Tenant is a corporation, limited liability company or partnership, each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the corporation, company or partnership and that this Lease is binding upon the corporation, company or partnership in accordance with its respective articles of incorporation and bylaws, operating agreement or partnership agreement.

25.9. Time. Time is expressly declared to be of the essence of this Lease and of each and every covenant, term, condition, and provision hereof.

25.10. Construction. The language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for nor against either Landlord or Tenant.

25.11. Definitions. As used in this Lease and whenever required by the context thereof, each number, both singular and plural, shall include all numbers and in each gender shall include all genders. Landlord and Tenant, as used in this Lease or in any other instrument referred to in or made a part of this Lease, shall likewise include both the singular and the plural, a corporation, limited liability company, partnership, individual or person acting in any fiduciary capacity as executor, administrator, trustee or in any other representative capacity.

25.12. Exhibits. The Basic Lease Information, Exhibits and Addenda attached to this Lease and incorporated herein by reference thereto.

25.13. Force Majeure. Any delay in construction, repairs, or rebuilding any building, improvement or other structure herein shall be excused and the time limit extended to the extent that the delay is occasioned by reason of acts of God, pandemic, labor troubles, laws or regulations of applicability, acts of Tenant, or other occurrences, if beyond the reasonable control of Landlord or Tenant. Accordingly, each party's obligation to perform (excluding the payment of rent) shall be excused for the period of the delay and the period for performance shall be extended for a period equal to the period of such delay.

25.14. Broker's Fee. Each party represents that it has not had dealings with any real estate broker, finder or other person, with respect to this Lease in any manner, except the brokerage firm(s) specified in the Basic Lease Information. Each party shall hold harmless the other party from all damages resulting from any claim that may be asserted against the other party by any broker, finder, or other person with whom the other party has or purportedly has dealt. Seller shall pay any commissions or fees that are payable to the broker or finder specified in the Basic Lease Information, with respect to this Lease in accordance with the provisions of a separate agreement.

25.15. Entire Agreement. This Lease, including attached Exhibits, Addenda, and Basic Lease Information, contains all agreements and understandings of the parties and supersedes and cancels any and all prior or contemporaneous written or oral agreements, instruments, understandings, and communications of the parties with respect to the subject matter herein. This Lease, including the attached Exhibits, Addenda, and Basic Lease Information, may be modified only in a writing signed by each of the parties. The Exhibits, Addenda and Basic Lease Information attached to this Lease are incorporated herein by reference

25.16 Security Measures. Landlord will allow Tenant to use the existing card entry system (the "Entry System"), provided that Landlord shall have no responsibility for and Landlord makes no representations or warranties regarding such Entry System. Tenant shall contract with the security provider who operates the Entry System to arrange for access cards for Tenant's employees and to make other arrangements particular to Tenant's use of the Building. Tenant acknowledges and agrees that it shall be responsible for providing adequate security for its use of the Premises and shall have the right to install new security systems at its cost, and that Landlord shall have no obligation or liability with respect thereto, except to the extent, if any, that Landlord has specifically agreed elsewhere in this Lease to provide the same. Tenant shall cooperate and comply with, and cause Tenant's representatives and visitors to cooperate and comply with, such security measures. Landlord, its agents and employees shall have no liability to Tenant or its representatives or visitors for the implementation or exercise of, or the failure to implement or exercise, any such security measures or for any resulting disturbance of Tenant's use or enjoyment of the Premises. The cost of any security measures implemented by Landlord pursuant to this Section shall be included in the definition of Operating Expenses as set forth in this Lease.

25.17 Firearms and Ammunition. Tenant may store Government property, including but not limited to, weapons, ammunition, and other sensitive materials ("**Government Property**"), on the Premises, to the extent required in connection with the use of the Premises by the Tenant's agencies operating on the Premises. All such storage shall strictly comply with all applicable federal, state, and local laws and regulations, as well as Tenant's internal policies and procedures for the safe and secure storage of such property. Tenant shall be solely responsible for the proper handling, security, and accountability of all Government Property stored on the Premises. Tenant shall be solely responsible for and shall defend, indemnify, and hold Landlord and its agents harmless from and against all claims, costs and liabilities, including attorneys' fees and costs, arising out of or in connection with Tenant's handlings, storage, security, use and disposal of the Government Property.

25.18 Landlord Notice Prior to Listing Property For Sale. In the event that Landlord elects to formally list the Premises, or the Project, or a portion thereof, for sale at any time during the initial Term of the Lease, Landlord shall notify Tenant of such listing prior to making such listing public.

25.19 Quiet Enjoyment. Landlord covenants that, upon Tenant's performing all of the terms, covenants, and conditions on Tenant's part to be observed and performed hereunder, Tenant shall peaceably and quietly enjoy the Premises hereby demised, free of claims of paramount title or of any person claiming under or through Landlord and free and clear of all exceptions, reservations, or encumbrances to title, created or suffered by Landlord.

(Signatures to Follow)

IN WITNESS WHEREOF, the parties have executed this Lease on the Effective Date first mentioned above.

“Landlord”

GATEWAY PARTNERS 1, LLC a California limited liability company

By: _____

Name: _____

Its: _____

“Tenant”

THE COUNTY OF NAPA

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM

Napa County Counsel

By: [Signature]

Date: County Counsel 8/27/25

Doc Title: _____

IN WITNESS WHEREOF, the parties have executed this Lease on the Effective Date first mentioned above.

"Landlord"

"Tenant"

GATEWAY PARTNERS I, LLC a California limited liability company

THE COUNTY OF NAPA

By

Name: Michael DeSantis

Its: Manager

By

Name: _____

Its: _____

EXHIBIT A-1

DIAGRAM OF PREMISES

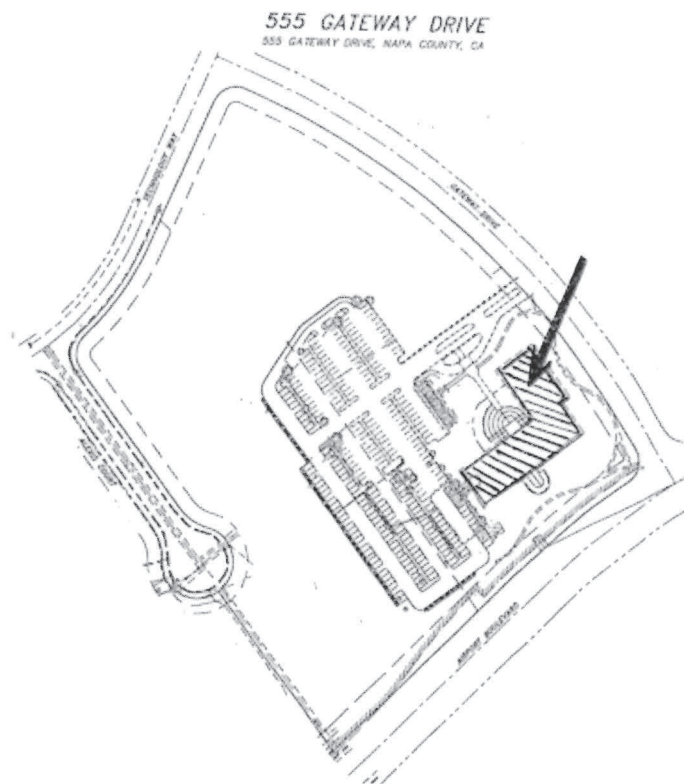


EXHIBIT A-2

DIAGRAM OF PROJECT



EXHIBIT B

RULES AND REGULATIONS

It is further agreed that the following rules and regulations (these "Rules and Regulations") shall be and are hereby made a part of this Lease, and Tenant agrees that Tenant's employees and agents, or any others permitted by Tenant to occupy or enter the Premises, will at all times abide by these Rules and Regulations, unless otherwise specified or provided for in the Lease, to wit:

1. The driveways, entrances and exits to the Building and the Project (the "Project"), sidewalks, passages, building entries, lobbies, corridors, stairways, and elevators of the Building shall not be obstructed by Tenant, or Tenant's agents or employees, or used for any purpose other than ingress and egress to and from the Premises. Tenant or Tenant's agents or employees shall not loiter on the lawn areas or other common areas of the Project.

(a) No safe or article, the weight of which may in the opinion of Landlord constitute a hazard to or damage to the Building or the Building's equipment, shall be moved into the Premises without Landlord's prior written approval, but such consent or approval shall not be unreasonably withheld, conditioned or delayed. Landlord and Tenant shall mutually agree to the location of such articles in the Premises. All damage done to the Project, Building or Premises by putting in, taking out or maintaining extra heavy equipment shall be repaired at the expense of Tenant.

(b) Landlord reserves the right to close and keep locked any and all entrances and exits of the Project and gates or doors closing the parking areas thereof during such hours as Landlord may deem advisable for the adequate protection of the Project and all tenants therein; provided however, Landlord's exercise of its rights pursuant to this Section shall not substantially interfere with Tenant's use of the Premises and Common Areas.

2. Except as otherwise provided for in the Lease, no sign, advertisement or notice shall be inscribed, painted or affixed on any part of the inside or outside of the Building unless of such color, size and style and in such place upon or in the Building as shall be first approved in writing by Landlord. No furniture or other materials shall be placed in outside the Building or in the Common Areas without the prior written consent of Landlord. Landlord shall have the right to remove all non permitted signs and furniture without notice to Tenant.

3. Tenant shall not employ any person or persons other than the janitor or cleaning contractor of Landlord for the purpose of cleaning or taking care of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Except as otherwise provided in the Lease, Landlord shall in no way be responsible to Tenant for any loss of property from the Premises, however occurring.

4. Water closets and other water fixtures shall not be used for any purpose other than that for which the same are intended, and any damage resulting to the same from misuse on the part of Tenant or Tenant's agents or employees, shall be paid for by Tenant. No person shall waste water by tying back or wedging the faucets or in any other manner.

5. No animals except service animals shall be allowed on the lawns or sidewalks or in the offices, halls, and corridors of the Building.

6. No persons shall disturb the occupants of this or adjoining buildings or premises by the use of any radio, sound equipment or musical instrument or by the making of loud or improper noises, nor

interfere in any way with the other tenants or those having business with them. Should sound mitigation measures be required due to sounds originating in the Premises, the costs of such measures shall be paid for by Tenant.

7. Bicycles or other vehicles, other than wheelchairs, shall not be permitted in the offices, halls, corridors and lobbies in the Building nor shall any obstruction of sidewalks or entrances of the Building by such be permitted.

8. Tenant shall not allow anything to be placed on the outside of the Building, nor shall anything be thrown by Tenant or Tenant's agents or employees, out of the windows or doors, or down the corridors, ventilation ducts or shafts of the Building. Tenant, except in case of fire or other emergency, shall not open any outside window.

9. No awnings shall be placed over any window or entrance.

10. All garbage, including wet garbage, refuse or trash shall be placed by Tenant in the receptacles designated by Landlord for that purpose. Tenant shall not burn any trash or garbage at any time in or about the leased Premises or any area of the Property. Tenant and Tenant's officers, agents, and employees shall not throw cigar or cigarette butts or other substances or litter of any kind in or about the Property.

11. Tenant shall not install or operate any steam or gas engine or boiler, or other machinery or carry on any mechanical business, other than such mechanical business which normally is identified with general use in the Premises. Explosives or other articles of an extra hazardous nature shall not be brought into the Building complex.

12. Intentionally Deleted.

13. Tenant and Tenant's agents and employees shall park their vehicles in areas designated from time-to-time for employee parking.

14. Tenant shall not mark, drive nails, screw, bore, or drill into, paint or in any way deface the common area walls, exterior walls, roof, foundations, bearing walls, or pillars without the prior written consent of Landlord. The expense of repairing any breakage, stoppage or damage resulting from a violation of this rule shall be borne by Tenant.

15. No waiver of any rule or regulation by Landlord shall be effective unless expressed in writing and signed by Landlord or its authorized agent.

16. Intentionally Deleted.

17. In the event of any conflict between these Rules and Regulations or any further or modified rules and regulations from time to time issued by Landlord, and the Lease provisions, the Lease provisions shall govern and control.

18. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable rules and regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, and for the preservation of good order therein, as well as for the convenience of other tenants of the Project. Landlord shall not be responsible to Tenant or to any other person for the non-observance or violation of these Rules and Regulations by any other tenant or person. Tenant shall be deemed to have

read these rules and Regulations and to have agreed to abide by them as a condition to its occupancy of the space herein leased, and Tenant shall abide by any additional rules and regulations which are ordered or requested by Landlord or by any governmental authority.

EXHIBIT C-1

Landlord's Work

This Work Letter Agreement supplements that certain Commercial Lease (the "Lease") dated September 9, 2025, executed by Gateway Partners 1, LLC, a California limited liability company ("Landlord") and the County of Napa ("Tenant") with regard to that certain lease entered into between Tenant and Landlord on September 9, 2025.

Landlord shall be responsible for construction of the tenant improvements (the "Tenant Improvements") described in the space plan and specifications approved by Landlord and Tenant (the "Approved Space Plan"), a copy of which is attached hereto as Exhibit C-2. Any material changes from the Approved Space Plan that increase construction costs or delay the construction schedule (as reasonably determined by Landlord), including without limitation additional work, units, quantities or changes to brands or finishes, shall be deemed additional work (the "Tenant Extra Improvements") and shall be at Tenant's sole cost and expense. It shall be Tenant's responsibility to ensure that the design and function of the Tenant Improvements are suitable for Tenant's business and needs. The improvements shall be constructed in accordance with current building standards, laws, regulations, ordinances and codes. In the event that building permits are required by the County of Napa, Landlord shall obtain such permits. Landlord shall not be required to install any Tenant Improvements which do not conform to the Approved Space Plan.

Landlord shall select the manufacturer and vendor of all building materials and equipment with respect to the Tenant Improvements to be constructed hereunder.

Notwithstanding anything to the contrary contained in the Lease or this Work Letter, Landlord's participation in the preparation of the Approved Space Plan shall not constitute any representation or warranty, express or implied, that the Approved Space Plan is in conformity with applicable governmental codes, regulations, or rules. Tenant acknowledges and agrees that the Premises are intended for use by Tenant and the specification and design requirements for the Tenant Improvements are not within the special knowledge or experience of Landlord.

Tenant shall not mortgage, grant a security interest in or otherwise encumber all or any portion of the Tenant Improvements.

TENANT IMPROVEMENTS

1. Landlord shall furnish, install, and pay for the cost of the Tenant Improvements.

Provided Landlord has received all necessary approvals and permits Landlord shall commence work on the Tenant Improvements within 10 business days following the vacation of the Premises and delivery of the Premises to Landlord by the existing tenant (whose lease is scheduled to expire on February 28, 2026), and continue until work is complete. It is estimated that the Tenant Improvements will take approximately eight (8) to twelve (12) weeks to complete.

Tenant shall pay for all Tenant Extra Improvements, including any additional revisions to the Approved Space Plan, within five (5) days following receipt of Landlord's written demand therefor, which demand(s) may be submitted to Tenant prior to commencement of construction of the Tenant Extra Improvements. If Tenant fails to pay within such five (5) day period, Landlord may, in addition to all other available remedies, (i) delay the commencement of construction of the Tenant Improvements and/or the Tenant Extra Improvements if such work has not commenced, or (ii) stop construction of the Tenant Improvements and/or Tenant Extra Improvements if such work has commenced, in either case until such time as Tenant

has paid Landlord for all Tenant Extra Improvements for which Tenant has received a written demand from Landlord.

2. In no event shall Landlord's obligations with respect to the Tenant Improvements include the following: (i) the costs of moving, procuring or installing any trade fixtures, equipment, appliances, furniture, furnishings, telephone or computer equipment or wiring or other personal property ("Personal Property") or (ii) any Change Orders (as defined below). Such work shall be at Tenant's sole cost and expense.

3. Tenant may request changes or modifications to the Approved Space Plan (each a "Change Order"), which changes or modifications shall be subject to Landlord's review and approval pursuant to Article 10 of the Lease regarding Alterations. The cost of any Change Order(s) shall be borne by Tenant. If Tenant shall request any Change Order, then Landlord shall promptly give Tenant a written estimate of (a) the cost engineering and design services to prepare the Change Order, (b) the cost of the work to be performed pursuant the Change Order, and (c) the time delay expected because of such requested Change Order. Within three (3) days after Tenant's receipt of the written estimate, Tenant shall notify Landlord in writing whether it approves the written estimate. If Tenant approves the written estimate, then Tenant shall accompany its approval with a check made payable to Landlord in the amount of the estimated cost of the Change Order. Upon Landlord's completion of the Change Order and submission of the final cost thereof to Tenant, Tenant shall promptly pay to Landlord any additional amounts incurred in excess of the written estimate. If such written authorization and check are not received by Landlord, then Landlord shall not be obligated to commence work and Tenant shall be responsible for any delay in completion of the work in accordance with Paragraph 7 below.

4. If substantial completion of the Tenant Improvements is delayed and if the cause of the delay is attributable to Tenant, then the substantial completion date shall be deemed to be the date if otherwise would have occurred but for the Tenant delays ("Tenant Delays"). Tenant Delays shall include, without limitation, those caused by (a) Tenant's request for special materials not available when needed for construction in accordance with the construction schedule, (b) Change Orders, (c) Tenant's or Tenant's agents' interference with Landlord's work, and (d) Tenant's failure to pay for Tenant Extra Improvements within the time period noted above. All costs and expenses occasioned by a Tenant Delay, including without limitation, increases in labor or materials, shall be borne by Tenant.

5. The Tenant Improvements shall be deemed "substantially completed" as of the date that the Tenant Improvements have been substantially completed as defined in Section 2.2 of the Lease and in accordance with the Approved Space Plan (except for those punch list items referenced in below).

6. Tenant shall inspect the Tenant Improvements immediately upon substantial completion and compile and furnish Landlord with a "punch list" (as defined in Section 2.2 of the Lease) of any missing or deficient Tenant Improvements. Landlord shall use commercially reasonable efforts to complete the corrective work noted in the punch list in a prompt, good and workman-like manner. Punch list corrections nor shall delay in making corrections be grounds for a delay or reduction in any rent payments due Landlord.

7. Pursuant to Section 3.4 of the Lease, Tenant, may, with Landlord's consent, enter the work area thirty (30) days prior to substantial completion solely for the purpose of installing its data cabling, access controls, IT and computer, phone and telecommunications equipment (hereinafter, "Tenant's Work"). In addition, during the early access period, Tenant shall have the right to access the Premises to install tenant fixtures, furniture and equipment as long as a temporary certificate of occupancy has been issued for the Premises and such entry does not interfere with the orderly construction and completion of the Tenant Improvements. Tenant shall notify Landlord of its desired time(s) of entry and shall submit for Landlord's approval the scope of Tenant's Work to be performed and the name(s) of the contractor(s) who will perform

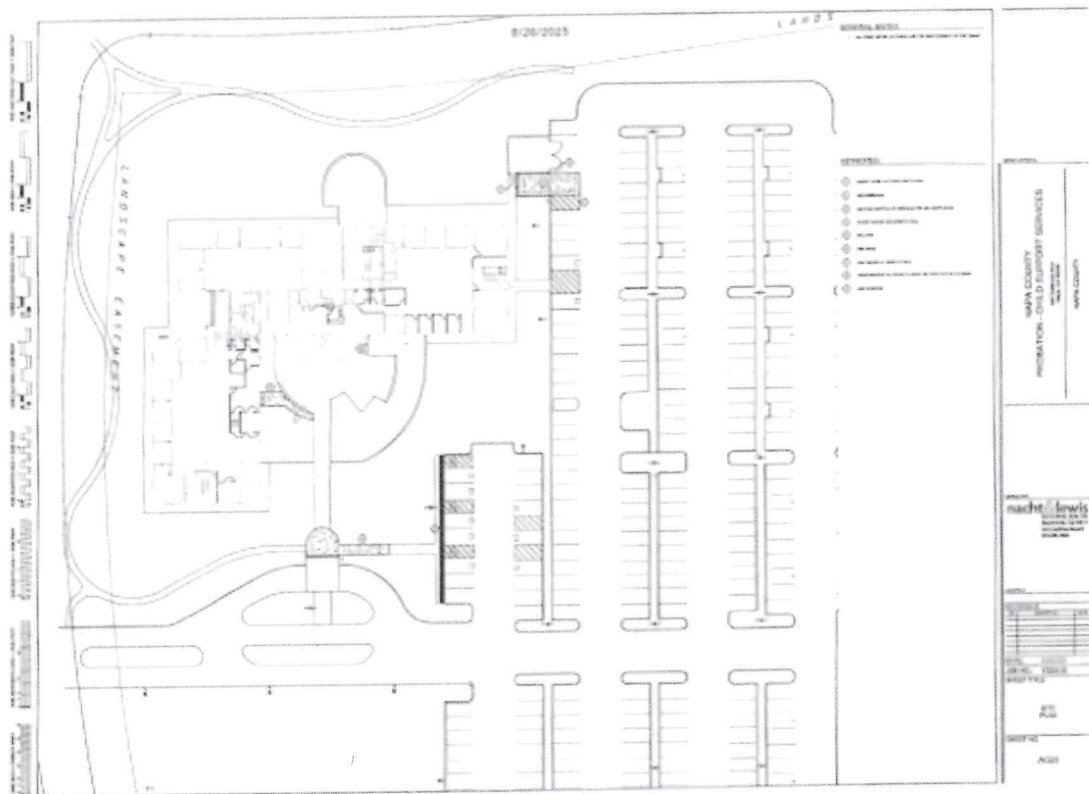
such work. Prior to entering the Premises to perform Tenant's Work, Tenant shall provide its required insurance certificates to Landlord, and Tenant shall have placed all utilities to be maintained by Tenant pursuant to this Lease in Tenant's name. Tenant agrees to indemnify, defend and hold harmless Landlord and any mortgagee, ground lessor or beneficiary of a deed of trust encumbering, secured by or affecting the Premises or the Building, from and against any and all claims, actions, losses, liabilities, damages, cost or expenses (including, without limitation, reasonable attorney's fees and claims for worker's compensation) of any nature whatsoever, arising out of or in connection with the Tenant's Work (including, without limitation, claims for breach of warranty, personal injury or property damage).

8. During the course of construction, at Tenant's expense, Tenant shall maintain public liability and worker's compensation insurance, in amounts acceptable to Landlord, which name Landlord and Tenant as parties insured from and against all liability for death of or injury to person or damage to property caused in or about or by reason of the construction of the Tenant's Work.

9. Upon Landlord's substantial completion of Landlord's Work for the performance of the Tenant Improvements, Landlord and Tenant shall mutually execute the Commencement Date Memorandum in Exhibit D of the Lease.

EXHIBIT C-2

Approved Space Plan





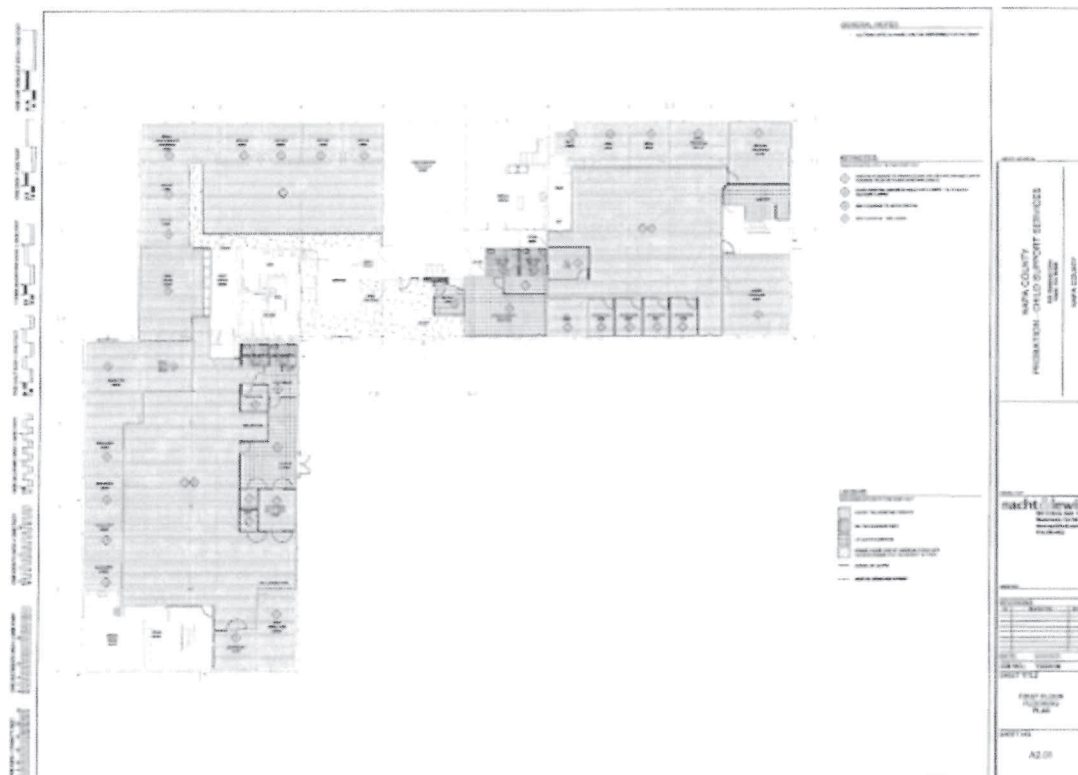


EXHIBIT D

Commencement Date Memorandum

This COMMENCEMENT DATE MEMORANDUM ("Memorandum") is hereby entered into as of this ____ day of _____, 20__, by and between Gateway Partners 1, LLC, a California limited liability company, as "Landlord", and the County of Napa, a political subdivision of the State of California, as "Tenant".

RECITALS

A. Landlord and Tenant are parties to that certain Commercial Lease, dated for reference purposes September 9, 2025 (the "Lease") for certain premises located at 555 Gateway Drive, Napa, California (the "Premises", as described in the Lease).

B. Landlord has substantially completed Landlord's Work for the performance of the Tenant Improvements (as defined in the Lease) and Tenant is now in possession of the Premises and the Term of the Lease has commenced.

C. Landlord and Tenant desire to enter into this Memorandum confirming the Commencement Date, the Termination Date and other matters under the Lease.

AGREEMENT

1. The actual Commencement Date of the Lease is _____, 20__. Pursuant to Section 4.1 of the Lease, the Base Rent shall be payable in accordance with the terms of the Lease, commencing on _____, 20__, in the amount of \$86,000.00 per month.

2. The actual Expiration Date of the Lease is _____, 20__.

3. The Base Rent shall adjust pursuant to the rent schedule listed in the Basic Information of the Lease.

4. Capitalized terms not defined herein shall have the same meaning set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of the date and year first above written.

LANDLORD:

TENANT:

GATEWAY PARTNERS 1, LLC, a
California limited liability company

NAPA COUNTY, a political subdivision
of California

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT E

Bank of Stockton SNDA Form

Recording Requested By
and When Recorded Mail To:

Bank of Stockton
P.O. Box 1110
Stockton, CA 95402-1110
Attn: Loan Center

Space above for Recorder's Use

SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT (this "Agreement") is dated as of _____, 2025, by and among BANK OF STOCKTON, a California banking corporation ("Lender"), and the COUNTY OF NAPA, a political subdivision of California ("Tenant") and GATEWAY PARTNERS 1, LLC, a California limited liability company ("Landlord").

Recitals

A. **Tenant is the tenant under a certain lease (the "Lease") dated September 9, 2025 with Landlord of premises described in the Lease (the "Premises") located at 555 Gateway Drive, Napa, California, and constituting all or a portion of the real property more particularly described in Exhibit A attached hereto and made a part hereof (the "Property").**

B. This Agreement is being entered into in connection with a loan or other financial accommodation (the "Loan") made or to be made by Lender to Landlord, secured inter alia, by: (a) a deed of trust on the Property (the "Deed of Trust") recorded on May 30, 2018, as Instrument No. 2018-0010606, or to be recorded, in the real estate records of Napa County, California (the "Official Records"); and (b) an assignment of leases and rents on the Property (the "Assignment of Rents") recorded on May 30, 2018 as Instrument No. 2018-0010607, or to be recorded, in the Official Records. (The Assignment of Rents may be set forth in the Deed of Trust or be a separate document. The Deed of Trust and the Assignment of Rents are collectively referred to as the "Security Documents").

Agreement

For mutual consideration, including the mutual covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Tenant agrees that the Lease is and shall be subject and subordinate to the Security Documents and to all present and future advances under the obligations secured thereby and all renewals, amendments, modifications, consolidations, replacements and extensions of the secured obligations and the Security Documents, to the full extent of all amounts secured by the Security Documents from time to time. Said subordination is to have the same force and effect as if the Security Documents and such renewals, modifications, consolidations, replacements and extensions thereof had been executed, acknowledged, delivered and recorded prior to the Lease, any amendments or modifications thereof and any notice thereof.

2. Tenant agrees that, in the event of a foreclosure of the Deed of Trust by Lender or the acceptance of a deed in lieu of foreclosure by Lender or any other succession of Lender to fee ownership, Tenant shall attorn to and recognize Lender as its landlord under the Lease for the remainder of the term of the Lease (including all extension periods which have been or are hereafter exercised) upon the same terms and conditions as are set forth in the Lease, and Tenant hereby agrees to pay and perform in favor of Lender all of the obligations of Tenant under the Lease as if Lender were the original landlord under the Lease.

3. In the event of foreclosure of the Deed of Trust, or upon sale of the Property pursuant to the trustee's power of sale contained therein, or upon a transfer of the Property by deed in lieu of foreclosure or other instrument, the succeeding owner of the Property and Tenant hereby agree to be bound to one another under all of the terms, covenants and conditions of the Lease for the balance of the term of the Lease, and so long as Tenant complies with and performs its obligations under the Lease, Lender shall not disturb Tenant's possession of the leased premises.

4. Tenant agrees that, in the event Lender succeeds to the interest of Landlord under the Lease, Lender shall not be:

(a) liable for any act or omission of Landlord or any prior landlord except for any continuing defaults of Landlord, provided that Lender's liability for such defaults shall not include any period before Lender has succeeded to Landlord's interest under the Lease unless Lender has been given written notice from Tenant of such defaults in which event Lender's liability is limited to the period after such written notice is given to Lender, or

(b) subject to any defense or offsets which Tenant may have with respect to the acts or omissions of Landlord or any prior landlord, except for such acts or omissions that occur after written notice from Tenant thereof is given to Lender, and except for offsets pertaining to rent abatement, tenant improvement allowances and/or any other credits expressly provided for under the Lease, or

(c) bound by any payment of rent or additional rent which Tenant might have paid for more than one (1) month in advance of the due date under the Lease to Landlord or any prior landlord, except to the extent that all or a portion of such amount has actually been received by Lender, or

(d) bound by any obligation to make any payment to Tenant which was required to be made before Lender has succeeded to Landlord's interest under the Lease, unless Lender has received prior written notice thereof from Tenant in accordance with this Agreement, and except for offsets pertaining to rent abatement, tenant improvement allowances and/or any other credits expressly provided for under the Lease, or

(e) accountable for any monies deposited with Landlord or any prior landlord (including security deposits), except to the extent such monies are actually received by Lender in amounts identified to Lender in writing as such at the time received, or

(f) bound by any termination, amendment or modification of the Lease made without the consent of Lender, provided, however, Landlord and Tenant may, without notice to Lender or Lender's prior consent, consent to any modification, amendment, termination or cancellation of the Lease that is made pursuant to (i) the exercise of an express right or option of Landlord or Tenant contained in the Lease or (ii) usual and customary business practice which does not (A) alter the Lease term or any option of Landlord or Tenant contained in the Lease, (B) alter any monetary obligations under the Lease or (C) materially increase any liability or obligation of Landlord under the Lease (exclusive in either case of Tenant's rights under subclause (i) herein), or

(g) be required after a fire, casualty or condemnation of the Property or Premises to repair or rebuild the same to the extent that such repair or rebuilding requires funds in excess of the insurance or condemnation proceeds specifically allocable to the Premises and arising out of such fire, casualty or condemnation which have actually been received by Lender, and then only to the extent required by the terms of the Lease.

5. Tenant represents and warrants that it has no right or option of any nature whatsoever, whether pursuant to the Lease or otherwise, to purchase the Property or the real property of which the Property is a part, or any portion thereof or any interest therein. Tenant agrees that if it has or acquires a right or option to purchase the Property or the real property of which the Property is a part, or any portion thereof or any interest therein, such right or option shall be subject and subordinate to the Deed of Trust and to all present and future advances secured thereby and all renewals, amendments, modifications, consolidations, replacements and extensions of the secured obligations and the Deed of Trust, to the full extent of all amounts secured by the Deed of Trust from time to time, and that any such right or option is hereby waived and released as against Lender.

6. ~~Anything herein to the contrary notwithstanding, in the event that Lender shall acquire title to the Property, Lender shall have no obligation, nor incur any liability, beyond Lender's then interest in the Property or any rents or profits derived from the Premises, and Tenant shall look exclusively to such interest of Lender in the Property for the payment and discharge of any obligations imposed upon Lender hereunder or under the Lease, or otherwise, subject to the limitation of Lender's obligations provided for in Paragraph 4 above.~~

7. Tenant hereby agrees to give to Lender copies of all notices of Landlord default(s) under the Lease in the same manner as, and whenever, Tenant shall give any such notice of default to Landlord, and no such notice of default shall be deemed given to Landlord unless and until a copy of such notice shall have been so delivered to Lender. Lender shall have the right to remedy any Landlord default under the Lease, or to cause any default of Landlord under the Lease to be remedied, and for such purpose Tenant hereby grants Lender an additional forty-five (45) day period to enable Lender to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be remedied, any such default. Tenant shall accept performance by Lender of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord. The Lease shall not be assigned (except in the event of an assignment that is permitted in the Lease without Landlord's consent) by Tenant without Lender's prior consent in each instance, which consent shall not be unreasonably withheld, delayed or conditioned. Neither Lender nor its designee or nominee shall become liable under the Lease unless and until Lender or its designee or nominee becomes, and then only with respect to periods in which Lender or its designee or nominee becomes, the fee owner of the Premises. To the extent permitted by law, Lender shall have the right, without Tenant's consent, to foreclose the Deed of Trust or to accept a deed in lieu of foreclosure of the Deed of Trust or to exercise any other remedies under the Deed of Trust.

8. Tenant, to its actual knowledge, without any duty of inquiry, has no knowledge of any prior assignment or pledge of the rents accruing under the Lease by Landlord. Tenant hereby consents to the Assignment of Rents from Landlord to Lender executed in connection with the Loan. Tenant acknowledges that the interest of the Landlord under the Lease is to be assigned to Lender solely as security for the purposes specified in said assignment. Tenant agrees that upon receipt of a written notice from Lender of a default by Landlord under the Loan, Tenant will thereafter, if requested by Lender, pay rent due under the Lease to Lender in accordance with the terms of the Lease. Lender shall deliver Lender's wiring instructions to Tenant simultaneously with any such direction to pay rents directly to Lender. In the event that Tenant does not receive Lender's written direction in reasonably sufficient time

to adjust Tenant's payment records to reflect the modified payment instructions, Landlord shall promptly remit to Lender any such payment received from Tenant and Tenant shall have no obligation or liability to Lender to make a duplicate payment thereof to Lender. Any such payment by Tenant to Lender of rent due under the Lease in reliance upon Lender's written direction for such payment shall constitute full performance by Tenant of such obligation whether or not Lender is, or was, entitled to demand and/or receive such rental payments, and Landlord expressly releases and discharges Tenant from all liability for all such payments made by Tenant as so directed. Landlord agrees to indemnify and hold Tenant harmless from and against any expense, claims, losses, or damages incurred by Tenant resulting from or arising out of claims of Landlord that such payments should not have been made to Lender or its designee.

9. Each party hereto represents and warrants that (a) its execution and performance of this Agreement has been duly authorized by all necessary actions, (b) the person executing this Agreement on behalf of such party is authorized by such party to do so and (c) such execution hereof is the binding act of such party enforceable against such party.

10. Any notice, election, communication, request or other document or demand required or permitted under this Agreement shall be in writing and shall be deemed delivered on the earlier to occur of (a) receipt, or (b) the date of delivery indicated on the return receipt, if deposited in a United States Postal Service Depository, postage prepaid, sent certified or registered mail, return receipt requested, or if sent via a recognized commercial courier service providing for a receipt, addressed to Tenant or Lender, as the case may be, at the following addresses:

If to Tenant: Napa County Director of Public Works
1195 Third Street, Suite 101
Napa, CA 94559
Attention: Leases and Rents

If to Lender: Bank of Stockton
301 E. Miner Avenue
P.O. Box 1110
Stockton, CA 95201
Attention: _____

If to Landlord: Gateway Partners 1, LLC
1850 Soscol Avenue, Suite 207
Napa, CA 94559
Attn: Mark R. Funseth

Notwithstanding the foregoing, any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of written notice to the other parties in the manner set forth herein.

11. The defined terms in this Agreement will apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" when used in this Agreement will be deemed to be followed by the phrase "without limitation." The words "approval" and "notice" when used in this Agreement will be deemed to be preceded by the word "written." All references to "Section" or "Sections" in this Agreement mean the applicable section of this

Agreement unless otherwise specified. The term "Lender" as used herein includes any successor or assign of the named Lender herein, including without limitation, any co-lender at the time of making the Loan, any purchaser at a foreclosure sale and any transferee pursuant to a deed in lieu of foreclosure, and their successors and assigns, and the terms "Tenant" and "Landlord" as used herein include any successor and assign of the named Tenant and Landlord herein, respectively; provided, however, that such reference to Tenant's or Landlord's successors and assigns shall not be construed as Lender's consent to any assignment or other transfer by Tenant or Landlord.

12. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect, and shall be liberally construed in favor of Lender.

13. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought.

14. This Agreement shall be construed in accordance with the laws of the State of California without regard to its conflict of law principles.

15. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties to this Agreement may execute this Agreement by signing any such counterpart.

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

"Lender"

BANK OF STOCKTON, a California
banking corporation

By: _____
Its: _____

"Tenant"

THE COUNTY OF NAPA, a political
subdivision of California

By: _____
Its: _____

"Landlord"

GATEWAY PARTNERS 1, LLC, a
California limited liability company

By: _____
Its: _____

EXHIBIT A

Description of Land

The land referred to below is situated in the unincorporated area of the County of Napa, State of California, and is described as follows:

Commencing at a point on the Southwestern line of Lot 16 as the same is shown on Map No. 4509, titled Final Map of Napa Valley Gateway Unit Two Phase Two, recorded in Book 18 of Record Maps at Pages 78 through 81, Napa County Records, said point being distant North 37° 42' 00" West 5.01 feet from the most Southerly corner thereof and being on the Northwestern line of Airport Boulevard; thence following said Northwestern line along a nontangent curve to the left, the center of which bears North 43° 38' 29" West, having a radius of 960.00 feet through a central angle of 1° 48' 47" an arc length of 30.38 feet, on a tangent course North 44° 32' 45" East 393.40 feet and along a tangent curve to the right having a radius of 1440.00 feet, through a central angle of 9° 49' 25" an arc length of 246.89 feet; thence on a tangent curve to the left having a radius of 40.00 feet, through a central angle of 87° 17' 21" an arc length of 60.94 feet to the Southwestern line of Gateway Drive as shown on said Map; thence along said Southwestern line of Gateway Drive as shown on said Map North 32° 55' 11" West 71.99 feet, on a tangent curve to the left, having a radius of 1383.50 feet through a central angle of 34° 37' 49" an arc length of 836.20 feet and on a tangent course North 67° 33' 00" West 14.63 feet; thence on a tangent curve to the left, having a radius of 40.00 feet, through a central angle of 90° 00' 00" an arc length of 62.83 feet to the Southeastern line of Gateway Loop as shown on said Map on a tangent course South 22° 27' 00" West 263.48 feet and along a tangent curve to the right having a radius of 478.00 feet through a central angle of 21° 01' 52" an arc length of 192.14 feet; thence along a tangent curve to the left having a radius of 40.00 feet through a central angle of 83° 10' 52" an arc length of 58.07 feet, to the Northeastern line of Gateway Court as shown on said Map; thence along said Northeastern line of Gateway Court as shown on said Map on a tangent course south 37° 42' 00" East 291.14 feet, along a tangent curve to the left having a radius of 90.00 feet, through a central angle of 38° 07' 30" an arc length of 59.89 feet and on a tangent curve to the right having a radius of 60.00 feet, through a central angle of 128° 07' 30" an arc length of 134.17 feet to the most Western corner of said Lot 16; thence along said southwestern line of Lot 16 south 37° 42' 00" East 334.06 feet to the point of commencement.

Excepting therefrom:

Right reserved in the Deed from Napa Valley Gateway Limited, a California limited partnership, recorded July 21, 1994 Series No. 1994-23139, Napa County Records.

APN: 057-220-020

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)
) ss.
COUNTY OF _____)

On _____ before me, _____, 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)
) ss.
COUNTY OF _____)

On _____ before me, _____, 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)
) ss.
COUNTY OF _____)

On _____ before me, _____, 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)