

LEASE

RECITALS

A. The Housing Authority of the City of Santa Rosa ("Authority") is the owner of the real property commonly known as 983 Sonoma Avenue, Santa Rosa, California, Sonoma County Assessor's Parcel Number 009-171-029, and the building and other improvements thereon (hereinafter the "Premises"), which was acquired for use as a homeless shelter known as the Brookwood Homeless Shelter.

B. As a result of the City's budget constraints, the homeless shelter closed at the end of Fiscal Year 2008/2009.

C. The Authority now desires to lease the Premises in accordance with the terms and conditions of this lease.

1. **PARTIES.** This Lease ("Lease") is entered into as of the date on which this Lease is fully executed by the parties as indicated on the signature page ("Effective Date"), by and between the Housing Authority of the City of Santa Rosa, hereinafter described and landlord, ("Landlord") and Southwest Community Health Center, doing business as (dba), Santa Rosa Community Health Centers, a California nonprofit corporation ("Tenant").

2. **PREMISES.**

2.1 Landlord hereby leases to Tenant and Tenant leases from Landlord the real property located at 983 Sonoma Avenue, commonly known as Sonoma County Assessor's Parcel Number 009-171-029 and all existing improvements thereon (hereinafter the "Premises").

2.2 Tenant will be performing improvements to the Premises which include complying with Americans with Disabilities Act requirements. The process for the proposed tenant improvements and other anticipated improvements shall be as set forth in Exhibit A, attached hereto and made part of this Lease.

2.3 Landlord covenants and warrants that as long as Tenant is not in default of the terms of this Lease, Tenant shall have quiet and peaceful possession of the Premises and shall enjoy all the rights herein granted without interference, subject to the limitations, reservations and conditions set forth herein.

3. **TERM; EARLY POSSESSION.**

3.1 The initial term ("Term") shall commence on April 1, 2011 ("Commencement Date") for a term of ten (10) years and shall automatically expire without notice on March 31, 2021, unless sooner terminated as provided herein.

3.2 Upon full execution of this Lease and payment of first quarter's rent and submittal and acceptance of proof of insurance required hereunder, Tenant may enter upon and take

early possession of the Premises for purposes of planning and constructing tenant improvements in accordance with Exhibit A, attached hereto and made part of this Lease. In the event of early possession, Tenant shall abide by all terms and conditions of this Lease. Tenant shall not occupy the Premises until such time as the improvements have been inspected and approved by Landlord.

4. **RENT.** The initial rent of this Lease ("Rent") shall be eighteen hundred and no/100 dollars (\$1,800.00) per quarter, payable in advance on the first day of each quarter commencing on the Commencement Date and thereafter during the term of this Lease as directed by Landlord. For reference, the first day of each quarter is as follows: April 1st, July 1st, October 1st and January 1st. Rent for any period during the Lease Term which is less than one month shall be a prorated portion of the monthly Rent based on a thirty day month. Rent shall be paid by Tenant without deduction or offset, notice or demand at the place designated by Landlord. Rent shall increase by an amount equal to three percent (3%) of the then current monthly Rent, starting as of April 1, 2012 and on each anniversary thereafter during the Lease Term.

5. **USE.**

5.1 The Premises shall be used and occupied by Tenant and its employees or contractors. The parties acknowledge that Tenant is a non-profit corporation and the terms of this Lease have been negotiated and drafted based on this understanding. Tenant acknowledges and agrees that in entering into this Lease, it is not relying on any representations of Landlord or any of its officers, agents or employees for permission for any use beyond that expressly provided herein. The Premises shall be used for a medical clinic and respite facility with up to twenty (20) beds keeping with the purpose and mission of Tenant and shall not be used for any other unrelated use without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion. Tenant shall be solely responsible for obtaining any permits necessary to allow such use prior to occupancy of the Premises. In consideration for and as a material condition of this Lease by Authority at the rent and on the term provided herein, Tenant shall, in addition to all other covenants and requirements of Tenant herein, complete all improvements in compliance with Exhibit A and shall commence full operation of the medical clinic and respite beds no later than September 1, 2011. Failure to commence active use of the Premises shall be an event of default under this Lease.

5.2 Upon taking possession of the Premises, Tenant shall be deemed to have examined and determined the condition of the Premises and have accepted the present condition and repair, subject only to inspections to be performed in accordance with Exhibit A. All work conducted through tenant improvements shall have been reviewed and approved by Landlord in accordance with the provisions of Exhibit A. Landlord makes no representation or warranty concerning the condition of the Premises or its fitness for use for the purposes described above, excepting only that Landlord represents that prior to entering into this Lease, Landlord has fully disclosed to Tenant, in writing, any inspection information and/or directives from the Fire Marshall with respect to the fire suppression system for the Premises. Subject to the foregoing, Tenant assumes all responsibility and all costs of making any tenant improvements, alterations, refurbishment and repairs which may be necessary or appropriate for Tenant's use and occupancy.

5.3 Tenant shall promptly comply with all applicable statutes, ordinances, rules, regulations, orders and requirements of any governmental agency in effect during the Term or any part of the Term of this Lease regulating Tenant's use of the Premises. Without limiting the generality of the foregoing, Tenant shall, at Tenant's sole cost and expense, comply with all applicable laws, ordinances and regulations with respect to any and all required permits for operation of the Premises for its intended purpose. Tenant shall also promptly comply with all reasonable rules and requirements issued by Landlord during the term of this Lease, so long as such rules and requirements are in conformity with common practice and usage in similar property, are not inconsistent with the provisions of this Lease, or Tenant's permitted use of the Premises, and providing further that a written copy thereof is received by Tenant sufficiently in advance of the time any new rule is effective. Tenant shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance or use the Premises for any unlawful or hazardous purpose.

5.4 Tenant agrees that its use of the Premises shall be conducted in compliance with all applicable state, local and federal laws, and regulations.

6. MAINTENANCE, REPAIRS AND ALTERATIONS.

6.1 The obligations and duties enumerated below which require Tenant to repair and maintain the Premises are a part of the consideration for Landlord's renting the Premises:

(a) Subject to the provisions of Section 10 of this Lease and except as otherwise expressly provided herein, Tenant shall, at Tenant's expense, keep and maintain the Premises and every part thereof in good order, condition and repair (normal wear and tear excepted), including without limitation, all plumbing, the exterior of the building, including exterior walls, exterior doors and window frames, gutters and downspouts, parking lot surface and lighting, heating, ventilation and air conditioning systems, and wiring and plumbing within the walls and floors and equipment within the Premises, fixtures, interior walls and interior surfaces of exterior walls, ceilings, windows, doors, and plate glass, located within the Premises. Tenant shall maintain all exterior landscaping in a pleasing condition.

(b) If Tenant fails to perform Tenant's obligations under Section 6.1 Landlord may, at Landlord's option, enter upon the Premises if Tenant fails to cure the deficiency after ten (10) days prior written notice to Tenant, and put the same in good order, condition and repair, to the same condition as when accepted by Tenant pursuant to Section 5.2 above, and the reasonable cost of such repair shall be due and payable as additional rent to the Landlord together with Tenant's next rental installment, provided Landlord has provided Tenant at least ten (10) days written notice and reasonable opportunity for cure and submits copies of detailed invoices or receipts for the cost of such repairs.

(c) Landlord shall be responsible for any capitalized repairs that may be required to the roof of Premises (but not regular maintenance) during the term of this Lease.

(d) On the last day of the term of this Lease or on any sooner termination, Tenant shall surrender the Premises to Landlord in as good a condition as received, broom clean, ordinary wear and tear excepted. Landlord shall inspect the Premises prior to Tenant's departure and

notify Tenant in writing of Landlord's requirements to return the Premises to good condition, ordinary wear and tear excepted.

(e) Tenant shall promptly give Landlord written notice of any damage, destruction or deterioration of or to the Premises, including without limitation the discharge by Tenant of any hazardous materials which are not immediately and completely remedied by Tenant.

6.2 (a) Tenant shall, as part of the consideration to Landlord hereunder for its use and occupation of the Premises, install and construct certain improvements to the Premises, in accordance with the provisions of Exhibit A attached hereto and made part of this Lease. All of the improvements shall be installed in the Premises during the Term shall remain part of the Premises at the end of the Term, and shall be the Premises, free and clear, of Landlord. Tenant shall maintain all such improvements, equipment and fixtures in good working order and condition, reasonable wear and tear accepted, and shall be solely responsible for the repair or replacement of same during the Term of the Lease. At the end of the Term Tenant shall deliver all such improvements, equipment and fixtures to Landlord in good working order and condition.

(b) Except as set forth in Section 6.2(a) above, Tenant agrees not to make any alterations of, changes in or additions to the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld. Any request for alteration should also inquire as to whether such alterations will be required to be removed by Tenant at the end of the Term, or alternatively whether such alteration may remain on the Premises. Tenant agrees that should Landlord give written consent, unless otherwise agreed, all such alterations, additions and improvements, including fixtures, made in, to or on the Premises shall be made at the sole cost and expense of Tenant and shall (except for unattached movable personal Premises not the Premises of Landlord) be the Premises of Landlord and shall remain upon and be surrendered with the Premises, except that if Landlord requires it at the end of the Term, Tenant shall restore the Premises to the same condition as before the alterations, entirely at Tenant's cost and expense.

(c) Tenant covenants and agrees to indemnify, defend and hold harmless Landlord and the Premises from all claims, liens or demands arising out of any work performed, materials furnished, or obligations incurred by or for Tenant upon the Premises during the term.

(d) All work done by Tenant under these provisions shall be done in a good and workmanlike manner, and in compliance with all applicable laws and all ordinances, regulations and orders of governmental authority, including but not limited to Labor Code Section 1720 et seq.

(e) Upon completion of tenant improvement plans, Tenant shall promptly provide Landlord, at no cost to Landlord, with copies of all engineering, architectural and/or mechanical plans and specifications and original final building permits for all alterations, modification and repairs to the Premises by Tenant.

7. TAXES.

7.1 The Housing Authority of the City of Santa Rosa is a public agency and therefore is not typically subject to taxes, assessments, license fees and other charges ("taxes") levied and assessed against real or personal property. Tenant is hereby specifically made aware of the terms of Revenue & Taxation Code Section 107.6 (possessory interest tax). Tenant shall be solely responsible for any and all taxes that may be assessed as a result of Tenant's lease and occupancy of the Premises under this Lease and shall pay all in a timely manner so as to avoid any fines or penalties that may be assessed to the Premises. Tenant shall indemnify, defend and hold Landlord harmless from and against any taxes, fines, penalties or other charges against the Premises or Landlord in connection with Tenant's rights and interest under this Lease and use of the Premises hereunder.

7.2 If any taxes on Tenant's personal Premises or possessory interest for use of the Premises by or through Tenant, are levied against Landlord or the Premises, and if Landlord pays the taxes on any of these items or the taxes based on the increased assessment of these items, Tenant shall, on demand, immediately reimburse Landlord for the sum of the taxes levied against Landlord, or the proportion of the taxes resulting from the increase in Landlord's assessment. Landlord shall have the right to pay these taxes regardless of the validity of the levy.

8. INSURANCE.

8.1 Commercial General Liability Insurance.

Tenant shall, during the term of this Lease and at no expense to Landlord, maintain commercial general liability insurance, including products liability and completed operations, and contractual liability coverage, not less than Two Million Dollars (\$2,000,000) per occurrence, and a not less than Two Million Dollar (\$2,000,000) annual aggregate. This insurance shall be a per occurrence policy. The policy shall also cover Operations, Independent Contractors, Products and Completed Operations, Contractual Liability covering Tenant's indemnity obligations contained in Section 13 herein, severability of interest and cross liability clauses. The limits of liability of the insurance coverage specified in this paragraph may be provided by any combination of primary and excess liability policies carried by Tenant. Certificate of insurance must be presented prior to Tenant moving into the Premises.

8.2 Automobile Liability Insurance.

Tenant shall, during the term of this Lease and at no expense to Landlord, maintain business automobile insurance, not less than of One Million Dollars (\$1,000,000) per occurrence, combined single limit. This insurance shall be a per occurrence policy. The limits of liability of the insurance coverage specified in this paragraph may be provided by any combination of primary and excess liability policies carried by Tenant. Certificate of insurance must be presented prior to Tenant moving into Premises.

8.3 Additional Insured Endorsement.

Under the commercial general liability and automobile liability insurance required in Sections 8.1 and 8.2 above, Landlord, its officers, agents and employees shall be named as additional insured by endorsement and as to such additional insured, the insurance shall be primary and the policies shall contain by endorsement a cross liability clause. All coverage types and limits required are subject to approval, modification and additional requirements by the City and Housing Authority, as the need arises.

8.4 Workers' Compensation and Employer's Liability Insurance.

Tenant shall, during the term of this Lease and at no expense to Landlord, maintain workers' compensation insurance, as required by law, and employer's liability insurance at a minimum limit of One Million Dollars (\$1,000,000) for all Tenant's employees.

8.5 Tenant's Property, Fixtures and Equipment.

During the Term of this Lease, Tenant shall maintain, at Tenant's expense, a policy of insurance covering loss or damage to all personal Premises of Tenant. Except to the extent caused by Landlord, its employees, agents, contractors, guests or invitees, Tenant agrees that it shall bear the risk of damage to (or loss of) any furniture, equipment, machinery, goods, supplies, fixtures, or other items whether they are or remain the Premises of Tenant, or to remain with the Premises in favor of Landlord at the end of the Term.

8.6 Certificates.

The insurance required by Paragraphs 8.1, 8.2, 8.4, and 8.5 above shall be evidenced by a certificate or certificates submitted to Landlord which shall be executed by the insurance company or companies involved and which shall state that this insurance may not be terminated without 30 days prior written notice being received by Landlord, or ten (10) days for non-payment. The certificate(s) shall be submitted to Landlord before or at the time Tenant is entering into use of Premises. All insurance coverage and limits provided hereunder and available or applicable to this Lease are intended to apply to the full extent of the policies. Nothing contained in this Lease limits the application of such insurance coverage.

8.7 Except to the extent caused by the active negligence or intentional misconduct of Landlord, its employees, agents, contractors, guests or invitees, Tenant agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or damages to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, contractors or any other person on or about the Premises by or through Tenant, nor shall Landlord be liable for injury to the person of Tenant's employees, agents, or contractors whether such damage or injury is caused by or results from fire, steam, electricity, water or rain, or from breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause.

8.8 Tenant agrees to pay for all damage to the Premises caused by Tenant, its agents, servants, employees or invitees misuse or neglect of said Premises and its apparatus and appurtenances.

9. DAMAGE OR DESTRUCTION.

9.1 In the event of damage or destruction of the Premises during the Term of the Lease, Landlord shall, to the extent of available insurance proceeds, repair the damage to the Premises, provided such repairs can be made within sixty (60) days under the laws and regulations of state, federal, county or municipal authorities, but such destruction shall in no way annul or void this Lease except if such damage or destruction is without fault of Tenant and/or Tenant's agents, employees and invitees, in which case Tenant may opt to terminate the Lease immediately. Tenant shall be entitled to a reduction of Rent while such repairs are made proportionate to the extent to which the repair operations interfere with Tenant's business conducted on the Premises. If the repairs cannot be made in sixty (60) days, either party has the option to terminate this Lease. Landlord shall provide Tenant with written notice of Landlord's election to terminate within thirty (30) days after such damage or destruction. If Landlord elects to repair and restore the Premises, but fails to do so within sixty (60) days of the event causing the damage, Tenant may elect to terminate the Lease. Tenant shall not be responsible for Lease payments during the time the Premises were unusable or following termination.

9.2 If the damage or destruction does not result from a peril for which insurance is required to be carried pursuant to Section 8, Landlord may at its sole election either repair and restore the Premises or terminate this Lease. Provided, however, that Tenant may elect to restore the Premises to substantially the same condition as they were in immediately before destruction at Tenant's cost in which event such damage or destruction shall not terminate this Lease. Tenant shall restore the Premises if the destruction is caused by the negligence of Tenant.

9.3 Notwithstanding anything in this Lease to the contrary, if at any time during the term of this Lease any governmental agency having jurisdiction over the Premises, other than Landlord, shall require the making of any repairs, improvements or alteration to the building or Premises:

(a) Landlord may, but shall not be required to, elect, in Landlord's sole and absolute discretion, to make said repairs, improvements or alterations to the Premises, in which event the Lease shall continue in full force and effect;

(b) If Landlord, in Landlord's sole and absolute discretion, elects not to make said repairs, improvements or alterations to the Premises, then Tenant shall have the right, at Tenant's sole option and at Tenant's sole cost and expense, to make such repairs, improvements or alterations and to continue the Lease in full force and effect; or

(c) If neither Tenant or Landlord elects to make such repair, improvements or alteration, then, Tenant shall be required to vacate and surrender to Landlord such portion of the building(s) or Premises (together with exclusive or non-exclusive access thereto) upon which the repairs or alterations are required without making such repairs or alterations, and continue the Lease

in effect as to the balance of the Premises but with a proportionate reduction, adjustment or abatement of the Rent or other charges due hereunder, if any. However, if Tenant determines that the remaining available portion of the Premises is inadequate for Tenant's permitted use of the Premises, Tenant may terminate the Lease and neither party shall have any further liability to the other.

10. **UTILITIES.** Tenant shall pay for gas, power, water, sewer, garbage collection service, telephone and other communication services supplied to the Premises, which are separately metered to the Premises. Landlord shall not be responsible to Tenant for any disruption, decrease or loss in utility services not within the control of Landlord. The garbage collection services will provide sufficient container capacity and sufficient frequency of collection to ensure that the Premises and the Premises are maintained in a safe and sanitary condition in compliance with applicable health and safety laws and regulations.

11. **SURRENDER OF PREMISES; HOLDING OVER.** On the Termination Date or the end of any extension or renewal of this Lease, Tenant shall promptly surrender and deliver the Premises to Landlord in as good condition as they are now at the date of this Lease, but including the installation of all improvements, equipment and fixtures, reasonable wear and tear excepted. At the end of the Term, should Tenant hold over for any reason, it is agreed that in the absence of a written agreement to the contrary, that tenancy shall be from month-to-month only and not a renewal of this Lease, nor an extension for any further term. Tenant shall pay a monthly amount equal to One Hundred Twenty-Five Percent (125%) of the Rent payable prior to the end of the Term and the month-to-month tenancy shall be subject to every other term, covenant, and condition in this Lease that is consistent with and not contrary to a month-to-month tenancy.

12. **HAZARDOUS MATERIALS.**

12.1 Hazardous Materials Laws. "Hazardous Materials Laws" means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. §9601, et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the California Hazardous Waste Control Act, Cal. Health and Safety Code §25 100, et seq., the Carpenter-Presley-Tanner Hazardous Substances Account Act, Cal. Health and Safety Code §25300, et seq., the Safe Drinking Water and Toxic Enforcement Act, Cal. Health and Safety Code §25249.5, et seq., the Porter-Cologne Water Quality Control Act, Cal. Water Code §13000, et seq., any amendments to the foregoing, and any similar federal, state or local laws, ordinances, rules, decrees, orders or regulations.

12.2 Hazardous Materials. "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (a) is defined as a hazardous substance, hazardous material, hazardous waste or toxic substance under any Hazardous Materials Law; (b) is controlled or governed by any Hazardous Materials Law or gives rise to any reporting, notice or publication requirements hereunder, or gives rise to any liability, responsibility or duty on the part of Tenant or Landlord with respect to any third person hereunder; or (c) is flammable or explosive material, oil,

asbestos, urea formaldehyde, radioactive material, nuclear medicine material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, or related injurious or potentially injurious material (by itself or in combination with other materials).

12.3 Use. Tenant shall not allow any Hazardous Material to be used, generated, manufactured, released, stored or disposed of on, under or about, or transported from, the Premises, unless: (a) such use is specifically required in the ordinary course of Tenant's business operations on the Premises; and (b) such use is conducted in compliance with the provisions of this Section 12, and further provided that Tenant shall handle, use, store and dispose of such Hazardous Materials in a safe and lawful manner and shall not allow such Hazardous Materials to contaminate the Premises.

12.4 Compliance With Laws; Handling of Hazardous Materials. Tenant shall strictly comply with, and shall maintain the Premises in compliance with, all Hazardous Materials Laws. Tenant shall obtain, maintain in effect and comply with the conditions of all permits, licenses and other governmental approvals required for Tenant's operations on the Premises under any Hazardous Materials Laws, including, but not limited to, the discharge of appropriately treated Hazardous Materials into or through any sanitary sewer serving the Premises and the use of private disposal service licensed to remove, transport and dispose of Hazardous Materials. At Landlord's request, Tenant shall deliver copies of, or allow Landlord to inspect, all such permits, licenses and approvals. All Hazardous Materials removed from the Premises shall be removed and transported by duly licensed haulers to duly licensed disposal facilities, in compliance with all Hazardous Materials Laws. Tenant shall perform any monitoring, investigation, clean-up, removal, detoxification, preparation of closure or other required plans and any other remedial work (collectively, "Remedial Work") required as a result of any release or discharge of Hazardous Materials affecting the Premises or any violation of Hazardous Materials Laws by Tenant or any successor or sublessee of Tenant or their respective agents, contractors, employees, licensees or invitees. Landlord shall have the right in Landlord's sole and absolute discretion (but not the obligation) to intervene at Tenant's cost and expense, in any governmental action or proceeding involving any Remedial Work, and to review and approve performance of the Remedial Work, in order to protect Landlord's interests. Tenant shall not enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to Hazardous Materials without notifying Landlord in writing and providing ample opportunity for Landlord to intervene.

12.5 Notice; Reporting. Tenant shall notify Landlord, in writing, and provide copies of any written notices or related correspondence received by Tenant within three (3) business days after any of the following: (a) Tenant has knowledge, or has reasonable cause to believe, that any Hazardous Material has been released, discharged or is located on, under or about the Premises, whether or not the release or discharge is in quantities that would otherwise be reportable to a public agency; (b) Tenant receives any order of a governmental agency requiring any Remedial Work pursuant to any Hazardous Materials Laws; (c) Tenant receives any warning, notice of inspection, notice of violation or alleged violation, or Tenant receives notice or knowledge of any proceeding, investigation or enforcement action, pursuant to any Hazardous Materials Laws; or (d) Tenant receives notice or knowledge of any claims made or threatened by any third party against Tenant or the Premises relating to any loss or injury resulting from Hazardous Materials. If the potential risk of any of the foregoing events is material, Tenant shall deliver immediate oral notice to Landlord, in addition to written notice as set forth above. Tenant shall promptly deliver to Landlord copies of all

test results, reports and business or management plans required to be filed with any governmental agency pursuant to any Hazardous Materials Laws.

12.6 Indemnity. Tenant shall indemnify, protect, defend and hold harmless Landlord (and its officers, directors, employees and agents) from and against any and all liabilities, claims, suits, judgments, actions, investigations, proceedings, costs and expenses (including reasonable attorneys' fees and court costs) to the extent arising out of or in connection with any breach of any provisions of this Section 12 or directly or indirectly arising out of the use, generation, storage, release, disposal or transportation of Hazardous Materials by Tenant, or any successor or sublessee of Tenant, or their respective agents, contractors, employees, licensees, or invitees, on, under or about the Premises, including, but not limited to, all foreseeable and unforeseeable consequential damages and the cost of any Remedial Work. Neither the consent by Landlord to the use, generation, storage, release, disposal or transportation of Hazardous Materials nor the strict compliance with all Hazardous Materials Laws shall excuse Tenant from Tenant's indemnification obligations pursuant to this Section 12. Tenant's indemnity obligation in this paragraph does not extend to any liabilities, claims, suits, judgments, actions, investigations, proceeds, costs or expenses arising out of or in connection with Landlord's active negligence, or breach of any provision of this Lease, or non-compliance with or violation of any Hazardous Material Laws. The foregoing indemnity shall be in addition to and not a limitation of the indemnification provisions of Section 13 of this Lease. Tenant's obligations pursuant to this Section 12 shall survive the termination or expiration of this Lease.

13. **INDEMNITY**. Tenant agrees to indemnify and defend Landlord from any claims, demands, causes of action and liability of any nature and any reasonable expense incident to the defense, for injury to or death of persons or loss of or damage to Premises occurring on or about the Premises arising out of or resulting from Tenant's use, and use its employees, contractors, invitees and guests, and occupation of the Premises or the condition of the Premises (unless the condition is one for which Landlord has expressly assumed the responsibility for remedying), during the Term, excepting only that caused by the active negligence or intentional misconduct of Landlord, its officers, agents, licensees, invitees, volunteers, or employees.

14. **ASSIGNMENT AND SUBLETTING**. Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber ("transfer") all or any part of Tenant's interest in this Lease or in the Premises. Any attempt at transfer of this Lease or the Premises shall be voidable at the Landlord's option and shall constitute a material breach of this Lease. Tenant hereby acknowledges that this prohibition is reasonable based on the fact that Tenant is a non-profit entity using the Premises for purposes consistent with restrictions on source of funds utilized by the Housing Authority of the City of Santa Rosa to acquire the Premises.

15. **DEFAULT**.

15.1 The occurrence of any of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) Vacation or abandonment of the Premises for a period of ninety (90) days or longer, unless the Premises have become unusable for Tenant's permitted use as set forth in

Section 5, above.

(b) The failure by Tenant to make any payment of Rent or other payment required to be made by Tenant under the provisions of this Lease, as and when due, unless otherwise excused under Section 9 above.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant within thirty (30) days after receiving written notice thereof, or if such breach cannot be cured within said thirty (30) day period, then the failure to commence cure within said thirty (30) day period and thereafter diligently pursue to completion.

(d) Transfer or attempted transfer of this Lease by Tenant contrary to the provisions of Section 14 above.

15.2 Upon the happening of any such event of default, Landlord shall have the following remedies. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law:

(a) Landlord can continue this Lease in full force and effect and this Lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and re-let them, or any part of them, to third parties for Tenant's account. Tenant shall pay to Landlord the rent due under this Lease on the dates the rent is due, less the rent Landlord receives from any reletting. No act by Landlord allowed by this paragraph shall terminate this Lease unless Landlord notifies Tenant that Landlord elects to terminate this Lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this Lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld. If Landlord elects to re-let the Premises as provided in this paragraph, rent that Landlord receives from reletting shall be applied to the payment of:

(i) First, any indebtedness from Tenant to Landlord other than rent due from Tenant;

(ii) Second, Rent due and unpaid under this Lease. After deducting the payments referred to in this paragraph, any sum remaining from the Rent Landlord receives from reletting shall be held by Landlord and applied in payment of future Rent as Rent becomes due under this Lease. In no event shall Tenant be entitled to any excess Rent received by Landlord.

(b) Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to re-let the Premises or the appointment of a receiver on Landlord's initiative to

protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:

(i) The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Lease;

(ii) The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;

(iii) The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and

(iv) Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

"The worth, at the time of the award," as used in (i) and (ii) of this paragraph, is to be computed by allowing interest at the maximum rate allowable by law. "The worth, at the time of the award," as referred to in (iii) of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

(c) Landlord, at any time after Tenant commits a default, may cure the default at Tenant's cost following not less than thirty (30) days prior written notice and opportunity to cure.

16. CONDEMNATION.

16.1 If any part of the Premises are condemned for a public or quasi-public use by right of eminent domain, with or without litigation, or transferred by agreement in connection with such public or quasi-public use, by a public agency other than Landlord, this Lease and the leasehold estate of the Tenant, as to the part taken, shall terminate as of the date title shall vest in the condemner, and Tenant shall have no further obligation to pay Rent once Tenant is no longer in possession of the Premises.

16.2 All compensation awarded upon such condemnation or taking shall belong and be paid to Landlord and Tenant shall have no claim thereto, and Tenant hereby irrevocably assigns and transfers to Landlord any right to compensation or damages to which Tenant may become entitled during the Term of this Lease by reason of the condemnation of all or part of the Premises, except that Tenant shall receive from the award: (i) the pro rata value of Tenant's additions, alterations and improvements as determined by the same appraiser establishing the value of the Premises for Landlord; (ii) the value of Tenant's trade fixtures to the extent taken; and (iii) in the event of a partial taking and Tenant restores the Premises, Tenant shall receive a sum attributable to that portion of the award constituting severance damages for the restoration of the Premises. In addition, Tenant shall not be deprived of making any direct claims against the condemning authority

for loss of goodwill and/or relocation assistance payments.

17. MISCELLANEOUS.

17.1 Whenever any notice, approval, consent, request or election is given or made pursuant to this Lease, it shall be in writing. Communication and payments shall be addressed, if to Landlord, at Landlord's address as indicated below or at such other address as may have been specified by prior notice to Tenant, and if to Tenant, at Tenant's address as indicated below or at such other place as may have been specified by prior notice to Landlord. Any communication so addressed shall be deemed duly served when personally served, or if mailed, as of seventy two hours from the time such notice was deposited in the U.S. Mail, by registered or certified mail, return receipt requested.

<u>LANDLORD:</u>	<u>TENANT:</u>
Attn: Executive Director Housing Authority of the City of Santa Rosa 90 Santa Rosa Avenue Santa Rosa, CA 95404	Attn: Richard Duffin Southwest Community Health Center, dba, Santa Rosa Community Health Centers 751 Lombardi Court Santa Rosa, CA 95407

17.2 Each party hereunder shall provide to the other, and keep updated in the event of any change, the name and contact information for the on-site representative in order to facilitate the coordination of day-to-day operations at the Premises.

17.3 The receipt by Landlord of Rent or additional rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord, or by Tenant, unless such waiver is in writing signed by the party to be charged. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.

17.4 If any term of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each term of this Lease shall be valid and enforceable to the fullest extent permitted by law.

17.5 Landlord and its agents shall have the right at any time, upon not less than twenty-four hours notice, except in cases where Landlord believes there exists an emergency in which case such notice shall be deemed waived, to enter upon the Premises, provided that Landlord shall take all reasonable measure to assure that such entry does not interfere with the activities of Tenant on the Premises. Entry may be had for purposes of inspection, serving or posting notices, maintaining the Premises of the Premises, and making any necessary repairs, alternations or additions to the Premises or the Premises to the extent required or permitted to Landlord under this Lease.

17.6 Time is of the essence for each and every provision of this Lease requiring performance within a specified time.

17.7 This Lease contains all agreements of the parties with respect to any matter mentioned in this Lease. No prior agreement or understanding pertaining to any such matter shall be affected. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

17.8 Each provision of this Lease performable by either party shall be deemed both a covenant and a condition.

17.9 In any action to enforce the terms of this Lease, the prevailing party shall be entitled to an award of reasonable attorneys' fees and litigation expenses in addition to other relief.

17.10 Landlord and Landlord's agents shall have the right to enter the Premises, after prior notice to Tenant, at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers or lenders and making such alterations, repairs, improvements or additions to the Premises or to the building of which they are a part as Landlord may deem necessary or desirable, with Tenant's consent. Tenant's consent to such alterations, repairs, improvements or additions shall not be withheld unreasonably. Landlord may at any time place on or about the Premises any ordinary "for lease" signs, all without rebate of rent or liability to Tenant.

17.14 All exhibits attached to this Lease shall be deemed incorporated herein by this reference and all such exhibits shall be deemed to be a part of this Lease as though set forth in full in the body of this Lease. The exhibits to be attached and incorporated herein are as follows:

Exhibit A - Proposed Tenant Improvements

IN WITNESS WHEREOF, the parties have executed this Lease of the date last written below, which shall be the effective date of this Lease.

LANDLORD:

HOUSING AUTHORITY OF THE
CITY OF SANTA ROSA

By: [Signature]

Executive Director

Date: 4.13.11

Approved as to Form:

[Signature]

MOLLY L. DILLON,
General Counsel for the Housing Authority
of the City of Santa Rosa

TENANT:

Southwest Community Health Center, dba,
Santa Rosa Community Health Centers,
a California nonprofit corporation

By: [Signature]

Name: Naomi Fuchs

Title: CEO

Date: 3/28/11

By: [Signature]

Name: Harold Brockman

Title: CFO

Date: 3-30-2011

Exhibit A

The information contained in this document, which is attached to the lease as Exhibit A, is intended to identify the actions that will be undertaken by Santa Rosa Community Health Centers ("Tenant"), Housing Authority and the City of Santa Rosa ("Authority") in regards to the property known as 983 Sonoma Avenue ("Property").

1. City and Tenant execute Lease.
2. Tenant prepares the plans for tenant improvements based on the rough floor plan included as part of this Exhibit A. Plans must be prepared by an architect or engineer licensed by the State of California.
3. City and Authority review the tenant improvement plans and provide comments to Tenant.
4. Tenant improvement plans are reviewed by a Certified Access Specialist Program (CAsp) professional to ensure that the proposal and existing building meets Americans with Disability Act (ADA) requirements. Cost of the CAsp review will be split equally by Tenant and Authority.
5. Tenant incorporates additional items, if needed, into tenant improvement plans. Tenant submits a building permit application for all improvements at their own expense.
6. Work may commence once building permit is issued and posted on the Property.
7. CAsp inspection at the completion of construction, prior to receiving Certificate of Occupancy.
8. All work identified on the list of improvements included as part of this Exhibit shall be completed by Tenant, tenant improvements described herein excepting items: Exterior 1-1, 3-1, 4-1, 8-1 and 8-2 (door to be removed), which shall be completed by the Housing Authority in conjunction with the Tenant Improvements.

City of Santa Rosa
 Sonoma-Brookwood Center

Exterior		
1 - 1	Parking Area	Priority:
Provide or modify accessible access aisles		\$1,000
Notes: Restripe and repaint access aisle with a blue border that is 18 feet long by 5 feet wide and hatched lines at 36" max. on center that are painted a color contrasting the parking surface.		
State: 1129B.3 #1, 1129B.4 #1		
Federal: 4.6.3		
Install sign		\$500
Notes: Paint the words NO PARKING in the access aisle (in white with 12" high letters). Provide an additional sign at each designated space that states "Minimum Fine \$250."		
State: 1129B.3 #1, 1129B.3 #2, 1129B.4		
Federal: -		
Install sign for unauthorized parking		\$500
Notes: Install this sign at the entry to the parking lot or at each designated parking space.		
State: 1129B.4, 1133B.8.6.3		
Federal: -		
3 - 1	Curb Ramp	Priority:
Provide detectable warning strip		\$1,000
Notes: Provide detectable warning at curb ramp.		
State: 1127B.5 #7		
Federal: 4.7.7		
Provide surface texturing		\$1,000
Notes: Provide a grooved border at the top of the ramp.		
State: 1127B.5 #6.		
Federal: 4.7.4		
4 - 1	Walk	Priority:
Install warning curb		\$1,500
Notes: Provide 6" high warning curb or guardrail at top of curb ramp for a distance of 4 feet min.		
State: 1133B.8.1		
Federal: -		

City of Santa Rosa
Sonoma-Brookwood Center

Exterior		
6 - 1	Stairway	Priority:
Install or modify handrails		\$5,000
Notes: Install handrails on both sides of entry stairs. Alternative: provide a guardrail at the top step and a new ramp from Sonoma Avenue to the entry.		
State: 1133B.4.1.1, 1133B.4.2.1, 1133B.4.2.2		
Federal: 4.9.4, 4.9.4 #2, 4.9.4 #5		
Install tread striping		\$500
Notes: Provide indicator strips at each stair (or replace stairway with new ramp).		
State: 1127B.4, 1133B.4.4		
Federal: -		
8 - 1	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible sign with the permanent room name. Provide an illuminated "EXIT" sign at this door or relocate sign from Door 8-2 to Door 8-1. Provide Braille tactile exit sign.		
State: 1011.3 #3		
Federal: 1117B.5.7, 4.30.6		
Provide or modify door kickplate		\$1,000
Notes: Provide a 10" min. high kickplate on the push-side of the entry door.		
State: 1133B.2.6		
Federal: -		
Replace or modify door threshold		\$1,500
Notes: Reduce height of threshold (1-1/2") to 1/2" with a maximum vertical change of 1/4 inch.		
State: 1133B.2.4.1		
Federal: 4.13.8		
8 - 2	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible sign with the permanent room name if door is restored to operating condition (no door handle currently). Provide Braille tactile exit sign if door is operational.		
State: 1011.3 #3		
Federal: 1117B.5.7, 4.30.6		

City of Santa Rosa
 Sonoma-Brookwood Center

Floor 1		
7 - 1	Hazard	Priority:
Remove overhanging or protruding objects		\$1,000
Notes: Kitchen cabinets have surfaces between 27" and 80" that protude 12" into the path of travel (4" max.).		
State: 1133B.8.6.1		
Federal: 4.4.1		
7 - 2	Hazard	Priority:
Remove overhanging or protruding objects		\$1,000
Notes: Range hood has a surface at 78" above the floor that protudes more than 4" into the path of travel.		
State: 1133B.8.6.1		
Federal: 4.4.1		
8 - 3	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		
Provide or modify door kickplate		\$1,000
Notes: Remove surface-mounted door stop that interrupts smooth surface within 10" of the bottom of the door.		
State: 1133B.2.6		
Federal: -		
Increase or provide maneuvering or clear floor area		\$2,000
Notes: Slope on the swing-side is greater than 2%. Provide 5-foot min. level landing.		
State: 1133B.2, 1133B.2.4.2, 1133B.7.5		
Federal: 4.13.6		
8 - 4	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		
8 - 5	Door/Gate	Priority:
Provide or modify door kickplate		\$1,000
Notes: Remove surface-mounted door stop that interrupts smooth surface within 10" of the bottom of the door.		
State: 1133B.2.6		
Federal: -		

City of Santa Rosa
 Sonoma-Brookwood Center

Floor 1		
8 - 6	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		
8 - 7	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		
8 - 8	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		
8 - 9	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		
8 - 10	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		
8 - 11	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		
8 - 12	Door/Gate	Priority:
Install or modify permanent room signs		\$250
Notes: Provide an accessible permanent room sign.		
State: -		
Federal: 1117B.5.7, 4.30.6		

City of Santa Rosa
 Sonoma-Brookwood Center

Floor 1	
8 - 13 Door/Gate	Priority:
Install or modify permanent room signs	\$250
Notes: Provide an accessible permanent room sign.	
State: -	
Federal: 1117B.5.7, 4.30.6	
8 - 14 Door/Gate	Priority:
Install or modify permanent room signs	\$250
Notes: Provide an accessible permanent room sign.	
State: -	
Federal: 1117B.5.7, 4.30.6	
10 - 1 Drinking Fountain	Priority:
Replace or reposition drinking fountain	\$5,000
Notes: Replace DF w/hi-lo fountain or provide "high" fountain.	
State: 1115B.4.6 #1	
Federal: 4.1.6	
18 - 1 Room	Priority:
Reposition controls and outlets	\$2,000
Notes: In Room 100 (as well as all other rooms) there are a total of 22 electrical outlets located 12" above the floor. Relocated all electrical outlets so that the center is 15" to 48" above the floor.	
State: 117B.6 #5.5.2	
Federal: 4.27.3	

City of Santa Rosa
 Sonoma-Brookwood Center

Floor 1	
19 - 1 Multiple User Restroom	Priority:
Replace or reposition dispensers or mirrors	\$150
Notes: The bottom of mirrors are located at 40-1/2" from the floor and the soap dispensers are located 41" from the floor (40" max.).	
State: 1115B.8.1, 1115B.8.3	
Federal: 4.19.6, 4.23.7	
Modify lavatory/counter clearances	\$2,500
Notes: Height of the rim is 34-1/2" (34" max.) above the floor.	
State: 1115B.4.3 #2	
Federal: 4.19.2	
Install sign	\$500
Notes: Install sign #2.	
State: 1115B.6, 1117B.5.1 #1	
Federal: 4.30.4	
Replace or reposition urinal	\$3,000
Notes: The only urinal is 17-3/4" (17" max.) from the floor to the lip.	
State: 1115B.4.2 #1	
Federal: 4.18.2	
Replace or modify grab bars	\$1,000
Notes: Side grab bar is positioned so that the front end is located only 42" (52" min.) from the back wall.	
State: 1115B.4.1 #3.1	
Federal: 4.17.6	

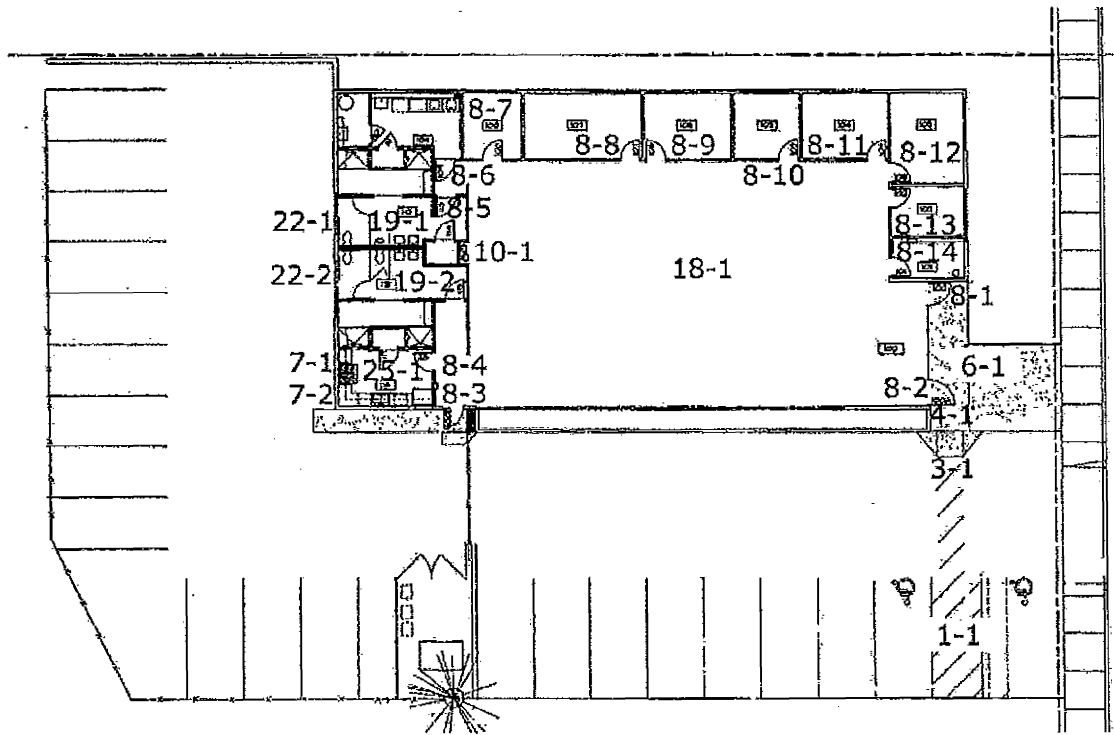
City of Santa Rosa
Sonoma-Brookwood Center

Floor 1	
19 - 2 Multiple User Restroom	Priority:
Replace or reposition dispensers or mirrors	\$150
Notes: The bottom of mirrors are located at 40-1/2" from the floor and the towel and soap dispensers are located 41-1/2" from the floor (40" max.).	
State: 1115B.8.1, 1115B.8.3	
Federal: 4.19.6, 4.23.7	
Modify lavatory/counter clearances	\$2,500
Notes: Height of the rim is 34-1/4" (34" max.) above the floor.	
State: 1115B.4.3 #2	
Federal: 4.19.2	
Install sign	\$500
Notes: Install sign #2.	
State: 1115B.6, 1117B.5.1 #1	
Federal: 4.30.4	
Reposition toilet flush controls	\$1,000
Notes: Relocate flush control to wide side of the toilet.	
State: 1115B.4.1 #5	
Federal: 4.16.5	
Replace or reposition fixtures	\$1,500
Notes: Centerline of toilet in accessible stall is only 17-1/2" (18" required) from one wall.	
State: 1115B.7.1.3	
Federal: 4.17.3	
22 - 1 Bathing Facility	Priority:
Replace or adjust water controls	\$500
Notes: Hose is only 58" long (60" min.) and the control is located 56" above the floor (54" max.). Tthe water control valve is center at 48" above the floor (39" to 41" required).	
State: 1115B.4.4.4, 1115B.4.4.5, 1115B.6.1.5	
Federal: 4.20.6, 4.21.6	
22 - 2 Bathing Facility	Priority:
Replace or adjust water controls	\$500
Notes: Hose is only 58" long (60" min.) and the control is located 56" above the floor (54" max.). Tthe water control valve is center at 48" above the floor (39" to 41" required).	
State: 1115B.4.4.4, 1115B.4.4.5, 1115B.6.1.5	
Federal: 4.20.6, 4.21.6	

City of Santa Rosa
Sonoma-Brookwood Center

Floor 1	
25 - 1 Kitchen	Priority:
Provide an accessible counter	\$10,000
Notes: The sink is located at 36-1/2" from the floor (34" max.), there is no clear space under the sink (19" required) and the sink depth is 10" (6" max. required). Cabinets are 53" above the floor and no shelves are located within reach ranges.	
State: 1115B.4.7 #1	
Federal: 1115B.4.7 #1	

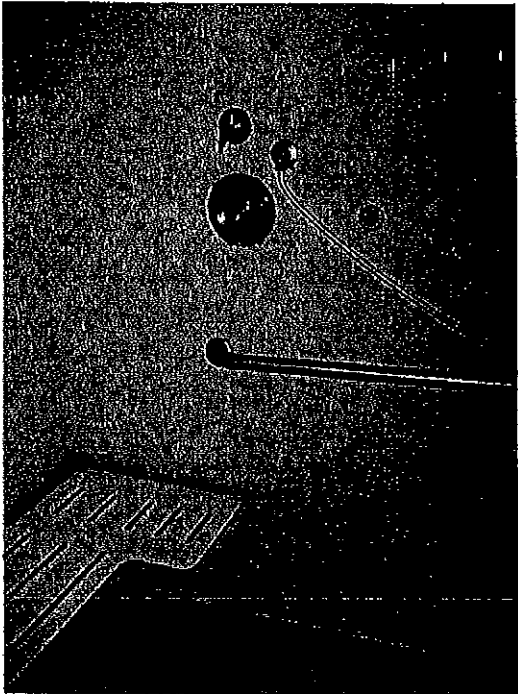
CITY OF SANTA ROSA
Sonoma-Brookwood Center



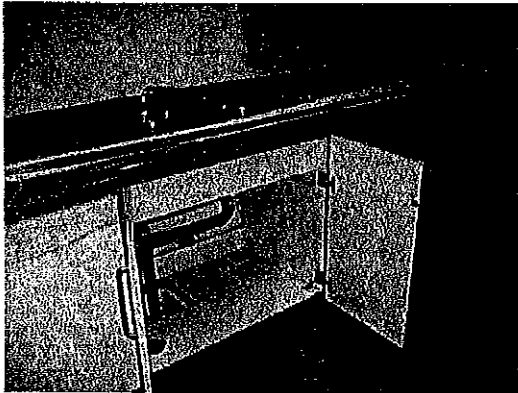
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Women's Shower

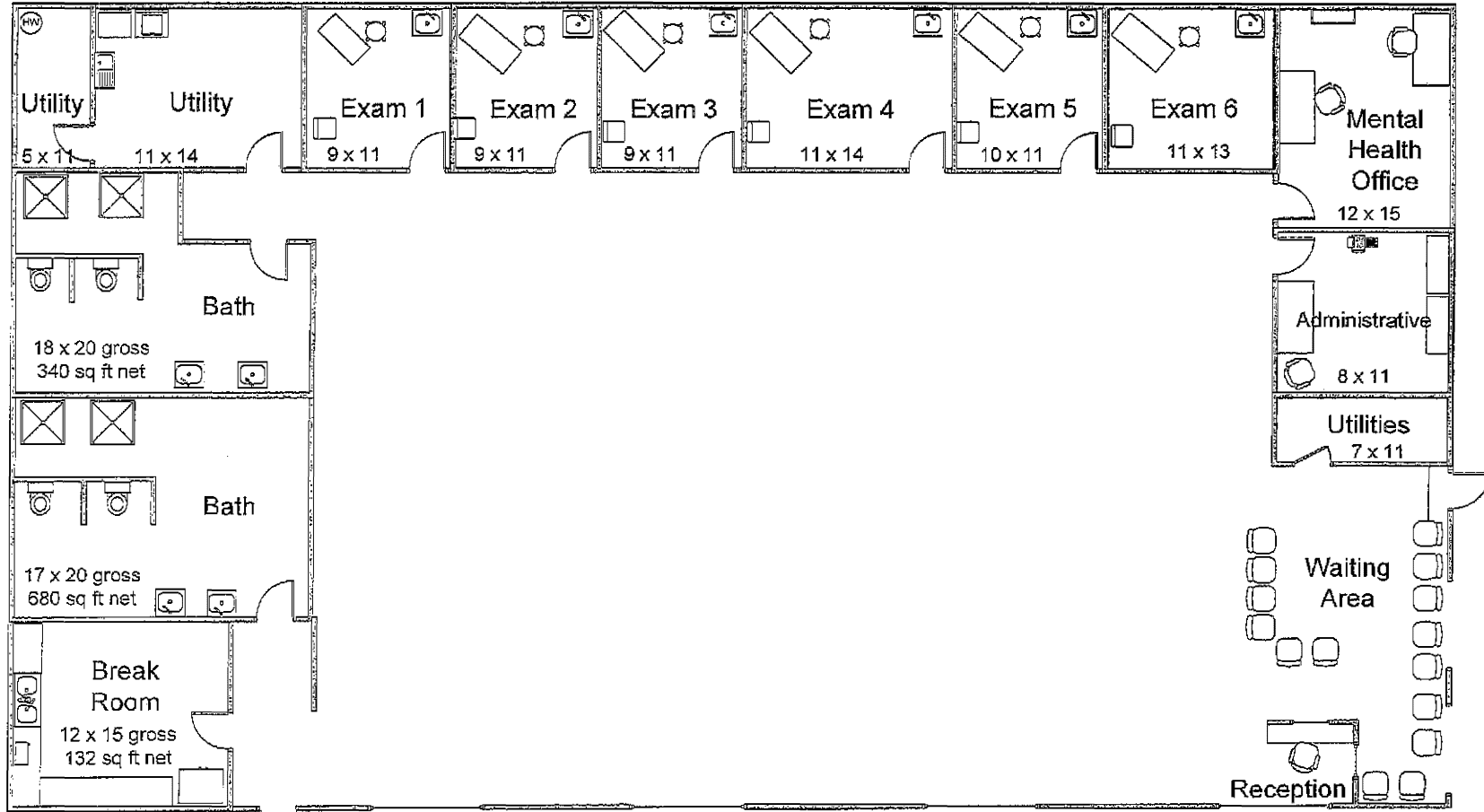


Men's Shower



Kitchen Sink

**Santa Rosa Community Health Centers
983 Sonoma Avenue, Santa Rosa, CA 95404
Brookwood Health Center - New Access Point**



- Exam rooms 2 and 3 will be created by dividing one large existing room into two. A doorway will be added to create egress for exam room 2. Plumbing will be added to six exam rooms. Two restrooms and the break room to be modified to meet ADA standards. Addition of electric outlets and wiring rooms for data and voice as necessary.

Scale 1" = 8'

Net & Gross sq. ft. are the same for most rooms, except where indicated