

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this "**Amendment**") is made effective as of the ___ day of November, 2010 (the "**Effective Date**"), and is entered into by and between BESPHIL & CO. (US) LTD., a California corporation ("**Landlord**"), and COUNTY OF MARIN, a political subdivision of the State of California ("**Tenant**").

RECITALS

A. Landlord and Tenant entered into that certain Lease Agreement, dated as of May 25, 2004, as modified by that certain First Amendment to Lease Agreement, dated as of December 18, 2007 (collectively, the "**Lease**"), which Lease covers certain premises consisting of a total of approximately fifteen thousand four hundred thirty (15,430) rentable square feet, known as Suites 100 and 104 each located on the first floor, together with Suites 400 and 415 each located on the fourth floor, and located at 899 Northgate Drive, San Rafael, California 94903 (the "**Current Premises**"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Lease.

B. Landlord and Tenant have also entered into that certain Storage Space Rental Agreement, dated as of July 12, 2004, pursuant to which Tenant leases certain storage space, as described therein (the "**Storage Space Rental Agreement**").

C. Tenant desires to expand the Current Premises by leasing additional space in the Building consisting of approximately seven hundred fifty-one (751) rentable square feet, located on the fourth floor and known as Suite 408, as more particularly identified on *Exhibit A* (collectively, the "**Suite 408 Premises**"). The Current Premises and the Suite 408 Premises are collectively referred to herein as the "**Premises**".

D. Landlord and Tenant now desire to amend the Lease to, among other things, expand the Current Premises to include the Suite 408 Premises and provide for certain tenant improvements, all subject to each of the terms, conditions, and provisions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the agreements of Landlord and Tenant herein contained and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. RECITALS

Landlord and Tenant agree the above recitals are true and correct and are hereby incorporated herein as though set forth in full.

2. SECOND EXPANSION DATE

The expansion date of this Amendment (the "**Second Expansion Date**") shall be the date on which Landlord tenders possession of the Suite 408 Premises to Tenant, with all of Landlord's

construction obligations, "Substantially Completed," as defined in the Work Letter, attached as *Exhibit B*, or, in the event of any "Tenant Delay," as defined in the Work Letter, the date on which Landlord's construction obligations would have been Substantially Complete in the absence of such Tenant Delay. Landlord and Tenant anticipate that the Second Expansion Date shall be the date that is thirty (30) days following the Effective Date (the "**Estimated Second Expansion Date**"). If for any reason whatsoever, Landlord cannot deliver possession of the Suite 408 Premises to Tenant on or before the Estimated Second Expansion Date, this Amendment shall not be void or voidable, nor shall Landlord or Landlord's Agents, be liable to Tenant for any loss or damage resulting therefrom. Promptly following completion of Landlord's construction obligations, Tenant shall execute a Commencement Memorandum in the form attached hereto as *Exhibit C*, wherein the parties shall, among other things, specify the Second Expansion Date and the aggregate amount incurred by Landlord to complete the Tenant Improvements as well as leasing commissions and attorneys' fees incurred in connection herewith.

3. SUITE 408 PREMISES

As of the Second Expansion Date and continuing throughout the Term, the Current Premises shall be expanded to include the Suite 408 Premises. Subject to Landlord's full compliance with its obligations as expressly set forth in this Amendment, Tenant agrees that Landlord has made no representations or warranties of any kind or nature whatsoever respecting the Suite 408 Premises, their condition or suitability for Tenant's use, and Tenant agrees to accept the Suite 408 Premises on the Second Expansion Date in its then "AS IS, WHERE IS" condition, with all faults, without any further obligation on the part of Landlord to modify, improve or otherwise prepare the Suite 408 Premises for Tenant's occupancy.

4. RENT

(a) In addition to the Base Rent payable with respect to the Current Premises, as of the Second Expansion Date (as defined in Section 2 above) the monthly Base Rent payable by Tenant with respect to the Suite 408 Premises shall be payable in accordance with the schedule set forth below:

Period	Sq. Ft.	Approximate Monthly Base Rate	Monthly Base Rent
Second Expansion Date – May 31, 2011	751	× \$1.95	= \$1,464.45
June 1, 2011 – May 31, 2012	751	× \$2.01	= \$1,508.38
June 1, 2012 – May 31, 2013	751	× \$2.07	= \$1,553.64
June 1, 2013 – May 31, 2014	751	× \$2.13	= \$1,600.24
June 1, 2014 – May 31, 2015	751	× \$2.19	= \$1,648.25

(b) For purposes of Additional Rent, the Base Year respecting the Suite 408 Premises shall be the calendar year ending December 31, 2008.

5. LEASE MODIFICATIONS

(a) As of the Second Expansion Date, the following items in the Basic Lease Information shall be modified to read as follows:

<i>Premises Square Footage:</i>	The Premises consisting of a total of approximately sixteen thousand one hundred eighty-one (16,181) rentable square feet, comprised of Suites 100 and 104 each located on the first floor of the Building, together with Suites 400, 408 and 415 each located on the fourth floor of the Building.
<i>Tenant's Proportionate Share of Project:</i>	29.55%
<i>Tenant's Proportionate Share of Building:</i>	29.55%
<i>Parking:</i>	Sixty (60) non-exclusive and undesignated parking spaces.

(b) As of the Second Expansion Date, the second sentence of Paragraph 2 of the Lease is deleted in its entirety and replaced with the following:

The Premises is comprised of Suite 100 ("**Suite 100**") containing approximately three thousand one hundred eighty-one (3,181) rentable square feet located on the first floor of the Building, Suite 104 ("**Suite 104**") containing approximately three thousand eight hundred eighty-nine (3,889) rentable square feet located on the first floor of the Building, Suite 400 ("**Suite 400**") containing approximately two thousand six hundred twenty (2,620) rentable square feet located on the fourth floor of the Building, Suite 408 ("**Suite 408**") containing approximately seven hundred fifty-one (751) rentable square feet located on the fourth floor of the Building, and Suite 415 ("**Suite 415**") containing approximately five thousand seven hundred forty (5,740) rentable square feet located on the fourth floor of the Building, as more particularly specified in the Basic Lease Information.

6. ENTRY UPON SUITE 408 PREMISES PRIOR TO SECOND EXPANSION DATE

Tenant shall be permitted to enter upon the Suite 408 Premises following mutual execution hereof, at all reasonable times for the sole purposes of installing furniture, equipment and cabling and readying the Suite 408 Premises for Tenant's occupancy; provided, however, that (i) Tenant shall not unreasonably interfere with or disrupt any work being performed by Landlord at the Project during such early occupancy, and (ii) prior to any such entry, Tenant shall provide Landlord with proof of Tenant's insurance as set forth in Paragraph 13 of the Lease. Such entry upon the Suite 408 Premises shall be subject to all of the provisions of the Lease (including, without limitation, all insurance and indemnity obligations contained therein), except that Tenant shall not be required to pay Base Rent or Additional Rent for the Suite 408 Premises as long as Tenant is not operating its business in the Suite 408 Premises during such early occupancy period. All materials, work, installations, equipment and decorations of any nature brought upon or installed by Tenant in the Suite 408 Premises prior to the Second Expansion Date shall be at Tenant's sole risk.

7. SUITE 408 PREMISES TERMINATION OPTION

(a) In addition to the termination options as set forth in the Lease, Tenant shall also have a separate termination option with respect to the Suite 408 Premises (the “**Suite 408 Premises Termination Option**”) as set forth in subparagraph (b) below.

(b) In the unlikely event that Tenant has insufficient state and federal appropriations to maintain the Lease, respecting the Suite 408 Premises, as determined by the Board of Supervisors of the County of Marin, Tenant may terminate the Lease with respect to the Suite 408 Premises, with such termination to be made upon prior written notice to Landlord, which notice shall only be given in the event that the Marin County Board of Supervisors specifically votes to terminate the Lease (with respect to the Suite 408 Premises) for the public facility operated in the Premises. Said termination will be effectuated upon not less than one hundred eighty (180) days’ prior written notice to Landlord. In addition, such termination notice shall be coupled with a reimbursement payment (“**Reimbursement Payment**”) in an amount equal to the unamortized portion of the costs and expenses, if any, incurred by Landlord for (i) construction and installation of the Tenant Improvements constructed in connection with this Amendment, (ii) any leasing commissions or finders fees paid in connection with the Suite 408 Premises, and (iii) the Landlord’s attorneys’ fees incurred in negotiation of this Amendment. The computation of the unamortized value of items in clauses (i), (ii) and (iii) above shall be made as of the termination date respecting the Suite 408 Premises and shall be equal to the product of (A) the total cost of such items and (B) the number of months (including an entire month for any partial calendar month following the termination date) between the termination date respecting the Suite 408 Premises and May 31, 2015 as divided by the number of months between the Second Expansion Date and May 31, 2015. Notwithstanding anything to the contrary herein, in the event Tenant elects to terminate only the Suite 408 Premises, then the Lease shall remain in full force and effect with respect to the Current Premises, provided that economic terms of the Lease which are based upon the rentable square footage of the Premises, such as Tenant’s Proportionate Share, shall be recalculated following such termination to reflect the reduction in the overall size of the Premises.

8. GENERAL PROVISIONS

(a) ***Ratification and Entire Agreement.*** Except as expressly amended by this Amendment, the Lease shall remain unmodified and in full force and effect. As modified by this Amendment, the Lease is hereby ratified and confirmed in all respects. In the event of any inconsistencies between the terms of this Amendment and the Lease, the terms of this Amendment shall prevail. The Lease as amended by this Amendment constitutes the entire understanding and agreement of Landlord and Tenant with respect to the subject matter hereof, and all prior agreements, representations, and understandings between Landlord and Tenant with respect to the subject matter hereof, whether oral or written, are or should be deemed to be null and void, all of the foregoing having been merged into this Amendment. Landlord and Tenant do each hereby acknowledge that it and/or its counsel have reviewed and revised this Amendment, and agree that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Amendment. This Amendment may be amended or modified only by an instrument in writing signed by each of the Landlord and Tenant.

(b) **Brokerage.** Tenant hereby represents and warrants to Landlord that Tenant has not retained the services of any real estate broker, finder or any other person whose services would form the basis for any claim for any commission or fee in connection with this Amendment or the transactions contemplated hereby, except for Keegan & Coppin Company. Tenant each hereby agrees to save, defend, indemnify and hold Landlord free and harmless from all losses, liabilities, damages, and costs and expenses arising from any breach of its warranty and representation as set forth in the preceding sentence, including Landlord's reasonable attorneys' fees.

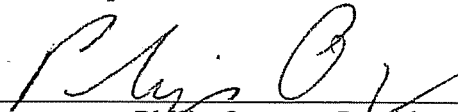
(c) **Authority; Applicable Law; Successors Bound.** Landlord and Tenant do each hereby represent and warrant to the other that this Amendment has been duly authorized by all necessary action on the part of such party and that such party has full power and authority to execute, deliver and perform its obligations under this Amendment. This Amendment shall be governed by and construed under the laws of the State of California, without giving effect to any principles of conflicts of law that would result in the application of the laws of any other jurisdiction. This Amendment shall inure to the benefit of and be binding upon Landlord and Tenant and their respective successors and permitted assigns with respect to the Lease.

(d) **Counterparts.** This Amendment may be executed in counterparts each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first above written.

LANDLORD: BESPIL & CO. (US) LTD.,
a California corporation

By: 
Philip Ouyang, President

TENANT: COUNTY OF MARIN,
a political subdivision of the State of California

By: The Board of Supervisors of the County of Marin

By: _____
Title: President, Board of Supervisors

ATTEST:

By: _____
Title: Deputy Clerk

APPROVED AS TO FORM:

By: _____
Title: County Counsel

EXHIBIT A
SUITE 408 PREMISES

1 EXISTING (PARTIAL) FOURTH LEVEL FLOOR PLAN
DATE: 04/11/2018

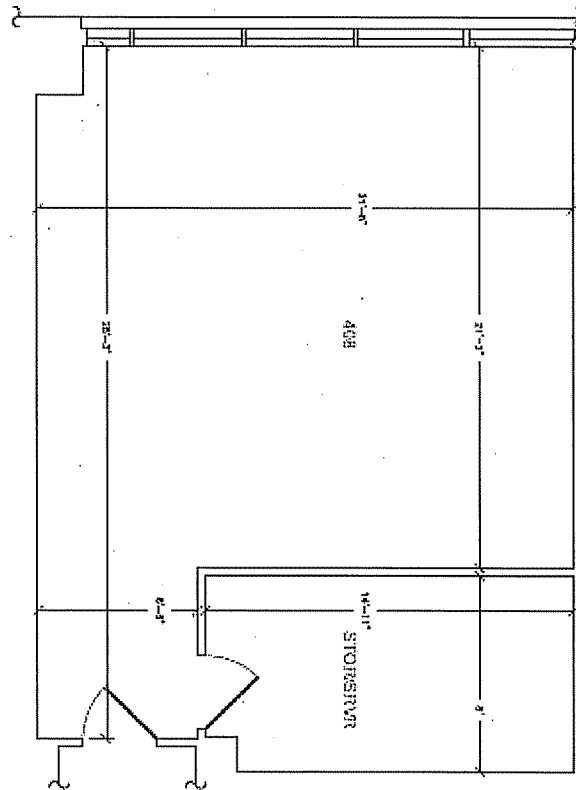


EXHIBIT B

WORK LETTER

This exhibit, entitled "Work Letter," is and shall constitute *Exhibit B* to the Second Amendment to Lease Agreement (the "**Amendment**"), dated as of the Effective Date, by and between Landlord and Tenant for the Premises. The terms and conditions of this *Exhibit B* are hereby incorporated into and are made a part of the Amendment. Capitalized terms used, but not otherwise defined, in this *Exhibit B* have the meanings ascribed to such terms in the Lease Agreement, dated as of May 25, 2004, and the Amendment.

1. Defined Terms. All defined terms referred to in this Exhibit shall have the same meaning as defined in the Lease and the Amendment to which this Exhibit is a part, except where expressly defined to the contrary.

2. Additional Definitions. Each of the following terms shall have the following meaning:

"**Construction Plans**" – The complete plans and specifications for the construction of the Tenant Improvements consisting of all architectural, engineering, mechanical and electrical drawings and specifications. The Construction Plans shall be prepared by duly licensed and/or registered architectural and/or engineering professionals selected by Landlord in its sole and absolute discretion, and in all respects shall be in substantial compliance with all applicable laws, rules, regulations, building codes for the city and county where the Building is located.

"**Force Majeure Delays**" – Any delay, other than a Tenant Delay, by Landlord in completing the Tenant Improvements by the Estimated Second Expansion Date set forth in the Amendment by reason of (i) any strike, lockout or other labor trouble or industrial disturbance (whether or not on the part of the employees of either party hereto), (ii) governmental preemption of priorities or other controls in connection with a national or other public emergency, civil disturbance, riot, war, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body, or (iii) shortages of fuel, materials, supplies or labor, (iv) lightning, earthquake, fire, storm, tornado, flood, washout explosion, inclement weather or any other similar industry-wide or Building-wide cause beyond the reasonable control of Landlord, or (v) any other cause, whether similar or dissimilar to the above, beyond Landlord's reasonable control. The time for performance of any obligation of Landlord to construct the Tenant Improvements under this Exhibit or the Amendment shall be extended at Landlord's election by the period of any delay caused by any of the foregoing events.

"**Space Plan**" – That certain Space Plan prepared by Peter D. Gallagher, attached hereto as *Exhibit B-1*, which, together with the Additional Improvement, reflects the Tenant Improvements to be constructed by Landlord. Landlord and Tenant hereby approve of the Space Plan.

"**Substantial Completion**," "**Substantially Complete**," "**Substantially Completed**" – The terms Substantial Completion, Substantially Completed and Substantially Complete shall mean when Landlord has delivered to Tenant a written notice stating that the Tenant Improvements have been Substantially Completed substantially in accordance with the Construction Plans,

except "punch list" items which may be completed without materially impairing Tenant's use of the Suite 408 Premises or a material portion thereof, or the date the foregoing would have occurred but for Tenant Delays.

"Tenant Delay" – Any delay incurred by Landlord in completing the Tenant Improvements due to (i) a delay by Tenant, or by any person employed or engaged by Tenant, in approving or delivering to Landlord any plans, schedules or information, including, without limitation, the Construction Plans beyond the applicable time period set forth in this Exhibit, if any; (ii) a delay in the performance of work in the Suite 408 Premises by Tenant or any person employed by Tenant; (iii) any changes requested by Tenant in or to previously approved work or in the Space Plan or Construction Plans; (iv) requests for materials and finishes which are not readily available, and/or delays in delivery of any materials specified by Tenant through change orders; (v) the failure of Tenant to pay as and when due under this Exhibit all costs and expenses to construct the Tenant Improvements to the extent Tenant is required to pay for such costs in this Exhibit; (vi) interference with the construction of the Tenant Improvements; (vii) any delay attributable to the failure of Tenant to pay, when due, any amounts required to be paid by Tenant pursuant to this Exhibit or otherwise provided in the Amendment.

"Tenant Improvements" – The improvements to be installed by Landlord in the Suite 408 Premises substantially in accordance with the Construction Plans. The type and quality of the Tenant Improvements shall be typical of standard interior improvements constructed by Landlord which are of the nature and quality required by specifications developed for the building containing the premises by Landlord's architect.

3. Construction of the Tenant Improvements.

3.1 Construction Plans. Landlord shall cause to be prepared the Construction Plans for the Tenant Improvements that are consistent with and are logical evolutions of the Space Plan and the building standards. Tenant's approval of the Construction Plans shall not be required. However, if requested by Landlord, Tenant shall notify Landlord in writing within ten (10) days after receipt of Construction Plans or any preliminary plans that (i) Tenant approves of such plans; or (ii) Tenant disapproves the plans because they vary in design from the Space Plan approved by Landlord and Tenant in the particular instances specified by Tenant in such notice (including, without limitation, the specific changes requested by Tenant), but such disapproval shall constitute a Tenant Delay unless the plans materially deviate from the Space Plan or changes in such Space Plan that have been approved in writing by Landlord. The failure of Tenant to provide such written notice within said ten (10) day period shall be deemed as approval by Tenant of such plans.

3.2 Construction. Landlord shall construct the Tenant Improvements substantially in accordance with the Construction Plans. The construction contract for constructing the Tenant Improvements and the contractor(s) to perform the work shall be approved and/or selected, as the case may be, by Landlord at its sole and absolute discretion without the consent of Tenant. The parties anticipate that the Tenant Improvements will be Substantially Completed by the Estimated Second Expansion Date, subject to Tenant Delays and Force Majeure Delays.

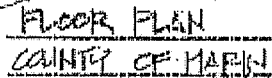
3.3 Tenant's Responsibility. Tenant shall be responsible for confirming that the design and specifications of the Tenant Improvements are suitable for Tenant's needs and its business to be conducted within the Premises. Tenant shall also be responsible for procuring or installing in the Suite 408 Premises any trade fixtures, equipment, furniture, furnishings, telephone equipment or other personal property ("**Personal Property**") to be used in the Suite 408 Premises by Tenant, and the cost of such Personal Property shall be paid by Tenant. Tenant shall conform to the Building's wiring standards in installing any telephone equipment and shall be subject to any and all rules of the site during construction.

4. Payment of Construction Costs. Landlord shall pay for the costs to construct the Tenant Improvements that are identified on the Space Plan in existence as of the date hereof. Any additional costs due to changes in the Tenant Improvements reflected in the Space Plan or in the Construction Plans requested by Tenant or as a result of any Tenant Delay shall be paid by Tenant as provided in Section 5 below.

5. Changes in Work. Tenant shall not be permitted to make any change in the Tenant Improvements without the prior written approval of Landlord, which may be exercised, and made subject to such conditions as Landlord may require, in its sole and absolute discretion. Any change approved by Landlord that in Landlord's judgment results in a delay in constructing the Tenant Improvements shall be deemed a Tenant Delay, and shall extend the time period by which Landlord must Substantially Complete the Tenant Improvements, but shall not extend or postpone the date for payment of rent or for commencement of the term under this Amendment. The cost of such changes and the additional costs as a result of any other Tenant Delay, including the cost to revise the Construction Plans, obtain any additional permits and construct any additional improvements required as a result thereof, and the cost for materials and labor, and all other additional costs incurred by Landlord from resulting delays in completing the Tenant Improvements, shall be paid by Tenant to Landlord within ten (10) days after Tenant's receipt of notice from Landlord. If Landlord does not receive such payment within said ten (10) day period, Landlord shall have the right, in addition to any other rights or remedies available under the Amendment, at law or in equity, to (i) discontinue all or any portion of the work until it receives said payment; (ii) proceed with the other work not affected by such change until such payment is received; (iii) proceed with the work contemplated with such change; or (iv) proceed with the work without making such change; in which case the commencement or completion of such work shall not be deemed a waiver of Tenant's obligation to pay for same or any additional costs or expenses incurred as a result thereof. Any delay caused as a result of such a change or request for a change shall constitute a Tenant Delay.

6. Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if an event of default by Tenant under the Lease, or a default by Tenant under this Exhibit, has occurred at any time on or before the Substantial Completion of the Tenant Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to cause cease the construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Tenant Improvements caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Exhibit shall be forgiven until such time as such default is cured pursuant to the terms of the Lease.

SPACE PLAN



DATE 4/29/2011

11/22/22

(E) FINISHED TO REMAIN; (N) FINISHED TO MATCH (E).

399 NORTH GATE DRIVE

sf-2917654

EXHIBIT C

COMMENCEMENT MEMORANDUM

LANDLORD: BESPHIL & Co. (US) LTD.

TENANT: COUNTY OF MARIN

SECOND AMENDMENT November __, 2010
DATE:

SUITE 408 PREMISES: Located at 899 Northgate Drive
 San Rafael, California 94903

Tenant hereby accepts the Suite 408 Premises, including, without limitation, the Tenant Improvements, as being in the condition required under the Second Amendment to Lease Agreement.

The Second Expansion Date of the Second Amendment to Lease Agreement is hereby established as _____, 201__.

The aggregate amount of the costs and expenses of constructing the Tenant improvements is agreed to be \$_____.

The aggregate amount of the leasing commissions and /finders fees paid by Landlord in connection with the Second Amendment to Lease is agreed to be \$_____.

The aggregate amount of attorney's fees incurred by Landlord in connection with drafting and negotiating the Second Amendment to Lease Agreement is agreed to be \$_____.

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TENANT: COUNTY OF MARIN,
a political subdivision of the State of California

By: _____
Matthew Hymel, County Administrator

APPROVED AS TO FORM:

By: _____
Title: County Counsel

LANDLORD: BESPIL & Co. (US) LTD.,
a California corporation

By: _____
Philip Ouyang, President