

ESCROW AGREEMENT

This Escrow Agreement ("**Agreement**") is dated effective October __, 2007, and made by and among EDEN TOWNSHIP HEALTHCARE DISTRICT, a California healthcare district (the "**District**") and SUTTER HEALTH, a California nonprofit public benefit corporation ("**Sutter Health**") and _____ ("**Escrow Holder**") who agree as follows:

1. Background.

1.1. MOU. The District and Sutter Health have entered into that certain Memorandum of Understanding dated effective October __, 2007 (the "**MOU**") which, among other things, obligates Sutter Health to construct a new acute care hospital (the "**New Sutter Facility**"). A copy of the MOU is attached to this Agreement as Exhibit A.

1.2. Purpose. The MOU, as part of the District's remedies, provides for the establishment of an escrow agreement. This Agreement is intended to meet the requirement of the MOU for an escrow agreement.

1.3. Defined Terms. Capitalized terms not defined in this Agreement shall have the meaning given to them in the MOU.

1.4. Parties. The District and Sutter Health may be individually referred to herein as "Party" and collectively referred to herein as the "**Parties**".

1.5. Effective Date. The "**Effective Date**" of this Agreement shall be the date on which all Parties have signed a counterpart of this Agreement.

2. Establishment and Funding of Escrow Account.

2.1. Establishment. Sutter Health shall establish an escrow (the "**Escrow Account**") with Escrow Holder.

2.2. Deposit of Funds. Sutter Health shall deposit \$260 Million in the Escrow Account on the Effective Date. Sutter Health shall not be required to make additional deposits into the Escrow Account.

2.3. Investment of Funds. Sutter Health, in its sole discretion, shall direct Escrow Holder in the investment of funds held in the Escrow Account ("**Escrow Funds**"). All earnings on the Escrow Funds shall belong solely to Sutter Health and shall be paid out to Sutter Health upon Sutter Health's written request to the Escrow Holder and may be used by Sutter Health for any purpose.

2.4. Costs of Escrow Holder. Sutter Health shall pay all fees of and costs incurred by Escrow Holder with respect to the Escrow Account.

2.5. Substitution of Funds. At any time, Sutter Health may, at its sole discretion, substitute for all or any portion of the Escrow Funds an equal amount from the proceeds of any Sutter Health financing for the construction of the New Sutter Facility. Such substitution shall not alter any other restrictions respecting the use of the Escrow Funds under this Agreement, except that the District agrees to subordinate any interest it has or may have in the Escrow Account and the Escrow Funds to the interest of any third party as may be necessary to secure such financing (i.e., lenders, trustees, bondholders, etc.). The District agrees to reasonably cooperate and execute such documents effecting such subordination, copies of which shall be provided to the Escrow Holder by Sutter Health.

3. Use and Administration of Escrow Account.

3.1. Use of Escrow Funds. Sutter Health shall have full and exclusive access to the Escrow Funds and any accrued interest at any time for the purpose of funding or reimbursing expenses concerning the development and construction of the New Sutter Facility.

3.2. Disbursement Requests. Sutter Health shall give Escrow Holder written notice of the costs and expenses Sutter Health incurs and a request for disbursement of such amount (the "**Disbursement Request**"). Escrow Holder shall transfer the amounts set forth in the Disbursement Request to Sutter Health or other party or parties designated by Sutter Health in the Disbursement Request, up to the balance of the Escrow Account, within two (2) business days after Escrow Holder's receipt of the Disbursement Request.

3.3. Court Order. Upon a final determination by the Alameda County Superior Court ("**Court**") of an Event of Default (as defined in the MOU) by Sutter Health and a final order directing specific performance by Sutter Health of Sutter Health's Construction Obligation (as defined in the MOU) as described in paragraph 9.03B.2 of the MOU, and Escrow Holder's receipt of such final order, Escrow Holder shall provide access to the Escrow Funds in accordance with the order of the Court to the extent that such access is required to effectuate the specific performance remedy provided in paragraph 9.03B.2 of the MOU.

4. Termination.

4.1. Termination by Agreement. This Agreement may be terminated by the mutual agreement of the District and Sutter Health at any time.

4.2. Automatic Termination. If not earlier terminated by agreement of the Parties, this Agreement shall automatically terminate on the earlier of: (a) the Start Service Date, as defined in the MOU, (b) when there is a zero balance of Escrow Funds due to expenditures made in accordance with Section 9.03A.2; or (c) on December 31, 2015, unless such time is delayed or tolled in accordance with the terms of the MOU; or (d) upon termination of the MOU.

5. Action on Termination. Immediately upon termination of this Agreement, Escrow Holder shall disburse any remaining Escrow Funds and any remaining accrued interest, if any, to Sutter Health. Thereafter, Sutter Health may use such funds for any purpose.

6. Rights of Escrow Holder.

6.1. Agreement Controls. Escrow Holder shall have no duties or responsibilities except those expressly set forth in this Agreement.

6.2. Successors. No person, firm or corporation will be recognized by Escrow Holder as a successor or assignee of this Agreement unless and until written evidence is presented to Escrow Holder which is satisfactory to Escrow Holder of such succession or assignment.

6.3. Identity. Escrow Holder shall not be responsible for confirming the identity, authority or rights of any person, firm or corporation executing or delivering, or purporting to execute or deliver, this Agreement.

6.4. Reliance. Escrow Holder may rely upon any instrument in writing referenced in this Agreement and believed by Escrow Holder to be genuine, sufficient, and properly presented, and shall not be liable or responsible for any action taken or omitted in accordance with the provisions thereof.

6.5. Compliance with Court Order. If any funds held by Escrow Holder hereunder shall be attached, garnished or levied upon under any court order, or if the delivery of such funds shall be stayed or enjoined by any court order, or if any court order, judgment or decree shall be made or entered affecting such funds or affecting any act by Escrow Holder, Escrow Holder shall as soon as practicable send, by fax and overnight courier, written notice of the same to the Parties and shall obey and comply with all writs, orders, judgments or decrees so entered or issued, notwithstanding any provisions of this Agreement to the contrary. If Escrow Holder obeys and complies with any such writs, orders, judgments or decrees, it shall not be liable to any other parties hereto or to such other person, firm or entity by reason of such compliance, notwithstanding that such writs, orders, judgments or decrees may be subsequently reversed, modified, annulled, set aside or vacated.

6.6. Compensation. Sutter Health shall pay Escrow Holder reasonable compensation and shall reimburse Escrow Holder for all reasonable expenses incurred by Escrow Holder in connection with its duties hereunder, in accordance with Escrow Holder's fee schedule and as required under this section.

6.7. Resignation; Replacement. Escrow Holder may resign on 30 days' notice to the Parties. Sutter Health may remove Escrow Holder on 30 days' notice. Upon receipt of such notice, Sutter Health shall appoint a successor Escrow Holder, and shall designate such Escrow Holder in a writing delivered to Escrow Holder. Thereupon, Escrow Holder shall immediately deliver all assets in its custody to such successor Escrow Holder, and all future performance obligations of Escrow Holder under this Agreement shall terminate; provided, however, that Escrow Holder's obligations under this Agreement shall not terminate until delivery of the assets to the successor Escrow Holder. If the Sutter Health fails to appoint a successor Escrow Holder, Escrow Holder shall deliver all assets in its custody as the Parties shall mutually instruct in writing, or, in the absence of such joint instruction, to a court of competent jurisdiction.

6.8. Duties. The duties and responsibilities of Escrow Holder shall be limited to those expressly set forth in this Agreement; provided, however, that, with Escrow Holder's written consent, the duties and responsibilities in this Agreement may be amended at any time or times by an instrument in writing signed by Escrow Holder and the Parties. With the exception of this Agreement, Escrow Holder is not responsible for, or chargeable with, knowledge of any terms or provisions contained in the MOU or any other separate agreements and understandings between or among the Parties.

7. Additional Provisions.

7.1. Recitals and Headings. The Recitals are incorporated herein by this reference. Each Party represents and warrants to the other that it has no knowledge or notice of any facts or circumstances indicating that any of the Recitals is false, incomplete or misleading. The subject headings of the sections of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions.

7.2. Entire Agreement. This Agreement and the Exhibits and Schedules herein constitute the entire agreement between the Parties pertaining to their subject matter and supersede all prior and contemporaneous agreements, representations and understandings of the Parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the Party to be charged. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

7.3. Third Persons. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement upon any persons other than the Parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to any Party to this Agreement, nor shall any provisions give any third Parties any rights of subrogation or action against or with respect to any Party to this Agreement.

7.4. Notices. All notices, requests, demands, waivers, consents and other communications hereunder shall be in writing, shall be delivered either in person, by telegraphic, facsimile or other electronic means, by overnight air courier, or by mail, and shall be deemed to have been duly given and to have become effective (a) upon receipt if delivered in person or by telegraphic, facsimile or other electronic means calculated to arrive on any business day prior to 6:00 p.m. local time at the address of the addressee, or on the next succeeding business day if delivered on a non-business day or after 6:00 p.m. local time, (b) one (1) business day after having been delivered to an air courier for overnight delivery, or (c) three (3) business days after having been deposited in the mails as certified or registered mail, return receipt requested, all fees prepaid, directed to the Party or its designated assignees at the addresses listed below (or at such other address as shall be given in writing by a Party).

IF TO DISTRICT:

EDEN TOWNSHIP HEALTHCARE DISTRICT
Attn: Chair of the Board
20103 Lake Chabot Road
Castro Valley, CA 94546
FAX: _____

With a copy to:

Craig Cannizzo, Esq.
Hooper, Lundy & Bookman
180 Montgomery Street, Suite 100
San Francisco, CA 94104
FAX: (415) 875-8519

IF TO SUTTER HEALTH:

Gary F. Loveridge
Senior Vice President & General Counsel
Sutter Health
2200 River Plaza Drive, 3rd Floor West
Sacramento, CA 95833
FAX: (916) 286-6781

With a copy to:

Cathy Deubel Salenko
McDonough Holland & Allen PC
555 Capitol Mall, 9th Floor
Sacramento, CA 95814
FAX: (916) 444-8334

Any Party may change its address for purposes of this Section by giving the other Parties written notice of the new address in the manner set forth above.

7.5. Counterparts. This Agreement may be executed in one or more counterparts, and when so executed each counterpart shall be deemed to be an original; said counterparts together shall constitute one and the same instrument.

7.6. Binding. This Agreement shall be binding upon and inure to the benefit of the Parties hereto. No Party may assign or transfer any rights under this Agreement. Each Party shall be responsible hereunder only for its own obligations and shall not be deemed to guarantee or otherwise have responsibility for the representations, acts or omissions of the other Party. Notwithstanding any assignment or delegation of rights or duties under this Agreement, no such assignment or delegation shall relieve the Party of any obligation or liability under this Agreement.

7.7. Good Faith. Each of the Parties agrees that it shall use its best efforts in good faith to cause all the conditions precedent to its respective obligations to be satisfied and to consummate the transactions contemplated by this Agreement. The Parties agree to act at all

times in good faith, to deal fairly with the other Party, and not to take any action which will deprive the other Parties of the benefits of this Agreement.

7.8. Governing Law and Forum Selection. This Agreement shall be construed in accordance with and governed by the laws of the State of California. The Superior Court for the County of Alameda, California, shall have exclusive jurisdiction over any judicial proceedings relating to any dispute arising out of the interpretation, performance or breach of this Agreement.

7.9. Severability. Should any provision of this Agreement, or part thereof, be determined to be invalid for any reason, it shall be severed from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall be enforceable in accordance with its terms.

7.10. Dispute Resolution. The Parties shall follow the procedures set forth in Schedule 7.10 of this Agreement with regard to resolving disputes under this Agreement. The respective obligations of the Parties set forth in this Section 7.10 shall survive the expiration or termination of this Agreement.

7.11. Further Assurances. At any time from and after the Effective Date, at the request of a Party, each Party shall execute, acknowledge and deliver to the other Parties any and all other assignments, consents, approvals, conveyances, assurances, documents and instruments reasonably requested by a Party at any time and shall take any and all other actions reasonably requested by a Party at any time for the purpose of consummating this Agreement.

7.12. Force Majeure. If the performance of any act required by this Agreement to be performed by any Party, including without limitation the implementation of a cure of any default, is prevented or delayed by reason of any *force majeure* event such as natural disasters, war, civil strife, terrorism, explosion, flood, restrictive governmental laws or regulations, labor stoppages, materials or contractor or laborer shortages and delays in approval and permitting processes or construction that are not caused by a Party, including those caused or created by OSHPD, lead agency, Alameda County and other governmental agencies, the time for performance of the act will be extended for a period equivalent to the period of delay and failure of performance of the act during the period of delay will be excused. Should a Party, due to the occurrence of a *force majeure* event, fail to perform this Agreement in part or in full, such Party shall, in light of the effect of the *force majeure* event, be exempted from some or all of its responsibilities hereunder, except where applicable law provides otherwise. The time for performance will similarly be extended if an injunction or court order affording interim or permanent relief directed to Sutter Health or EMC as a party or real party in interest prevents or delays the performance of any act required to be performed by a Party.

Should a Party determine that it is or may be unable to perform or delayed in performance of this Agreement as a result of *force majeure* event, it shall inform the other Parties, as soon as reasonably possible following the occurrence of such *force majeure* event, of the situation and the reason(s) for the nonperformance. The Party unable to perform shall take appropriate means to minimize or remove the effects of *force majeure* event and attempt to resume performance of the obligations delayed or prevented by the *force majeure* event. After

the *force majeure* event is removed, the Parties agree to resume performance of this Agreement with their best efforts or to negotiate toward an amended or new agreement if performance of this Agreement has been made legally impossible.

7.13. Construction. No provision of this Agreement shall be construed against or interpreted to the disadvantage of Party by any court, arbitrator, or other governmental or judicial authority by reason of such Party's having or being deemed to have structured, written, drafted, or dictated such provisions.

7.14. Correction of Technical Errors. If by reason of inadvertence, and contrary to the intention of the Parties, errors are made in this Agreement in the identification or characterization of in the typing of this Agreement or any of its Exhibits or Schedules, the Parties by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Agreement.

7.15. Time is of Essence. Time is expressly declared to be of the essence of this Agreement.

7.16. Cooperation. The Parties shall fully cooperate as reasonable and necessary to enable effective performance of this Agreement. In furtherance of this objective, each Party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

7.17. Schedules and Exhibits. All schedules and exhibits to which reference is made in this Agreement are incorporated in the Agreement by the respective references to them, whether or not they are actually attached, provided they have been signed or initialed by the Parties. Reference to "this Agreement" includes matters incorporated by reference.

Dated Effective October __, 2007.

THE DISTRICT:

EDEN TOWNSHIP HEALTHCARE DISTRICT, a
California healthcare district

By: _____
Name: _____
Title: _____

SUTTER:

SUTTER HEALTH, a California nonprofit public
benefit corporation

By: _____
Name: _____
Title: _____

ESCROW HOLDER:

By: _____
Name: _____
Title: _____

EXHIBIT A

MOU

SCHEDULE 7.10

DISPUTE RESOLUTION PROCESS

1. Overall Scope. The provisions for resolution of disputes set forth in this Schedule shall apply to all disputes between the Parties.

2. Identifying Disputes. Each Party shall use its best efforts to promptly identify and consolidate all related disputes. Unrelated disputes shall not be consolidated except by mutual agreement of the Parties. If the Parties are unable to agree regarding what constitutes a related or unrelated dispute, either Party may file an application with JAMS seeking resolution of that issue.

3. Meet and Confer. The Parties agree to meet and confer within thirty (30) days of written request by either Party in an effort to settle any dispute arising under this Agreement. At each meet and confer meeting, each Party shall be represented by persons with authority to settle the dispute. Meet and Confer discussions and negotiations shall be treated as compromise and settlement negotiations and shall not be admitted in evidence in any dispute resolution proceeding between the Parties.

4. Agreement to Arbitrate. If they cannot resolve their disputes through the meet and confer process, the Parties shall submit the disputes to binding arbitration in lieu of litigation in any court. The construction of this Schedule, and the validity and enforceability of all arbitrations conducted pursuant to this Schedule shall be governed by the laws of the State of California.

5. Initiate Arbitration. Either Party may initiate arbitration by serving on the other Party an arbitration demand setting forth separately a brief statement of each dispute and, if applicable, an approximation of the amount of money believed to be at issue and how that amount was calculated ("**Arbitration Notice**"). If the dispute is one which a Party reasonably believes is eligible for bifurcation as described in Section 8.D, that Party may so indicate.

6. Administration of Arbitration. The binding arbitration shall be administered by JAMS in accordance with this Schedule and the JAMS rules applicable to commercial arbitrations, except that this Schedule shall control in instances the JAMS rules conflict.

7. Arbitration Process.

A. Joinder of Interested Parties. The Parties agree that any and all proper parties may be joined in the arbitration, but the Parties agree to proceed with arbitration of all disputes between them even if other parties refuse to participate. The Parties specifically waive any objection to arbitration based on the refusal of any other party to be joined.

B. Choosing Arbitrators. The Parties prefer that their disputes where the amount in controversy is less than twenty million dollars (\$20,000,000.) be resolved by a single arbitrator, and that disputes where the amount in controversy equals or exceeds this amount be resolved by a panel of three arbitrators ("**Arbitrators**"), unless the parties mutually agree to a more streamlined procedure. The Arbitrator(s) shall be knowledgeable in and familiar with

disputes involving hospital development and construction. JAMS shall submit a proposed panel of either retired judges of the California (Superior Court or above) or United States court sitting in California, or an attorney with at least twenty (20) years of experience including at least fifteen (15) years in construction disputes. Alternatively, the Parties may prefer that the Arbitrator(s) have other expertise that may be more appropriate in a given dispute. If the Parties are unable to agree on the Arbitrator(s) within thirty (30) days of the date JAMS accepts the arbitration, the Arbitrators shall be selected according to JAMS procedures. The Parties shall each advance one-half of the fees required in order to initiate the arbitration, although they shall ultimately bear responsibility for such fee as determined by the Arbitrator(s).

C. Classifying Disputes. The Parties shall in good faith attempt to agree on how to define and value each dispute. If the Parties have not agreed on whether the arbitration involves an aggregate amount in controversy of twenty million dollars (\$20,000,000) or more, a single Arbitrator shall be appointed in accordance with section B above. The single neutral Arbitrator shall determine the amount in controversy, after hearing from the parties and receiving such briefs and documents as may be required to make this determination. The neutral Arbitrator shall communicate his or her determination to JAMS and the parties, and, if the amount in controversy equals or exceeds twenty million dollars (\$20,000,000), JAMS shall proceed with the selection of two additional arbitrators in accordance with Section B above. The Arbitrator shall have sole and final discretion in interpreting this Schedule, and to determine how to value disputes for purposes of determining the amount in controversy, what constitutes a separate dispute or an unrelated dispute and the timing and manner of the arbitration of each of related dispute.

D. Early Pre-Hearing Conference. The Parties acknowledge and agree that it is their intent to limit the time, operational disruption and expense involved in resolving these disputes so that they may cooperatively contribute to the operation of the New Sutter Facility and the ongoing Restructured Relationship. Therefore, as soon as possible after the Arbitrators are chosen, they shall schedule an early pre-hearing conference (the "**Pre-Hearing Conference**") to determine whether the arbitration should be conducted in a bifurcated manner so that legal issues of contract interpretation or liability can be determined before the Parties are required to present proof regarding the actual damages or amounts owed by one Party to the other. At the Pre-Hearing Conference, the Arbitrators shall also address procedural matters, confidentiality issues (see Section 8.E, below), arrange for the timing of exchange of discovery information and in general attempt to focus the issues and streamline the proceedings to the extent possible. In making all such decisions, the Arbitrators should be guided by, and endeavor to support, the Parties' agreement and goal to engage in as streamlined an approach to arbitration as is possible given the nature and extent of the dispute(s).

E. Confidentiality of Discovery Material.

(1) Intent. The Parties recognize and agree that theirs is an ongoing business relationship and that this fact creates unusually sensitive issues with respect to the exchange of information related to their dispute. The Parties agree that it is not their intent to use the discovery process described in this Schedule to obtain the other Party's highly confidential and proprietary business information, except to the extent that such information is material to the presentation of a Party's case or defense.

(2) Protective Orders. The Parties agree, therefore, to enter into such protective orders as are, or may become, necessary to assure that neither Party obtains access to proprietary business information that, in the judgment of the disclosing Party, would adversely affect the disclosing Party's legitimate business interests. Where appropriate, those protective orders shall include creating a category of discovery documents for "Attorney's Eyes Only," which may only be disclosed to counsel who agrees not to participate in, or provide any information to those involved in, the business negotiations or transactions between the Parties.

(3) Use Only For Arbitration. All discovery information including information for attorney's eyes only, shall be used solely and exclusively for arbitration of the disputes. At the conclusion of the arbitration, each Party shall return or destroy all "Attorneys' Eyes Only" documents obtained from the other Party during the course of the arbitration, and shall provide to the other Party an authorized representative's attestation indicating that all such information has been returned or destroyed.

(4) Filing Material Under Seal. The Parties agree that "Attorneys' Eyes Only" documents are likely to contain competitively sensitive price, cost, operational, and other confidential information and trade secrets in which the producing Party has a genuine and cognizable interest, and that if a competitor obtains access to this information, it could give the competitor unfair advantage in contract and price negotiations and possibly permit price-fixing and artificially inflated prices for health care services, all of which could cause serious harm to the disclosing Party and would be contrary to public interest. Therefore, the Parties agree to fully cooperate with each other in ensuring that discovery materials which are subject to protective orders and any information taken or derived therefrom (all of which is collectively referred to as "**Protected Materials**") are and remain sealed by a court or arbitrator. Such cooperation shall include but not be limited to, joining in any motion or application for an order that the Court/Arbitrator accept and seal such documents or information. All Protected Materials (including transcripts of depositions, exhibits, briefs, and memoranda), which are filed with a court or submitted to an arbitrator shall be filed in sealed envelopes or other appropriately sealed containers with a label that includes all of the following: the nature of the contents, the identity of the Party filing the materials, the words: "HIGHLY CONFIDENTIAL. TO BE FILED UNDER SEAL ONLY." (These words shall also be included on the first page of all Protected Material.)

F. Discovery. The Parties shall be allowed the following limited discovery: For each separate arbitration that both Parties agree involves less than \$500,000, each Party shall be entitled to receive only directly relevant documents and take two fact witness depositions. If an arbitration involves more than \$500,000, the Parties shall exchange only directly relevant documents and be allowed to take four fact witness depositions. Fact witness depositions shall be conducted in one day, absent extraordinary circumstances. In any case, each Party shall be entitled to take the depositions of all of the opposing Party's experts. Any further discovery shall only be allowed by order of the Arbitrator(s) upon a showing of good cause. All disputes concerning the scope of allowable discovery shall be resolved in the sole discretion of the Arbitrator(s). All discovery shall be completed sixty (60) days prior to the arbitration hearing.

G. Voluntary Disclosure of Information. Thirty (30) days prior to the scheduled first day of the arbitration, each Party shall serve upon the other Party the documents it

intends to rely upon or present at arbitration and a reasonably detailed statement of the expected testimony of witnesses, including expert witnesses (but not adverse witnesses). Within ten (10) days of the receipt of such documents from the other side, the receiving Party may provide additional documents or additional statements of the expected testimony of witnesses, including experts. This schedule may be modified by the Parties or the Arbitrator(s) as necessary to allow for an expeditious and orderly process.

H. Arbitration Hearing. It is the Parties' goal that any arbitration involving less than \$500,000 in controversy will be completed in not more than three full days; provided, however, that the Arbitrator shall have discretion to extend this time if necessary for a fair hearing of the dispute. An arbitration involving \$500,000 or more shall be conducted within such time as the Arbitrator(s) allow, but it is the intention of the Parties that the hearing be as streamlined as possible. The Arbitrator(s) may require, and the Parties shall provide, briefing of legal issues or presentation of additional evidence. Copies of documents may be admitted in evidence as originals, absent a showing by an objecting Party that the copy is unlike the original in some substantive way.

I. Arbitrators' Final Decision. The Arbitrator(s) shall have the power to grant all legal and equitable remedies, including but not limited to, injunctions, specific performance, reformation, cancellation, accounting and compensatory damages; provided, however, that the Arbitrators shall not be empowered to award punitive damages, penalties, forfeitures or attorney's fees. The Arbitrator(s) shall issue a written reasoned decision setting forth the Parties' contentions, findings of fact and conclusions of law applying California and applicable federal law (the "**Decision**") within thirty (30) days of the conclusion of the arbitration hearing. For disputes of \$500,000 or more, the Arbitrator(s) shall issue a tentative Decision within such thirty (30) day period and the Parties may each file a response of not more than ten (10) pages to the tentative Decision within ten (10) days of the date it is issued. At the request of either Party, the Arbitrator(s) shall conduct a hearing on the tentative Decision lasting not longer than one half day, which shall be held within thirty (30) days of the date of the tentative Decision or the earliest possible date thereafter that is mutually agreed to by the Parties and the Arbitrator(s). The Arbitrator(s) shall then have twenty (20) additional days to issue the Final Award. The Arbitrator's Final Award shall be conclusive and binding, and it may be confirmed thereafter as a judgment by the Superior Court of the State of California, subject only to challenge on the grounds set forth in California Code of Civil Procedure Section 1281 et. seq.

J. Venue. The arbitration shall be conducted in Alameda County, California, unless a different location is agreed to by the Parties. Any Party may be represented by counsel or other authorized representative.

K. Service. All notices and briefs shall be served by email-PDF. Voluminous documents shall be served via overnight. Service is deemed complete upon receipt.

8. Waiver of Rights. By agreeing to binding arbitration as set forth in this Schedule, the Parties acknowledge that they are waiving certain substantial rights and protections which otherwise may be available if a dispute between them were determined by litigation in a court, including without limitation the right to seek or obtain the items referenced in Section 7.I above, the right to a jury trial, and certain rights of appeal.