

FORM APPROVED COUNTY COUNSEL
 BY: PATRICIA MUNROE 7/1/13
 DATE: 7/1/13 Concurrency

**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

237



SUBMITTAL DATE:
 July 3, 2013

FROM: Economic Development Agency / Facilities Management
SUBJECT: Lease – Transportation Land Management Agency

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities.

BACKGROUND: (Commences on Page 2)

Christopher Hans
 Christopher Hans

Robert Field
 Robert Field

FISCAL PROCEDURES APPROVED
 PAULI ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Samuel Wong 7/2/13
 SAMUEL WONG

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 318,008	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: TLMA Deposit Based Fees & Permit Fees and East County Detention Center Project Budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
 BY: Jennifer L. Sargent
 County Executive Office Signature

By: Juan C. Perez, Director
 Transportation Land Management Agency

Consent
 Policy
 Per Exec. Ofc.:
 Policy

Prev. Agn. Ref.: 3.12 of 4/02/07; 3.45 of 9/29/09; 3.20 of 5/03/2011; 3-13 of 6/4/13 | **District:** 4/4 | **Agenda Number:** 3-20

ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD

BACKGROUND:

The County entered into a lease agreement for 21,372 square feet of office space located at 38-686 El Cerrito Road in Palm Desert in April, 2007, for use by the Transportation Land Management Agency's (TLMA) Permit Assistance Center to provide permitting services to the desert community.

During the term of the lease, the Lessor agreed to rent modifications to assist with reduced revenue and budget constraints resulting from the economic hardship of the past several years. The continuing existence of reduced permit activity has resulted in the need for TLMA to further reduce operating costs and therefore it is not feasible to remain in the current office location.

In tandem, the East County Detention Center project requirement of relocating current departments housed in the Indio County Administrative Center to other facilities has provided an opportunity to relocate the Assessor Clerk Recorder and Treasurer Tax Collector into the existing TLMA Permit Center office with minimal renovation for a permanent office location. Therefore, TLMA will downsize and relocate to another office within the same Business Park Development to provide for the required operational savings. The following lease for a new Permit Assistance Center office is presented for approval with a 31% reduction in rent.

Location:	77-588 El Duna Court Palm Desert, CA 92211	
Lessor:	Grinnell Properties, LLC 77885 Las Montanas Road, Suite A Palm Desert, CA 92211	
Size:	10,000 square feet.	
Term:	Five years.	
Option to Renew:	One, five-year option to renew.	
Option to Terminate:	For funding with 120 days' notice.	
Rent:	Current	New
	\$1.45 per sq. ft.	\$1.00 per sq. ft.
	\$30,989.40 per month	\$10,000.00 per month
	\$371,872.80 per year	\$120,000.00 per year
Rental Adjustments:	Three percent annually.	
Utilities:	Interior utilities to be paid by County.	
Custodial:	Provide by Lessor three times per week.	
Interior/Exterior Maintenance:	Provided by Lessor.	

(Continued)

BACKGROUND: (Continued)

Parking: 20 stalls.

Tenant Improvements: Not-to-exceed \$462,020.00 to be paid by ECDC project budget.

RCIT: \$72,450.00 to be paid by ECDC project budget.

The attached Lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

The TLMA budgeted these costs in FY 2013/14 and will reimburse EDA for all lease costs on a monthly basis. The tenant improvements and RCIT costs will be funded by the ECDC project budget. If needed, EDA will request a budget adjustment during the first quarter of FY 2013/14.

Attachments:
Exhibit A
Lease

Exhibit A

TLMA Lease Cost Analysis FY 2013/14 77-588 El Duna Court, Palm Desert, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 21,372 SQFT
Total Expected Lease Cost for FY 2013/14 \$ 371,872.80

ACTUAL AMOUNTS

Proposed Office: 10,000 SQFT

Approximate Cost per SQFT (July - Aug) \$ 1.45
Approximate Cost per SQFT (Sept. - June) \$ 1.00

Lease Cost per Month (July - Aug) \$ 30,989.40
Lease Cost per Month (Sept - June) \$ 10,000.00

Total Lease Cost (July - Aug) \$ 61,978.80
Total Lease Cost (Sept - June) \$ 100,000.00
Total Actual Lease Cost for FY 2013/14 \$ 161,978.80
Total Lease Cost Variance for FY 2013/14 \$ (209,894.00)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs per Month (July - June) \$ 2,564.64

Total Estimated Utility Cost for FY 2013/14 \$ 30,775.68

RCIT \$ -

Tenant Improvements \$ -

EDA Lease Management Fee (Based @ 3.89%) \$ 14,465.85
Total Estimated Expected Cost for FY 2013/14 \$ 45,241.53

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12
Costs per Month (July - June) \$ 1,200.00

Total Estimated Actual Utility Cost for FY 2013/14 \$ 14,400.00

RCIT \$ 72,450.00

Tenant Improvements \$ 462,020.00

EDA Lease Management Fee (Based @ 3.89%) \$ 24,273.55
Total Estimated Actual Cost for FY 2013/14 \$ 573,143.55

Total Estimated Cost Variance for FY 2013/14 \$ 527,902.02

TOTAL ESTIMATED COST FOR FY 2013/14 \$ 318,008.02

LEASE
77-588 El Duna Court
Palm Desert, CA, 92211

Table of Contents

1.	Parties	1
2.	Premises	1
	2.1 Letting	1
	2.2 Defined	1
	2.3 Preparation of Premises/Acceptance	1
	2.4 Condition of Premises	2
3.	Use	2
4.	Term	2
	4.1 Commencement	2
	4.2 Confirmation of Lease Information	3
	4.3 Delay in Delivery of Premises	3
	4.4 Holding Over	4
5.	Rent	4
	5.1 Rent	4
	5.2 Percentage Increase	4
	5.3 Tenant Improvement Reimbursement	4
6.	Options	5
	6.1 Option to Extend Term	5
	6.2 County's Right to Early Termination	5
7.	Compliance	5
	7.1 Compliance	5
	7.2 Americans With Disabilities	6
	7.3 Asbestos and Lead Based Paint	6
	7.4 Hazardous Substance	6
	7.5 Sick Building Syndrome	7
	7.6 Waste Water	8
8.	Custodial Services	8
	8.1 Custodial Services	8
	8.2 County's Right to Provide Custodial Services and Deduct Costs	9
9.	Utilities	9
10.	Repairs and Maintenance	10
	10.1 Lessor's Repair and Maintenance Obligations	10
	10.2 Lessor's Default	10
	10.3 County's Right to Make Repairs and Deduct Cost	11
	10.4 Emergency Repairs	12
	10.5 Periodic Services	13
11.	Alterations and Additions	13
	11.1 Improvements by Lessor	13
	11.2 Improvements by County	15
	11.3 Communications Equipment	15

12.	Exculpation, Indemnification, and Insurance	16
	12.1 Exculpation	16
	12.2 Indemnification and Hold Harmless	17
	12.3 Insurance	19
13.	Damage and Destruction	22
	13.1 Repair of Damage	22
	13.2 Repair Period Notice	23
	13.3 Lessor's Option to Terminate or Repair	23
	13.4 County's Option to Terminate	23
	13.5 Rent Abatement Due to Casualty	24
	13.6 Damage Near End of Term	24
	13.7 Effective Date of Termination; Rent Apportionment	24
	13.8 Waiver of Statutory Provisions	25
	13.9 Release on Termination	25
14.	Eminent Domain	25
	14.1 Total Condemnation	25
	14.2 Partial Condemnation	25
	14.3 Award	26
	14.4 Temporary Condemnation	26
15.	Estoppel Certificates	26
16.	Subordination, Non-Disturbance and Attornment	26
	16.1 Subordination, Non-Disturbance and Attornment Agreement	26
	16.2 Subordination	27
	16.3 Attornment	27
17.	Breach by Lessor or County	27
	17.1 Lessor's Default	27
	17.2 County's Right to Cure Lessor's Default and Deduct Cost	28
	17.3 Rent Setoff	28
	17.4 County Default	28
	17.5 Lessor Remedies for County Default	29
18.	Lessor's Representations and Warranties	29
	18.1 Title	29
	18.2 Certificate of Authority	29
	18.3 No Litigation	30
	18.4 Easements and Subdivision Rights	30
	18.5 Assignment and Subletting	30
19.	Miscellaneous	30
	19.1 Quiet Enjoyment	30
	19.2 Non Waiver	31
	19.3 Binding on Successors	31
	19.4 Severability	31
	19.5 Venue	31
	19.6 Attorney's Fees	31
	19.7 County's Representative	32
	19.8 Agent for Service of Process	32
	19.9 Entire Lease	32

19.10 Interpretation	32
19.11 Time of Essence	33
19.12 Consent	33
19.13 Title	33
19.14 Conveyance by Lessor	33
19.15 Mechanic's Liens	33
19.16 Surrender	33
19.17 Notice	34
19.18 Authority	34
19.19 Termination of Existing Lease	35
19.20 Approval of Supervisors	36

EXHIBITS

The following exhibits are attached hereto and made a part of this Lease:

Site Plan	Exhibit A
Leasehold Improvement Agreement	Exhibit B
Asbestos	Exhibit C
Confirmation of Lease Information	Exhibit D
Custodial Services Agreement	Exhibit E
General Construction Specifications for Leased Facilities	Exhibit F
Estoppel Certificate	Exhibit G
Subordination, Non-Disturbance & Attornment Agreement	Exhibit H

1 LEASE
2 COUNTY OF RIVERSIDE
3

4 **1. Parties.**

5 **1.1** This Lease ("Lease") is made by and between the **County of**
6 **Riverside**, a political subdivision of the State of California, hereinafter referred to as
7 "County" and **Grinnell Properties L.L.C.**, a Washington limited liability company,
8 hereinafter referred to as "Lessor." County and Lessor are hereinafter collectively
9 referred to as the "Parties" or individually as a "Party."

10 **2. Premises.**

11 **2.1 Letting.** Lessor hereby leases to County, and County hereby
12 leases from Lessor, the Premises, for the term, at the rental, and upon all terms,
13 covenants and conditions set forth in this Lease.

14 **2.2 Defined.** The Premises shall consist of that certain real property,
15 including all improvements therein or to be provided by Lessor under the terms of this
16 Lease, and commonly known as 77-588 El Duna Court, Suites H and I and consisting
17 of approximately 10,000 square feet with 20 unreserved parking spaces, located in the
18 City of Palm Desert, County of Riverside, State of California, also identified as
19 Assessor Parcel Number 626-420-051.. The Premises is located within a free standing
20 building consisting of a total of 45,000 square feet (the "Building"), all as shown on the
21 site plan attached as Exhibit "A." It is understood that the Premises include all
22 appurtenances and easements thereto and the non-exclusive right of ingress and
23 egress at all times to and from the public streets and highways for County, its
24 employees and invitees.

25 **2.3 Preparation of Premises/Acceptance.** The rights and obligations
26 of the Parties regarding the construction of the Premises before the commencement of
27 the Lease Term are stated in the attached Leasehold Improvement Agreement, Exhibit
28

1 "B." If this Lease conflicts with the Leasehold Improvement Agreement, the Leasehold
2 Improvement Agreement shall prevail.

3 **2.4 Condition of Premises.** Lessor shall deliver the Premises to
4 County in a fully clean and safe condition, free of hazards and debris, entirely permitted
5 and inspected by local authorities, on the Commencement Date, and Lessor warrants
6 for the term of this Lease, that all systems and equipment, including, but not limited to,
7 electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system,
8 elevators, security systems, lighting, heating, ventilating and air conditioning systems
9 ("HVAC,") loading doors, if any, that serve the Premises and all other such elements in
10 the Premises (herein defined as the "Base Building Systems,") other than those
11 installed or constructed by County, shall be in safe, hazard free, good operating
12 condition, and, the roof, bearing walls and foundation of the Premises shall be free of
13 material defect.

14 **3. Use.**

15 **3.1** County shall use and occupy the Premises for the purpose of
16 providing office space for use by Transportation Land Management Agency, but the
17 Premises may be used for any official business of County government or any other
18 legal use which is reasonably comparable thereto. Nothing contained in this Lease
19 shall be construed to require County to occupy the Premises continuously.

20 **4. Term.**

21 **4.1 Commencement.** This Lease shall be effective upon the date of
22 its full execution by the parties hereto. The term of this Lease shall be for a period of
23 sixty (60) months ("Original Term") commencing on the earlier of (the
24 "Commencement Date") (a) the date County staff occupies the Premises, or (b) the
25 date on which County accepts the Premises for occupancy, which shall occur only after
26 Lessor delivers to County a copy of the final inspection card executed by the
27 appropriate governing authority, if applicable, and provided that County, in its' sole
28 discretion, is satisfied that all leasehold improvements have been completed in

1 accordance with Exhibit "B" and Exhibit "F," excepting minor punch list items. The
2 Original Term shall expire at midnight on the last day of the sixtieth (60th) month
3 ("Expiration Date") unless sooner terminated pursuant to the terms of this Lease.

4 **4.2 Confirmation of Lease Information.** At such time as the
5 Commencement Date of this Lease has been determined, either Party may deliver to
6 the other Party a notice in the form set forth in the attached Exhibit "D," which the
7 receiving Party shall execute, after making any corrections necessary to conform the
8 information to the provisions of this Lease, and return to the forwarding Party within
9 thirty (30) days after receipt. Either Party will use reasonable efforts to deliver the
10 notice to the other Party within thirty (30) days after the Lease Commencement Date.
11 Anything to the contrary notwithstanding, failure to forward or execute said notice shall
12 not invalidate or nullify the provisions of this Lease.

13 **4.3 Delay in Delivery of Premises.** If the Original Term of this Lease
14 has not commenced within sixty (60) days from County's execution of this Lease, and
15 such delay is not the result of a "County Delay" or an "Excused Lessor Delay" (as such
16 terms are defined below), County may, (a) deduct from any rents that may become
17 due hereunder the sum of \$1,000.00 for each day the Premises are not substantially
18 complete and available for occupancy as per paragraph 2.3 after said date, as
19 liquidated damages for failure to provide occupancy in a timely manner as prescribed
20 hereunder. Lessor and County agree that such damages are to be one of the mutually
21 exclusive remedies, as prescribed in this Section 4, for such failure, in that at the time
22 of entering into this Lease it would be impractical and extremely difficult to fix the actual
23 damages that would flow from Lessor's failure to provide occupancy in a timely
24 manner, including, but not limited to, the difference in money between the total sum to
25 be paid by County to another party for rent to Lease such party's real property, if the
26 rental hereunder is less than the rental to be paid such other party; .
27 For purposes hereof, a "County Delay" shall mean (a) County's failure to review and
28 approve the plans and specifications for the improvements submitted by Lessor within

1 the requested time frames; or (b) County changes to the plans and specifications, or (c)
2 Lessee's interference with Lessor's work.

3 For purposes hereof, an "Excused Lessor Delay" shall mean Lessor's inability to
4 deliver the Premises to County due to any one or more of the following events: (1)
5 strike or other labor trouble, (2) city, county, or other governmental restrictions, controls
6 or inaction, (3) shortages of fuel, supplies or labor, (4) acts of God resulting therefrom
7 or (5) any other cause, whether similar or dissimilar to the above, beyond Lessor's
8 reasonable control. The time period specified herein for performance of an obligation
9 of Lessor shall be extended by the period of any delay in Lessor's performance caused
10 by any of the events of force majeure described above.

11 **4.4 Holding Over.** Any holding over by County after the expiration of
12 said term or any extension thereof shall be deemed a month to month tenancy upon
13 the same terms and conditions of this Lease.

14 **5. Rent.** The anniversary dates shall be deemed to fall on the first day of
15 the first full month of each lease year following commencement of the lease term.

16 **5.1 Rent.** County shall pay the sum of \$10,000.00 per month to
17 Lessor as rent for the Leased Premises, payable, in advance, on the first day of the
18 month or as soon thereafter as a warrant can be issued in the normal course of
19 County's business; provided, however, in the event rent for any period during the term
20 hereof which is for less than one (1) full calendar month said rent shall be pro-rated
21 based upon the actual number of days of said month.

22 **5.2 Percentage Increase.** Notwithstanding the provisions of Section
23 5.1 herein, the monthly rent shall be increased on each anniversary of this Lease by an
24 amount equal to three percent (3%) of such monthly rent.

25 **5.3 Tenant Improvement Reimbursement.** Notwithstanding the
26 provisions of Section 5.1 and 5.2 above, County shall pay to Lessor a one-time
27 payment not to exceed four hundred sixty two and 20/100ths dollars (\$462,020.00)
28

1 upon completion and acceptance of the improvements by County as provided in Exhibit
2 "B," Section 8 of this Lease.

3 **6. Options.**

4 **6.1 Option to Extend Term.** Lessor grants to County one (1) option
5 to extend the Lease term ("Extension Option"). Each Extension Option shall be for a
6 period of five (5) years ("Extended Term"), subject to the conditions described in this
7 Section 6.1.

8 **6.1.1 Exercise of Option.** The Extension Option shall be
9 exercised by County delivering to Lessor written notice thereof no later than sixty (60)
10 days prior to the expiration of the Original Term,

11 **6.1.2 Option Rent.** The rent payable by County during any
12 Extended Term shall be under the same terms and conditions stated in Section 5.2
13 herein.

14 **6.1.3** All terms and conditions of this Lease with exception of
15 Rent and Lease Term shall remain in full force and effect during the Extended Term.

16 **6.2 County's Right to Early Termination.** The Parties hereto
17 recognize and understand that the rental consideration hereunder originates from
18 County, State and/or Federal sources, and therefore County shall have the right to
19 terminate this Lease (a) if such funding is reduced or otherwise becomes unavailable,
20 based on County's annual fiscal budget, or (b) if any law, rule or regulation precludes,
21 prohibits or materially adversely impairs County's ability to use the Premises for the
22 use permitted herein.

23 **6.2.1 Notice.** County shall provide Lessor with written notification
24 of its election to terminate this Lease at least one hundred twenty (120) days prior to
25 the date of termination. County's notice shall state the reason for its termination of this
26 Lease. County's obligation to pay Rent shall continue through the termination date.

27 **7. Compliance.**

1 **7.1 Compliance.** Lessor warrants that the Premises and
2 improvements on the Premises shall comply with all applicable State and Federal laws,
3 covenants or restrictions of record, building codes, regulations and ordinances
4 (“Applicable Requirements”) in effect on the Commencement Date of this Lease,
5 regardless of the use to which County will put the Premises. If the Premises do not
6 comply with said warranty, Lessor shall, promptly after receipt of written notice from
7 County or any governmental agency having jurisdiction over such matters setting forth
8 the nature and extent of such non-compliance, rectify the same at Lessor’s expense. If
9 the Applicable Requirements are hereinafter changed so as to require during the term
10 of this Lease, unless same is the result of the use to which County puts the Premises,
11 the construction of an addition to or an alteration of the Premises, the remediation of
12 any Hazardous Substance as hereinafter defined, or the reinforcement or other
13 physical modification of the Premises Lessor shall, promptly after receipt of written
14 notice from County or any governmental agency having jurisdiction over such matters
15 setting forth the nature and extent of such non-compliance, rectify the same at Lessor’s
16 expense.

17 **7.2 Americans With Disabilities.** Lessor warrants and represents
18 the Premises shall be readily accessible to and usable by individuals with disabilities in
19 compliance with Title III of the Americans with Disabilities Act of 1990 and California
20 Title 24, as amended from time to time and regulations issued pursuant thereto and in
21 effect from time to time. Any cost incurred to cause the Premises to comply with said
22 Act shall be borne by Lessor.

23 **7.3 Asbestos and Lead Based Paint.** Lessor warrants and
24 represents the Premises shall be constructed, operated and maintained free of hazard
25 from asbestos and lead based paint, as more fully set forth in the attached Exhibit “C.”

26 **7.4 Hazardous Substance.** It is the intent of the Parties to construe
27 the term “Hazardous Substances” in its broadest sense. Hazardous Substance shall
28 be defined as any product, substance, or waste whose presence, use, manufacture,

1 disposal, transportation, or release, either by itself or in combination with other
2 materials, is either: (a) potentially injurious to the public health, safety or welfare, the
3 environment or the Premises; (b) regulated or monitored by any governmental
4 authority; or (c) a basis for potential liability of County to any governmental agency or
5 third party under any applicable statute or common law theory.

6 Lessor acknowledges that County's use may from time to time require the
7 presence of Hazardous Substances at the Premises. County agrees that all such
8 Hazardous Substances located in, at, or on the Premises shall be used, stored,
9 handled, treated, transported, and disposed of in compliance with all applicable laws.

10 Lessor warrants and represents to County that Lessor has not used, discharged,
11 dumped, spilled or stored any Hazardous Substances on or about the Premises,
12 whether accidentally or intentionally, legally or illegally, and has received no notice of
13 such occurrence and has no knowledge that any such condition exists at the Premises.
14 If any claim is ever made against County relating to Hazardous Substances present at
15 or around the Premises, whether or not such substances are present as of the date
16 hereof, or any such Hazardous Substances are hereafter discovered at the Premises
17 (unless introduced by County, its agents or employees), all costs of removal incurred
18 by, all liability imposed upon, or damages suffered by County because of the same
19 shall be borne by Lessor, and Lessor hereby indemnifies and agrees to be responsible
20 for and defend and hold County harmless from and against all such costs, losses,
21 liabilities and damages, including, without limitation, all third-party claims (including
22 sums paid in settlement thereof, with or without legal proceedings) for personal injury
23 or property damage and other claims, actions, administrative proceedings, judgments,
24 compensatory and punitive damages, lost profits, penalties, fines, costs, losses,
25 attorneys' fees and expenses (through all levels of proceedings), consultants or experts
26 fees and costs incurred in enforcing this indemnity. The representation, warranty and
27 indemnity of Lessor described in this Paragraph shall survive the termination or
28 expiration of this Lease.

1 **7.5 Sick Building Syndrome.** Lessor warrants and represents the
2 Premises shall be constructed, operated and maintained free of certain hazards,
3 including, but not limited to: spores, fungus, molds, bacteria, chemicals or fumes or
4 other causes of any hazardous micro-environments, sometimes known as "Sick
5 Building Syndrome," emanating from or within the Premises that may potentially cause
6 discomfort, bodily injury, sickness or death. Should it be determined that remediation is
7 necessary based on a report by a trained investigator, Lessor will promptly contract
8 with a qualified and experienced company to safely remove the micro-environments
9 using remediation guidelines recommended or required by the appropriate
10 governmental agency. Any cost incurred to cause the Premises to be free of such
11 hazard shall be borne by Lessor.

12 **7.6 Waste Water.** Lessor shall be responsible for compliance with all
13 Federal, state or local laws, regulations or permits pertaining to storm water pollution,
14 prevention plans ("SWPP") and all National Pollution Discharge Elimination System
15 ("NPDES") laws or regulations adopted or to be adopted by the United States
16 Environmental Protection Agency. Parking lot sweeping shall be done as required by
17 NPDES rules or as needed, at least two times per year, once prior to the rainy season.

18 **8. Custodial Services.**

19 **8.1 Custodial Services.** Lessor shall provide, or cause to be
20 provided, and pay for all custodial services in connection with the Leased Premises
21 and such services shall be provided three (3) days per week as set forth in the
22 attached Exhibit "E." The provider of such custodial services will perform background
23 checks through LiveScan or in the manner specified by County, of qualified permanent
24 and temporary employees to determine their suitability for employment. The provider
25 will be bonded in the sum of \$10,000.00, and proof of such insurance, as supplied by
26 the Lessor, shall be furnished prior to occupancy of Premises by County. In addition to
27 bonding as required herein, Lessor shall also receive proof of statutory workers'
28

1 compensation insurance, commercial general liability and vehicle liability insurance
2 from the provider of any custodial functions performed at the Premises location.

3 **8.2 County's Right to Provide Custodial Service and Deduct Cost.**

4 If County provides written notice to Lessor of an event or circumstance that requires
5 the action of Lessor with respect to the custodial services as set forth in Section 8.1
6 and Exhibit "E," and Lessor fails to provide such action as required by the terms of this
7 Lease within three (3) days of County's notice, County may take the required action to
8 provide custodial services by its staff or those of a custodial contractor if: (1) County
9 delivers to Lessor an additional written notice advising Lessor that County intends to
10 take the required action if Lessor does not begin the required action within forty-eight
11 (48) hours after the written notice; and (2) Lessor fails to begin the required work within
12 this forty-eight (48) hour period. Upon demand by County, Lessor shall promptly
13 reimburse County the actual cost and expenses thereof, provided said costs and
14 expenses are reasonable. Should Lessor fail to promptly pay the cost and expenses,
15 County may deduct and offset that amount from Rent payable under this Lease. For
16 purposes of this Section, notice given by fax or e-mail shall be deemed sufficient.

17 **9. Utilities.**

18 **9.1** Based on Lessor's knowledge of County requirements as disclosed
19 by County to Lessor, Lessor represents to County that during the term of this Lease
20 and any extension thereof that sufficient utility services to provide water,
21 telecommunications, electric power, natural gas and sewers necessary to meet
22 County's requirements exists or are available for use by County within the Premises.

23 **9.2** County shall pay for all utility services used in connection with the
24 Leased Premises. including, but not limited to, County telephone, interior electric,
25 interior building water natural gas and sewer services, as may be required in the
26 maintenance, operation and use of the Leased Premises. Lessor shall provide and pay
27 for all other utility services, including standard office refuse collection.

28

1 9.3 Landlord shall not be liable or deemed to be in default hereunder, nor shall there
2 be any abatement of rent for any interruption or reduction of utilities (including
3 telephone service) or services to the Building unless caused by negligent or willful acts
4 of Landlord.

5 **10. Repairs and Maintenance.**

6 **10.1 Lessor's Repair and Maintenance Obligations.** Lessor shall, at
7 Lessor's sole expense and in accordance with the terms of this Lease, repair, replace
8 and maintain in attractive condition, good order and function throughout the term in
9 accordance with Exhibit "F," General Construction Specifications for Leased Facilities,
10 (a) the structural portions of the Premises (understood to include the roof, foundation
11 and load bearing walls); (b) the nonstructural portions of the Premises (understood to
12 include the roof covering and membrane) including, but not limited to, all
13 improvements, alterations, fixtures, but excluding furnishings; (c) all systems and
14 equipment, including, but not limited to, Base Premises Systems as heretofore
15 described that serve the Premises; and (d) the exterior portions of the Premises, and
16 real property including, but not limited to, landscaping, driveways, sidewalks, lighting
17 and parking facilities servicing the Premises. It is the intent of this paragraph that
18 Lessor performs any and all building repairs, replacements and maintenance. Lessor
19 agrees to make all repairs to or alterations of the Premises that may become
20 necessary by reason of industry standard for age, wear and tear, deferred
21 maintenance or defects in any construction thereof by Lessor; provided, however, that
22 County shall be responsible for the cost of repairs, replacements and maintenance to
23 the extent such costs are attributable to County's use in excess of normal wear and
24 tear, beyond the agreed and understood use of the premises and/or damage caused
25 by County or its agents, contractors, employees or invitees.

26 **10.2 Lessor's Default.** Repairs shall be made promptly when
27 appropriate to keep the applicable portion of the Premises and other items in the
28 condition described in this Section. Lessor understands certain response time is

1 required to ensure County operations continue with minimal interruption to ensure the
2 safety of employees and delivery of services. The commencement of repairs within one
3 (1) business day from written notice include electrical power, HVAC operations and
4 certain essential daily custodial services. Lessor shall not be in default of its repair and
5 maintenance obligations under this Section 10, if Lessor commences the repairs and
6 maintenance within one (1) business day of the aforementioned areas and thirty (30)
7 days for all others after written notice by County to Lessor of the need for such repairs
8 and maintenance. If, due to the nature of the particular repair or maintenance
9 obligation, more than thirty (30) days are reasonably required to complete it, Lessor
10 shall not be in default under this Section 10 if Lessor begins work within this thirty (30)
11 day period and diligently pursues this work to completion. Notwithstanding the
12 foregoing, County acknowledges and agrees that non-emergency repairs will generally
13 be made during normal business hours (i.e. between 8:00 AM and 5:00 PM) providing
14 Lessor makes reasonable effort to avoid any disruption that may cause potential health
15 and safety issues to County staff or services.

16 **10.3 County's Right to Make Repairs and Deduct Cost.** If County
17 provides notice to Lessor of an event or circumstance that requires the action of Lessor
18 with respect to the replacement, repair or maintenance to the Premises or Base
19 Building Systems serving the Premises as set forth in Section 10.1 and Lessor fails to
20 provide such action as required by the terms of this Lease within the period specified in
21 Section 10.2, County may (but shall not be obligated to do so) take the required action
22 if: (1) County delivers to Lessor an additional written notice advising Lessor that County
23 intends to take the required action if Lessor does not begin the required repair or
24 maintenance within twenty four (24) hours, after the written notice; and (2) Lessor fails
25 to begin the required work within this twenty four (24) hour period.

26 **10.3.1** Lessor grants to County a license, effective during the
27 Lease Term, to enter upon those portions of the Premises access to which is
28 reasonably necessary for County to take such action.

1 **10.3.2** If such action was required under the terms of this Lease to
2 be taken by Lessor, County shall be entitled to prompt reimbursement by Lessor of
3 County's reasonable costs and expenses in taking such action, plus interest at the then
4 prevailing legal rate of interest from the date these costs are incurred until the date of
5 Lessor's repayment. Lessor's obligation to reimburse County shall survive expiration or
6 earlier termination of this Lease.

7 **10.3.3** If, within thirty (30) days after receipt of County's written
8 demand for payment of County's costs incurred in taking such action on Lessor's
9 behalf, Lessor has not paid the invoice or delivered to County a detailed written
10 objection to it, County may deduct from Rent payable by County under this Lease the
11 amount set forth in the invoice, plus interest at the interest rate described above from
12 the date these costs are incurred until the date of County's Rent set off.

13 **10.4 Emergency Repairs.**

14 **10.4.1** An "Emergency Repair Situation" is defined as the
15 existence of any condition that requires prompt repair, replacement or service to
16 minimize the impact of an event or situation which affects County's ability to conduct
17 business in a neat, clean, safe and functional environment.

18 **10.4.2** If County notifies Lessor of an Emergency Repair Situation
19 which occurs in or about the Premises which is the responsibility of the Lessor to repair
20 or maintain, then Lessor shall commence appropriate repairs or maintenance
21 immediately after notice of the condition is given by County, which notice may be via
22 telephone, facsimile, personal contact or any other means, and Lessor shall thereafter
23 diligently pursue to completion said repairs or maintenance.

24 **10.4.3** If Lessor fails to commence repairs within twenty-four (24)
25 hours of the aforementioned notice, or if the County is unable to contact Lessor
26 or any designated agent within a reasonable time based upon the seriousness of the
27 event or situation, County may, but shall not be so obligated to, cause said repairs or
28 replacements to be made or such maintenance to be performed. Upon demand by

1 County, Lessor shall promptly reimburse County the actual cost and expenses thereof,
2 provided said costs and expenses are reasonable. Should Lessor fail to promptly pay
3 the cost and expenses, County may deduct and offset that amount from Rent payable
4 under this Lease.

5 **10.5 Periodic Services.** Lessor shall provide, or cause to be provided,
6 and pay for all Periodic Services, including, interior painting of common areas every
7 five (5) years, if so requested by County; quarterly pest control services; quarterly
8 HVAC standard preventative maintenance and changing of air filters; annual fire
9 extinguisher inspections; reset interior and exterior time clocks for time changes;
10 annual roof inspections and maintenance to include roof repairs/replacement; cleaning
11 of roof gutters, drains, and down spouts prior to rainy season.

12 **11. Alterations and Additions.**

13 **11.1 Improvements by Lessor.**

14 **11.1.1** Lessor recognizes and understands that any County
15 improvements requested by the County to be completed by Lessor during the term of
16 this Lease shall be undertaken according to Exhibit "B," Leasehold Improvement
17 Agreement, and Exhibit "F," General Construction Specifications for Leased Facilities.

18 **11.1.2** Prevailing wages are required for work done that falls within
19 the definition of "public works" under California Labor Code §1720. "Public works" are
20 defined as "construction, alteration, demolition, installation, or repair work done under
21 contract and paid for in whole or in part out of public funds..." For those projects
22 which are "public works" pursuant to Labor Code §1720.2, the following applies:

23 **11.1.2.1** Lessor shall require that Contractor shall comply with
24 prevailing wage requirements and be subject to restrictions and penalties in
25 accordance with §1770 et seq. of the Labor Code which requires prevailing wages be
26 paid to appropriate work classifications in all bid specifications and subcontracts.

27 **11.1.2.2** The Lessor shall require that Contractor shall furnish all
28 subcontractors/employees a copy of the Department of Industrial Relations prevailing

1 wage rates at which Lessor will post at the job site. All prevailing wages shall be
2 obtained by the Lessor/Contractor from:

3 Department of Industrial Relations
4 Division of Labor Statistics and Research
5 455 Golden Gate Avenue, 8th Floor
6 San Francisco, CA 94102

7 **11.1.2.3** Lessor shall require that Contractor shall comply with the
8 payroll record keeping and availability requirement of §1776 of the Labor Code.

9 **11.1.2.4** Lessor shall require that Contractor shall make travel and
10 subsistence payments to workers needed for performance of work in accordance with
11 §1773.8 of the Labor Code.

12 **11.1.2.5** Prior to commencement of work, Lessor shall require that
13 Contractor shall contact the Division of Apprenticeship Standards and comply with
14 §1777.5, §1777.6 and §1777.7 of the Labor Code and applicable regulations.

15 **11.1.3** Lessor shall comply and stay current with all applicable
16 local, state and federal building codes and laws as from time to time amended,
17 including, but not limited to, the Americans with Disabilities Act requirements in
18 providing the County with any requested County improvements.

19 **11.1.4** If any agency, division or department of any governmental
20 entity with appropriate jurisdiction condemns the Premises or any part of the Premises
21 as unsafe or not in conformity with any of the laws or regulations controlling their
22 construction, occupation or use, or orders or requires any alteration, repair or
23 reconstruction of the Premises the responsible party shall be the Lessor who at its sole
24 cost and expense (and without any right of reimbursement from County) immediately
25 effect all necessary alterations and repairs required for the Premises full and exact
26 compliance.

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1 **11.1.5** Lessor shall cause all County improvements to be lien free,
2 completed at Lessor's cost in a workmanlike manner and in compliance with all
3 applicable law.

4 **11.1.6** County agrees when requested by Lessor to execute and
5 deliver any applications, consents or other instruments required to permit Lessor to
6 complete such County improvements or to obtain permits for the work.

7 **11.1.7** Post occupancy tenant improvements requested by County
8 and completed by Lessor shall be reimbursed by County at Lessor's cost plus 10%.
9 Lessor's invoices for such improvements shall be itemized according to material, sales
10 tax, labor, and Lessor's 10% overhead handling charge.

11 **11.1.8** Due to County fiscal year funding and accounting practices,
12 any costs due to Lessor for reimbursement of tenant improvements during the term
13 must be invoiced and received by the County prior to May 1st of each fiscal year in
14 which services to County were provided to ensure payment.

15 **11.2 Improvements by County.**

16 **11.2.1** Any alterations, improvements or installation of fixtures to
17 be undertaken by County shall have the prior written consent of Lessor. Such consent
18 shall not be unreasonably withheld, conditioned or delayed by Lessor.

19 **11.2.2** All alterations and improvements made, and fixtures
20 installed, by County shall remain County property and may be removed by County at or
21 prior to the expiration of this Lease; provided, however, that such removal does not
22 cause injury or damage to the Leased Premises beyond normal wear and tear.

23 **11.3 Communications Equipment.** County may, from time to time,
24 install maintain, replace and/or remove any satellite dishes, links, duct bank or
25 antennas on the grounds, roof and/or exterior walls or parapet of the Premises as
26 County deems reasonably necessary or desirable, provided County shall first obtain
27 Lessor's written approval, which approval shall not be unreasonably withheld,
28

1 conditioned, or delayed. Upon the removal by County of any such satellite dishes, links
2 or antennas, County shall repair any damage incurred in connection with such removal.

3 **12. Exculpation, Indemnification, and Insurance.**

4 **12.1 Exculpation.**

5 By Lessor. To the fullest extent permitted by law, Lessor, on its behalf
6 and on behalf of all Lessor Parties, as hereinafter defined, waives all claims (in law,
7 equity, or otherwise) against County Parties, as hereinafter defined, arising out of,
8 knowingly and voluntarily assumes the risk of, and agrees that County Parties shall not
9 be liable to Lessor Parties for any of the following: (1) injury to or death of any person;
10 or (2) loss of, injury or damage to, or destruction of any tangible or intangible property,
11 including the resulting loss of use, economic losses, and consequential or resulting
12 damage of any kind from any cause. County Parties shall not be liable under this
13 Section regardless of whether the liability results from any active or passive act, error,
14 omission, or negligence of any of County Parties; or is based on claims in which liability
15 without fault or strict liability is imposed or sought to be imposed on any of County
16 Parties. This exculpation Section shall not apply to claims against County Parties to the
17 extent that a final judgment of a court of competent jurisdiction establishes that the
18 injury, loss, damage, or destruction was proximately caused by County Parties' fraud,
19 willful injury to person or property, or violation of law.

20 By County: To the fullest extent permitted by law, County, on its behalf
21 and on behalf of all County parties, as hereinafter defined, waives all claims (in law,
22 equity, or otherwise) against Lessor Parties, as hereinafter defined, arising out of,
23 knowingly and voluntarily assumes the risk of, and agrees that Lessor Parties shall not
24 be liable to County Parties for any of the following; (1) injury to or death of any person;
25 or (2) loss of, injury or damage to, or destruction of any tangible or intangible property,
26 including the resulting loss of use, economic losses, and consequential or resulting
27 damage of any kind from any cause. Lessor Parties shall not be liable under this
28 Section regardless of whether the liability results from any active or passive act, error,

1 omission, or negligence of any of Lessor Parties; or is based on claims in which liability
2 without fault or strict liability is imposed or sought to be imposed on any of Lessor
3 Parties. This exculpation Section shall not apply to claims against Lessor Parties to the
4 extent that a final judgment of a court of competent jurisdiction establishes that the
5 injury, loss, damage, or destruction was proximately caused by Lessor Parties' fraud,
6 willful injury to person or property, or violation of law.

7 **12.1.1 Definition of "County Parties" and "Lessor Parties".**

8 For purposes of this Section 12, the term "County Parties" refers singularly and
9 collectively to County, Special Districts, their respective Directors, Officers, Board of
10 Supervisors, agents, employees, and independent contractors as well as to all persons
11 and entities claiming through any of these persons or entities. The term "Lessor
12 Parties" refers singularly and collectively to Lessor and the partners, venturers,
13 trustees, and ancillary trustees of Lessor and the respective officers, directors,
14 shareholders, members, parents, subsidiaries, and any other affiliated entities,
15 personal representatives, executors, heirs, assigns, licensees, invites, beneficiaries,
16 agents, servants, employees, and independent contractors of these persons or entities.

17 **12.1.2 Survival of Exculpation.** The paragraphs of this Section

18 12 shall survive the expiration or earlier termination of this Lease until all claims within
19 the scope of this Section 12 are fully, finally, and absolutely barred by the applicable
20 statutes of limitations.

21 **12.1.3 Lessor's Acknowledgment of Fairness.** Lessor

22 acknowledges that this Section 12 was negotiated with County, that the consideration
23 for it is fair and adequate, and that Lessor had a fair opportunity to negotiate, accept,
24 reject, modify, or alter it.

25 **12.1.4 Waiver of Civil Code Section 1542.** With respect to the

26 exculpation provided in this Section 12, Lessor waives the benefits of Civil Code
27 Section 1542, which provides:

28

1 A general release does not extend to claims which the creditor does not know or
2 suspect to exist in his favor at the time of executing the release, which if known by him
3 must have materially affected his settlement with the debtor.

4 **12.2 Indemnification and Hold Harmless.**

5 **12.2.1** Lessor shall indemnify and hold harmless the County
6 Parties from any liability whatsoever, including but not limited to, property damage,
7 bodily damage, bodily injury, or death, or from any services provided by Lessor Parties
8 or any act, error, omission, of Lessor Parties in, on, or about the Project arising out of,
9 from or in any way relating to this Lease. Lessor Parties shall not indemnify County
10 Parties when such liability arises out of or from County's responsibilities under the
11 terms of this Lease. When indemnifying County Parties, Lessor shall defend at its sole
12 cost and expense, including but not limited to, attorney fees, cost of investigation,
13 defense and settlements or awards, on behalf of the County parties in any claim or
14 action based upon such liability.

15 **12.2.2** County shall indemnify and hold harmless the Lessor
16 Parties from any liability whatsoever, including but not limited to, property damage,
17 bodily injury, or death, based or asserted on events which may occur in, on or about
18 the Project arising out of or from its use and occupancy relating to this Lease. County
19 Parties shall not indemnify Lessor Parties for liability arising within the County leased
20 Premises when such liability arose out of or from Lessor's responsibilities under the
21 terms of this Lease. County shall defend at its sole cost and expense, including but not
22 limited to, attorney fees, cost of investigation, defense and settlements or awards, on
23 behalf of the Lessor Parties in any claim or action based upon such liability.

24 **12.2.3** With respect to any action or claim subject to
25 indemnification herein, the indemnifying party shall, at their sole cost, have the right to
26 use counsel of their choice and shall have the right to adjust, settle, or compromise any
27 such action or claim without the prior consent of the indemnified party; provided,
28 however, that any such adjustment, settlement or compromise in no manner

1 whatsoever limits or circumscribes the indemnifying party's obligation to indemnify as
2 set forth herein.

3 **12.2.4** The indemnifying party's obligation hereunder shall be
4 satisfied when they have provided the indemnified party the appropriate form of
5 dismissal relieving the indemnified party from any liability for the action or claim
6 involved.

7 **12.2.5** The specified insurance limits required in this Lease shall in
8 no way limit or circumscribe the indemnifying party's obligation to indemnify as set forth
9 herein.

10 **12.2.6** In the event there is conflict between this clause and
11 California Civil Code Section 2782, this clause shall be interpreted to comply with Civil
12 Code 2782. Such interpretation shall not relieve the indemnifying party's obligation to
13 provide indemnification to the fullest extent allowed by law.

14 **12.2.7 Survival of Indemnification.** The paragraphs of this
15 Section 12 shall survive the expiration or earlier termination of this Lease until all
16 claims against County Parties involving any of the indemnified matters are fully, finally,
17 and absolutely barred by the applicable statutes of limitations.

18 **12.3 Insurance.**

19 **12.3.1 Lessor's Insurance.** Without limiting or diminishing any
20 indemnification contained within this Lease, Lessor and/or their authorized
21 representatives, including, if any, a property management company, shall procure and
22 maintain or cause to be maintained, at its sole cost and expense, the following
23 insurance coverage during the term of this Lease:

24 **12.3.1.1 Workers' Compensation.** Workers' Compensation
25 Insurance (Coverage A) as prescribed by the laws of the State of California. Policy
26 shall include Employers' Liability (Coverage B) including Occupational Disease with
27 limits not less than \$1,000,000 per person per accident. The policy shall be endorsed
28 to waive subrogation in favor of The County of Riverside.

1 **12.3.1.2 Commercial General Liability.** Commercial
2 General Liability Insurance coverage, protecting Lessor and County against claims for
3 bodily injury, property damage, and personal injury arising out of the ownership, use
4 occupancy or maintenance of the Premises and all areas appurtenant thereto Policy
5 limits shall not be less than \$1,000,000 per occurrence. If such insurance contains a
6 general aggregate limit, it shall apply separately to this Lease or be no less than two
7 (2) times the occurrence limit.

8 **12.3.1.3 Vehicle Liability.** If vehicles or licensed
9 mobile equipment are used on the Project, Lessor shall maintain auto liability insurance
10 for all owned, non-owned or hired automobiles in an amount not less than \$1,000,000
11 per occurrence combined single limit.

12 **12.3.1.4 Property (Physical Damage).**

13 (a) All-Risk real property insurance coverage,
14 including earthquake and flood, if applicable, for the full replacement cost value of
15 buildings, structures, fixtures, all improvements therein, and building systems on the
16 Project as the same exists at each early anniversary of the term. Policy shall include
17 Business Interruption, Extra Expense, and Expediting Expense coverage as well as
18 coverage for off-premises power failure. Policy shall name the County as a Loss
19 Payee as their interests may appear.

20 **12.3.1.5 General Insurance Provisions – All Lines.**

21 (a) Any insurance carrier providing Lessor's
22 insurance coverage hereunder shall be admitted to the State of California and have an
23 A.M. BEST rating of not less than an A:VIII (A:8) unless such requirements are waived,
24 in writing, by the County Risk Manager. If the County's Risk Manager waives a
25 requirement for a particular insurer such waiver is only valid for that specific insurer
26 and only for one policy term.

27 (b) The Lessor or Lessor's insurance carrier(s)
28 must declare its insurance deductibles or self-insured retentions. If such deductibles or

1 self-insured retentions exceed \$500,000.00 per occurrence such deductibles and/or
2 retentions shall have the prior written consent of the County Risk Manager before the
3 commencement of the Lease term. Upon notification of deductibles or self insured
4 retentions which are deemed unacceptable to the County, at the election of the
5 County's Risk Manager, Lessor's carriers shall either: 1) reduce or eliminate such
6 deductibles or self-insured retentions as respects this Agreement with the County, or 2)
7 procure a bond which guarantees payment of losses and related investigations, claims
8 administration, defense costs and expenses.

9 (c) At the inception of this Lease and annually at
10 the Lessor's insurance policy renewal date(s), County may request that the Lessor
11 cause their insurance carrier(s) to furnish the County of Riverside with a properly
12 executed original Certificate(s) of Insurance and certified original copies of
13 Endorsements effecting coverage as required herein showing such insurance is in full
14 force and effect. Further, said Certificate(s) shall contain the covenant of the insurance
15 carrier(s) shall provide no less than thirty (30) days written notice be given to the
16 County of Riverside prior to any material modification or cancellation of such insurance.
17 In the event of a material modification or cancellation of coverage, this Lease shall
18 terminate forthwith, unless the County of Riverside receives, prior to such effective
19 date, another properly executed original Certificate of Insurance and original copies of
20 endorsements or certified original policies, including all endorsements and attachments
21 thereto evidencing coverage and the insurance required herein is in full force and
22 effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign
23 the original endorsements for each policy and the Certificate of Insurance. The Lease
24 term shall not commence until the County of Riverside has been furnished original
25 Certificates(s) of Insurance and certified original copies of endorsements or policies of
26 insurance including all endorsements and any and all other attachments as required in
27 this Section.

28

1 (d) It is understood and agreed by the parties
2 hereto and the Lessor's insurance company(s) that the Certificate(s) of Insurance and
3 policies shall so covenant and shall be construed as primary insurance, and the
4 County's insurance and/or deductibles and/or self-insured retentions or self-insured
5 programs shall not be construed as contributory.

6 **12.3.2 County's Insurance:** County maintains funded programs
7 of Self-Insurance. County shall provide to Lessor a Certificate of Self-Insurance
8 evidencing the County's Self-Insurance for the following coverage, if so requested by
9 Lessor:

10 12.3.2.1 Workers' Compensation \$1,000,000 per occurrence

11 12.3.2.2 Commercial General Liability \$1,000,000 per occurrence

12 12.3.2.3 Automobile Liability \$1,000,000 per occurrence

13 In addition, County assumes the risk of damage to any furniture,
14 equipment, machinery, goods, supplies or fixtures which are or remain the property of
15 County or as to which County retains the right of removal from the Premises, except to
16 the extent due to the negligent act or omission of Lessor. In no event shall County
17 carry on any activities which would invalidate any insurance coverage maintained by
18 Lessor. County shall promptly comply with all reasonable requirements of the
19 insurance underwriters and/or any governmental authority having jurisdiction thereover,
20 necessary for the maintenance of reasonable fire and extended insurance for the
21 Building and/or Project.

22 **13. Damage and Destruction.**

23 **13.1 Repair of Damage.** County agrees to notify Lessor in writing
24 promptly (but not more than 72 hours' after such occurrence) of any damage to the
25 Premises resulting from fire, earthquake, or any other identifiable event of a sudden,
26 unexpected, or unusual nature ("Casualty"). If the Premises, whether covered by
27 insurance or not, are damaged by a Casualty, or the Casualty results in the Premises
28 not being provided with Base Building Systems or parking facilities, and if neither

1 Lessor nor County has elected to terminate this Lease under this Section 13, Lessor
2 shall promptly and diligently restore Premises, the County Improvements originally
3 constructed by Lessor, Base Building Systems, and County's parking facilities to
4 substantially the same condition as existed before the Casualty, subject to
5 modifications required by building codes and other laws. If County requests that
6 Lessor make any modifications to the County Improvements in connection with the
7 rebuilding, Lessor may condition its consent to those modifications on: (a) confirmation
8 by Lessor's contractor that the modifications shall not increase the time needed to
9 complete the County Improvements; or (b) an agreement by County that the additional
10 construction period shall not extend the rent abatement period; and/or (c) County pays
11 for any additional costs in connection with the modifications.

12 **13.2 Repair Period Notice.** Lessor shall, within thirty (30) days after
13 the date of the Casualty, provide written notice to County indicating the anticipated
14 period for repairing the Casualty ("Repair Period Notice"). The Repair Period Notice
15 shall be accompanied by a statement executed by the Contractor retained by Lessor
16 to complete the repairs or, if Lessor has not retained a Contractor, a licensed
17 Contractor not affiliated with Lessor, certifying the Contractor's opinion about the
18 anticipated period for repairing the Casualty. The Repair Period Notice shall also state,
19 if applicable, Lessor's election either to repair or to terminate the Lease under Section
20 13.3.

21 **13.3 Lessor's Option to Terminate or Repair.** Lessor may elect
22 either to terminate this Lease or to effectuate repairs if: (a) the Repair Period Notice
23 estimates that the period for repairing the Casualty exceeds ninety (90) days from the
24 date of the Casualty; or (b) the estimated repair cost of the Premises, even though
25 covered by insurance, exceeds fifty percent (50%) of the full replacement cost.

26 **13.4 County's Option to Terminate.** If (a) the Repair Period Notice
27 provided by Lessor indicates that the anticipated period for repairing the Casualty
28 exceeds ninety (90) days, or (b) notwithstanding the above, in the event of a

1 substantial or total casualty to the Premises or improvements, County may by written
2 notice to Lessor within thirty (30) days after such damage or destruction of its intention
3 to terminate this Lease, elect to terminate this Lease by providing written notice
4 (County's Termination Notice) to Lessor within thirty (30) days after receiving the
5 Repair Period Notice. If County does not elect to terminate within said thirty (30) day
6 period, County shall be considered to have waived its' option to terminate.

7 **13.5 Rent Abatement Due to Casualty.** Lessor and County agree that
8 County's Rent shall be fully abated during the period beginning on the later of: (a) the
9 date of the Casualty; or (b) the date on which County ceases to occupy the Premises
10 and ending on the date of Substantial Completion of Lessor's restoration obligations as
11 provided in this Section 13 ("Abatement Period"). If, however, County is able to occupy
12 and does occupy a portion of the Premises, Rent shall be abated during the Abatement
13 Period only for the portion of the Premises not occupied by County.

14 **13.6 Damage Near End of Term.** Despite any other provision of this
15 Section 13, if the Premises are destroyed or damaged by a Casualty during the last
16 eighteen (18) months of the original Lease Term, Lessor and County shall each have
17 the option to terminate this Lease by giving written notice to the other of the exercise of
18 that option within thirty (30) days after that damage or destruction, provided, however,
19 County may negate Lessor's election to terminate under this Section 13.6 by electing,
20 within ten (10) days after receipt of Lessor's termination notice, to exercise any
21 unexercised option to extend this Lease. If County negates Lessor's election, this
22 Lease shall continue in effect unless Lessor has the right to, and elects to, terminate
23 this Lease under Section 13.3.

24 **13.7 Effective Date of Termination; Rent Apportionment.** If Lessor
25 or County elects to terminate this Lease under this Section 13 in connection with a
26 Casualty, this termination shall be effective thirty (30) days after delivery of notice of
27 such election. County shall pay Rent, properly apportioned up to the date of the
28 Casualty. After the effective date of the termination, Lessor and County shall be

1 discharged of all future obligations under this Lease, except for those provisions that,
2 by their terms, survive the expiration or earlier termination of the Lease.

3 **13.8 Waiver of Statutory Provisions.** The provisions of this Lease,
4 including those in this Section 13, constitute an express agreement between Lessor
5 and County that applies in the event of any Casualty to the Premises. Lessor and
6 County, therefore, fully waive the provisions of any statute or regulation, for any rights
7 or obligations concerning a Casualty including California Civil Code Sections 1932(2)
8 and 1933(4).

9 **13.9 Release on Termination.** In the event of any termination of this
10 Lease in accordance with Section 13, the Parties shall be released therefrom without
11 further obligation to the other Party, except as may otherwise be specifically set forth in
12 this Lease and items that have accrued and are unpaid.

13 **14. Eminent Domain.**

14 **14.1 Total Condemnation.** If all of the Premises are condemned by
15 eminent domain, inversely condemned, or sold in lieu of condemnation for any public or
16 quasi-public use or purpose, this Lease will terminate as of the date of title vesting in
17 that proceeding and the Rent will be abated from the date of termination.

18 **14.2 Partial Condemnation.** If any portion of the Premises is
19 condemned by eminent domain, inversely condemned, or sold in lieu of condemnation
20 for any public or quasi-public use or purpose and the partial condemnation renders the
21 Premises unusable for County's business, this Lease will terminate as of the date of
22 title vesting or order of immediate possession in that proceeding and the Rent will be
23 abated to the date of termination. If the partial condemnation does not render the
24 Premises unusable for the business of County and less than a substantial portion of the
25 Premises is condemned, Lessor must promptly restore the Premises to the extent of
26 any condemnation proceeds recovered by Lessor, excluding the portion lost in the
27 condemnation, and this Lease will continue in full force, except that after the date of the
28

1 title vesting, the Rent will be adjusted, as reasonably determined by Lessor and
2 County.

3 **14.3 Award.** If the Premises are wholly or partially condemned, Lessor
4 will be entitled to the entire award paid for the condemnation, and County waives any
5 claim to any part of the award from Lessor or the condemning authority. County,
6 however, will have the right to recover from the condemning authority any
7 compensation that may be separately awarded to County in connection with costs in
8 removing County's merchandise, furniture, fixtures, leasehold improvements, and
9 equipment to a new location.

10 **14.4 Temporary Condemnation.** In the event of a temporary
11 condemnation, this Lease will remain in effect, and County will continue to pay Rent. If
12 a temporary condemnation remains in effect at the expiration or earlier termination of
13 this Lease, County will pay Lessor the reasonable cost of performing any obligations
14 required of County with respect to the surrender of the Premises. If a temporary
15 condemnation is for a period that extends beyond the Term, this Lease will terminate
16 as of the date of occupancy by the condemning authority and any award will be
17 distributed in accordance with Section 14.3.

18 **15. Estoppel Certificates.**

19 **15.1** Within twenty (20) business days after receipt of a written request
20 by either party, the other party shall execute and deliver to the requesting party an
21 Estoppel Certificate, in the form of the attached Exhibit "G," indicating in the certificate
22 any exceptions to the statements in the certificate that may exist at that time.

23 **16. Subordination, Non-Disturbance, and Attornment.**

24 **16.1 Subordination, Non-Disturbance, and Attornment Agreement.**
25 To carry out the purposes of Section 16.2 and Section 16.3, the Parties agree to
26 execute a Subordination, Non-Disturbance and Attornment Agreement in the form set
27 forth in the attached Exhibit "H."
28

1 **16.2 Subordination.** County agrees that within forty-five (45) business
2 days after Lessor's written request, it shall execute the agreement referred to in
3 Section 16.1 that Lessor reasonably considers necessary to evidence or confirm the
4 subordination or inferiority of this Lease to the lien of any mortgage, deed of trust or
5 other encumbrance of the Premises or any renewal, extension, modification,
6 replacement thereof, provided however, that such Subordination Agreement shall be
7 strictly limited to matters contained in the Agreement referred to in Section 16.1 and no
8 such Subordination Agreement shall materially increase any of County's obligations or
9 materially decrease any of County's rights under this Lease, nor shall the possession of
10 County be disturbed, by reason of any foreclosure, sale or other action under any such
11 trust deed, mortgage or other encumbrance.

12 **16.3 Attornment.** If Lessor's interest in the Premises passes to a
13 successor, and provided County has received the Non-Disturbance agreement referred
14 to in Section 16.1, County shall, within forty-five (45) business days after Lessor's
15 transferee's request, execute the agreement referred to in Section 16.1, thereby
16 agreeing to attorn and to recognize the transferee as the Lessor under this Lease;
17 provided the transfer of Lessor's interest in the Premises was by sale, lease,
18 foreclosure, deed in lieu of foreclosure, exercise of any remedy provided in any
19 encumbrance or operation of law.

20 **17. Breach by Lessor or County.**

21 **17.1 Lessor's Default.** Except as provided to the contrary in this
22 Lease, Lessor's failure to perform any of its obligations under this Lease shall
23 constitute a default by Lessor under the Lease if the failure continues for thirty (30)
24 days after written notice of the failure from County to Lessor. If the required
25 performance cannot be completed within thirty (30) days, Lessor's failure to perform
26 shall constitute a default under the Lease unless Lessor undertakes to cure the failure
27 within thirty (30) days and diligently and continuously attempts to complete this cure as
28 soon as reasonably possible.

1 **17.2 County's Right to Cure Lessor's Default and Deduct Cost.**

2 Except as provided to the contrary in this Lease, if County provides notice to Lessor of
3 Lessor's failure to perform any of its obligations under this Lease and Lessor fails to
4 provide such action as required by the terms of this Lease within the period specified,
5 County may take the required action if: (a) County delivers to Lessor an additional
6 written notice advising Lessor that County intends to take the required action if Lessor
7 does not begin the required action within ten (10) days after the written notice; and (b)
8 Lessor fails to begin the required action within this ten (10) day period.

9 **17.3 Rent Setoff.** If, within thirty (30) days after receipt of County's
10 written demand for payment of County's costs incurred in taking such action on
11 Lessor's behalf, Lessor has not paid the invoice or delivered to County a detailed
12 written objection to it, County may deduct from Rent payable by County under this
13 Lease the amount set forth in the invoice, including transaction costs and attorneys'
14 fees, plus interest at the then legal rate of interest from the date these costs are
15 incurred until the date of County's Rent setoff.

16 **17.4 County Default.** The County shall be in "breach" of this Lease
17 upon the occurrence of any one or more of the following defaults and County fails to
18 cure such Default within the applicable grace period:

19 (a) A failure to pay rent or any other charge when due or to provide
20 reasonable evidence of insurance, where either failure continues for a period of fifteen
21 (15) business days following written notice to County;

22 (b) Abandonment of the Premises or the vacating of the Premises
23 where the coverage of the property insurance described herein is jeopardized as a
24 result thereof, or without providing reasonable assurances to minimize potential
25 vandalism;

26 (c) A Default by County as to the terms, conditions, covenants or
27 provisions of this Lease where such Default continues for a period of thirty (30) days
28 after written notice to County; provided, however, that if the nature of County's Default

1 is such that more than thirty (30) days is required for performance, then County shall
2 not be in default if County commences performance within such thirty (30) day period
3 and thereafter diligently prosecutes the same to completion.

4 **17.5 Lessor Remedies for County Default**

5 (a) In the event of a Breach by County, Lessor may, with or without
6 further notice or demand, and without limiting the Lessor in the exercise of any right or
7 remedy which Lessor may have by reason of such Default;

8 (i) Terminate County's right to possession of the Premises by
9 any lawful means, in which case the Lease shall terminate and County shall
10 immediately surrender possession to Lessor. In such event, Lessor may recover from
11 County: (i) any unpaid rent which has been earned at the time of such termination;
12 plus (ii) the amount by which the unpaid rent which would have been earned after
13 termination until the time of award exceeds the amount of such rental loss that could
14 have not been reasonably avoided by Lessor or

15 (ii) Continue the Lease and County's right to possession and
16 recover the Rent as it becomes due, in which event County may sublet or assign,
17 subject to Landlord's consent as provided herein.

18 **18. Lessor's Representations and Warranties.** Lessor represents and
19 warrants to County that:

20 **18.1 Title.** County's Leasehold interest in the Premises is free and
21 clear of restrictions which would restrict County's rights under this Lease.

22 **18.2 Certificate of Authority.** Lessor covenants that it is a duly
23 constituted under the laws of the state of its organization, and that the person(s) who is
24 acting as its signatory in this Lease is duly authorized and empowered to act for and on
25 behalf of the Lessor. Lessor shall furnish County prior to the execution hereof with
26 evidence of the authority of the signatory to bind the entity or trust as contemplated
27 herein.

28

1 **18.3 No Litigation.** There are no judicial, quasi-judicial, administrative
2 or other orders, injunctions, moratoria or pending proceedings against Lessor or the
3 Premises which preclude or interfere with, or would preclude or interfere with, the
4 construction contemplated herein or the occupancy and use of the Premises by County
5 for the purposes herein contemplated.

6 **18.4 Easements and Subdivision Rights.** Lessor reserves the right
7 to: (a) subdivide the Project and/or Property; (b) alter the boundaries of the Property;
8 and (c) grant easements on the Property and/or Project and dedicate for public use
9 portions thereof; provided, however, that no such grant or dedication shall materially
10 interfere with County's use of the Premises. County hereby consents to such
11 subdivision, boundary revision, and/or grant or dedication of easements and agrees
12 from time to time, at Lessor's request, to execute, acknowledge and deliver to Lessor,
13 in accordance with Lessor's instructions, any and all documents, instruments, maps or
14 plats necessary to effectuate County's consent thereto.

15 **18.5 Assignment and Subletting.** County shall not assign, mortgage,
16 pledge or otherwise transfer or encumber this Lease, in whole or in part, nor sublet,
17 assign, or permit occupancy by any party other than County of all or any part of the
18 Premises (collectively, a "Transfer"), without the prior written consent of Lessor in each
19 instance, of which approval will not be unreasonably withheld so long as the proposed
20 transferee is another County agency.

21 **19. Miscellaneous.**

22 **19.1 Quiet Enjoyment.** Lessor covenants that County shall at all times
23 during the term of this Lease peaceably and quietly have, hold and enjoy the use of the
24 Leased Premises so long as County shall fully and faithfully perform the terms and
25 conditions that it is required to do under this Lease. If the Premises are part of a
26 building shared with other tenants of Lessor, during County's tenancy, Lessor may
27 make or permit other tenants to make alterations, renovations and improvements to
28 those portions of the building not occupied by County. Lessor covenants for itself and

1 anyone deriving title from or holding title under Lessor that County's access, ingress,
2 loading and unloading and sufficient parking for County's business shall not
3 unreasonably be obstructed nor shall the daily business of County be disrupted as a
4 result of such alterations, renovations and improvements.

5 **19.2 Non-Waiver.** No waiver of any provision of this Lease shall be
6 implied by any failure of either party to enforce any remedy for the violation of that
7 provision, even if that violation continues or is repeated. Any waiver by a party of any
8 provision of this Lease must be in writing. Such written waiver shall affect only the
9 provision specified and only for the time and in the manner stated in the writing.

10 **19.3 Binding on Successors.** The terms and conditions herein
11 contained shall apply to and bind the heirs, successors in interest, executors,
12 administrators, representatives and assigns of all the Parties hereto.

13 **19.4 Severability.** The invalidity of any provision in this Lease as
14 determined by a court of competent jurisdiction shall in no way affect the validity of any
15 other provision hereof.

16 **19.5 Venue.** Any action at law or in equity brought by either of the
17 Parties hereto for the purpose of enforcing a right or rights provided for by this Lease
18 shall be tried in a court of competent jurisdiction in the County of Riverside, State of
19 California, and the Parties hereto waive all provisions of law providing for a change of
20 venue in such proceedings to any other county.

21 **19.6 Attorneys' Fees.** In the event of any litigation or arbitration
22 between Lessor and County to enforce any of the provisions of this Lease or any right
23 of either party hereto, the unsuccessful party to such litigation or arbitration agrees to
24 pay to the successful party all costs and expenses, including reasonable attorneys'
25 fees, incurred therein by the successful party, all of which shall be included in and as a
26 part of the judgment rendered in such litigation or arbitration.

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1 **19.7 County's Representative.** County hereby appoints the
2 Assistant County Executive Officer/EDA as its authorized representative to administer
3 this Lease.

4 **19.8 Agent for Service of Process.** It is expressly understood and
5 agreed that in the event Lessor is not a resident of the State of California or it is an
6 association or partnership without a member or partner resident of the State of
7 California, or it is a foreign corporation, then in any such event, Lessor shall file with
8 County's Assistant County Executive Officer/EDA, upon its execution hereof, a
9 designation of a natural person residing in the State of California, giving his or her
10 name, residence and business addresses, as its agent for the purpose of service of
11 process in any court action arising out of or based upon this Lease, and the delivery to
12 such agent of a copy of any process in any such action shall constitute valid service
13 upon Lessor. It is further expressly understood and agreed that if for any reason
14 service of such process upon such agent is not feasible, then in such event, Lessor
15 may be personally served with such process out of this county and that such service
16 shall constitute valid service upon Lessor. It is further expressly understood and
17 agreed that Lessor is amenable to the process so served, submits to the jurisdiction of
18 the court so obtained and waives any and all objections and protests thereto.

19 **19.9 Entire Lease.** This Lease is intended by the Parties hereto as a
20 final expression of their understanding with respect to the subject matter hereof and as
21 a complete and exclusive statement of the terms and conditions thereof and
22 supersedes any and all prior and contemporaneous leases, agreements and
23 understandings, oral or written, in connection therewith. This Lease may be changed
24 or modified only upon the written consent of the Parties hereto.

25 **19.10 Interpretation.** The Parties hereto have negotiated this Lease at
26 arm's length and have been advised by their respective attorneys, or if not represented
27 by an attorney, represent that they had an opportunity to be so represented and no
28

1 provision contained herein shall be construed against County solely because it
2 prepared this Lease in its executed form.

3 **19.11 Time of Essence.** Time is of the essence with respect to the
4 performance of all obligations to be performed or observed by the Parties under this
5 Lease.

6 **19.12 Consent.** Whenever Lessor's or County's consent is required
7 under any provision of this Lease, it shall not be unreasonably withheld, conditioned or
8 delayed.

9 **19.13 Title.** Lessor covenants that Lessor is well seized of and has good
10 title to the Premises, and Lessor does warrant and will defend the title thereto, and will
11 indemnify County against any damage and expense which County may suffer by
12 reason of any lien, encumbrance, restriction or defect in title or description herein of the
13 Premises. If, at any time, Lessor's title or right to receive Rent and any other sums due
14 hereunder is disputed, County may withhold such sums thereafter accruing until
15 County is furnished satisfactory evidence as to the Party entitled thereto.

16 **19.14 Conveyance by Lessor.** Should Lessor convey the Premises,
17 all rights and obligations inuring to the Lessor by virtue of this Lease shall pass to the
18 grantee named in such conveyance, and the grantor shall be relieved of all obligations
19 or liabilities hereunder, except those theretofore accrued and not discharged.

20 **19.15 Mechanic's Liens.** If any mechanic's or material men's lien or
21 liens shall be filed against the Premises for work done or materials furnished to a Party,
22 that Party shall, at its own cost and expense, cause such lien or liens to be discharged
23 within fifteen (15) days after notice thereof by filing or causing to be filed a bond or
24 bonds for that purpose.

25 **19.16 Surrender.** County shall, after the last day of the term or any
26 extension thereof or upon any earlier termination of such term, surrender and yield up
27 to Lessor the Premises in good order, condition and state of repair, reasonable wear
28 and tear and damage by fire or other casualty excepted. County may, but shall not be

1 required to: (a) patch or paint any walls/surfaces; (b) remove any leasehold
2 improvements constructed or installed prior to or during the term of this Lease or any
3 extension thereof; or (c) remove any fixtures or equipment installed prior to or during
4 the term of this Lease or any extension thereof.

5 **19.17 Notice.** Except as expressly provided elsewhere in this Lease, all
6 notices and other communication required under this Lease shall be in writing and
7 delivered by: (a) Certified Mail, postage prepaid, return receipt requested, in the United
8 States mail; or (b) via an overnight courier that provides written evidence of delivery
9 and addressed to the Party hereto to whom the same is directed at the addresses set
10 forth in Section 19.18 herein. Either Party hereto may from time to time change its
11 mailing address by written notice to the other Party.

12 **County's Notification Address:**

13 County of Riverside
14 Economic Development Agency – Real Estate Division
15 3403 Tenth St., Suite 500
16 Riverside, CA 92501
17 Attn: Deputy Director of Real Estate

18 **Lessor's Notification Address:**

19 Grinnell Properties, L.L.C.
20 77-885 Las Montanas Road, Suite A
21 Palm Desert, CA 92211
22 Attn: Marsha Vincelette

23 With a copy to:

24 IFC California Corporation
25 Attn: Legal Department
26 1302 Puyallup Street
27 Sumner, WA 98390
28

1 **19.18 Authority.** If Lessor is a corporation, general or limited partnership or
2 individual owner, each individual executing this Lease on behalf of said corporation,
3 partnership, or individual represents and warrants that he or she is duly authorized to
4 execute and deliver this Lease on behalf of said corporation, in accordance with bylaws
5 of said corporation, or as a partner or individual is authorized to execute this Lease and
6 that this Lease is binding upon said corporation and/or partnership or individual.

7 Notwithstanding anything to the contrary contained herein, the obligations of Lessor
8 under this Lease do not constitute personal obligations of the individual partners,
9 members, directors, officers, employees or shareholders of Lessor or its partners or
10 members, and County shall look solely to the Property, and the rents and profits
11 therefrom for satisfaction of any liability in respect of this Lease and will not seek
12 recourse against the individual partners, members, directors, officers, employees or
13 shareholders of Lessor or its partners or any of their personal assets for such
14 satisfaction.

15 **19.19 Termination of Previous Lease.** Upon commencement of this Lease as
16 defined herein, the Lease dated April 24, 2007, by and between DBP Office II, LLC,
17 and the County of Riverside for the premises located at 38-686 El Cerrito Road, Palm
18 Desert, California, is superceded and terminated.

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1 **19.20 Approval of Supervisors.** Anything to the contrary notwithstanding, this
2 Lease shall not be binding or effective until its approval and execution by the Chairman
3 of the Riverside County Board of Supervisors.

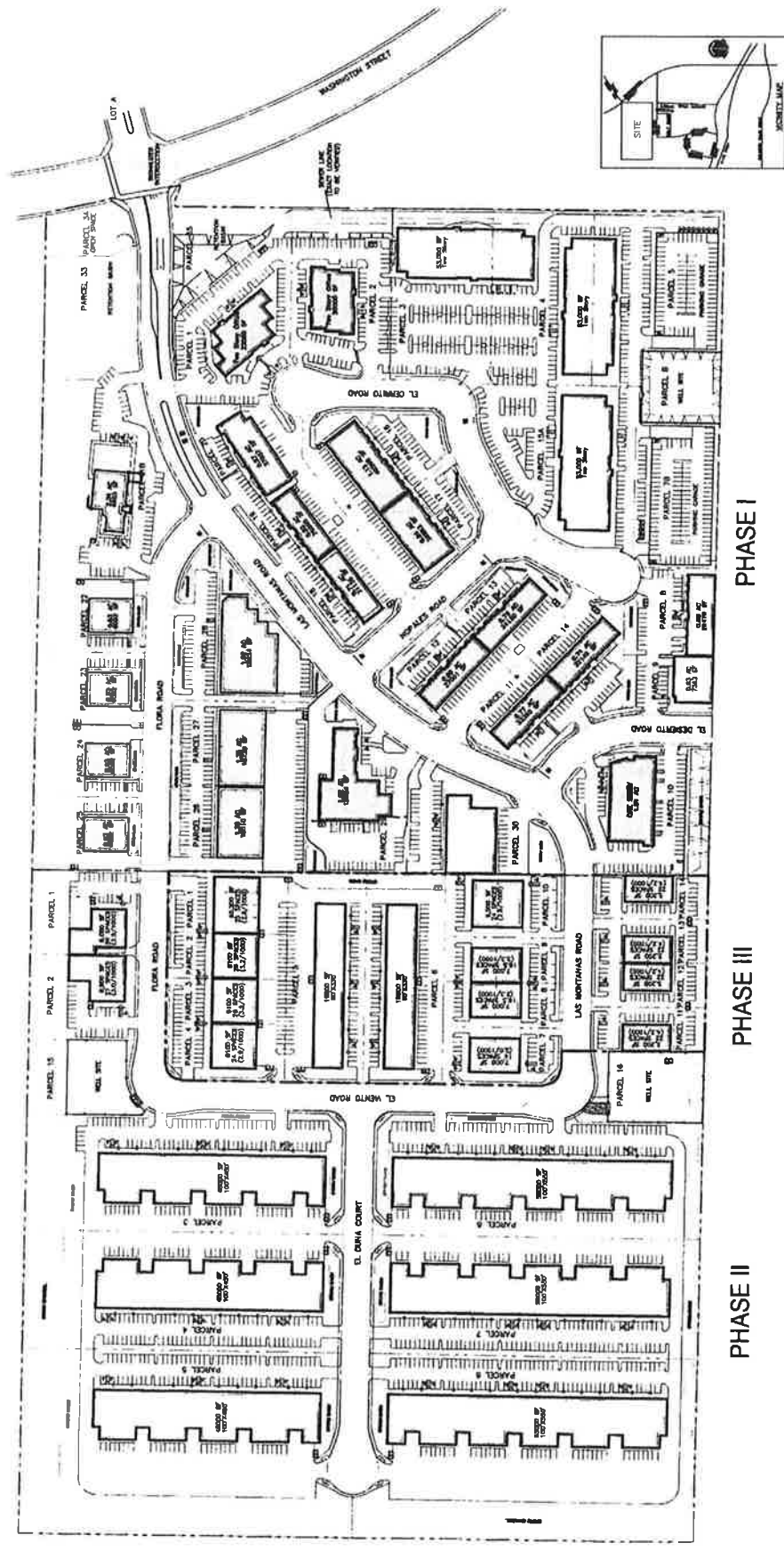
4
5 LESSOR:
6 COUNTY OF RIVERSIDE
7
8
9 By: _____
10 John J. Benoit, Chairman
11 Board of Supervisors

LESSEE:
GRINNELL PROPERTIES, LLC
a Washington limited liability company

By: IFC California Corporation,
its Manager
By: 
Marsha Vincelette, Vice President

12
13 ATTEST:
14 Kecia Harper-Ihem
15 Clerk of the Board
16 By: _____
17 Deputy

18 APPROVED AS TO FORM:
19 Pamela J. Walls
20 County Counsel
21 By: 
22 Patricia Munroe
23 Deputy County Counsel
24
25
26
27



DESERT BUSINESS PARK

Smith Consulting Architects
 12200 B Camino Real
 Suite 200
 San Diego, CA 92116
 (619) 775-4777
 (619) 775-4787 fax

MASTER SITE PLAN

INVESTCO
 1302 Puget Sound Street
 Seattle, Washington 98130
 (206) 465-6200



AUGUST 08, 2006

Exhibit A

LEASEHOLD IMPROVEMENT AGREEMENT
77-588 El Duna Court, Palm Desert

This Leasehold Improvement Agreement shall set forth the terms and conditions relating to the construction of the County improvements in the Premises. This Leasehold Improvement Agreement is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Leasehold Improvement Agreement to Paragraphs or Sections of the "Lease" shall mean the relevant portion of that certain Office Lease to which this Leasehold Improvement Agreement is attached as Exhibit "B" and of which this Leasehold Improvement Agreement forms a part, and all references in the Lease to Sections of "Leasehold Improvement Agreement" shall mean the relevant portion of this Leasehold Improvement Agreement and all references in this Leasehold Improvement Agreement to Sections of this Leasehold Improvement Agreement shall mean the relevant portion of this Leasehold Improvement Agreement.

SECTION 1 - LESSOR'S INITIAL CONSTRUCTION OF PREMISES

1.1 Lessor will cause the construction of, at its sole cost and expense, or has acquired or constructed, that certain free standing building described in Section 2 of the Lease, hereinafter referred to as the "Base Building."

SECTION 2 - CONSTRUCTION DRAWINGS FOR THE PREMISES

2.1 Lessor shall, at its sole cost and expense, and subject to reimbursement as hereinafter set forth, construct the improvements in the Premises (the "Leasehold Improvements") pursuant to those certain blueprints, floor and space plans, specification and finalize construction prices, collectively, the approved "Working drawings" prepared by Lessor's architect. Lessor shall make no changes or modifications to the Approved Working Drawings without the prior written consent of County, which consent may be withheld if such change or modification would directly or indirectly delay the "Substantial Completion," as that term is defined in Section 6.1 of this Leasehold Improvement Agreement, of the Premises or increase the cost of designing or constructing the Leasehold Improvements. Any changes or modifications approved by the County shall be at Lessor's sole cost and expense.

SECTION 3 - CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Lessor shall retain an architect or space planner (the "Architect") to prepare the Construction Drawings. Lessor shall retain the engineering consultants (the "Engineers") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, life safety, and sprinkler work of the Leasehold Improvements. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "Construction Drawings." All Construction Drawings shall comply with

the drawing format and specifications as determined by Lessor, and shall be subject to County's approval. Lessor and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building Plans, and Lessor and Architect shall be solely responsible for the same, and County shall have no responsibility in connection therewith. County's review of the Construction Drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply County's review of the same, or obligate Lessor to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by County or its agents and consultants, and notwithstanding any advice or assistance which may be rendered to Lessor by County or County's agents or consultants, County shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Lessor's waiver and indemnity set forth in this Lease shall specifically apply to the Construction Drawings.

3.2 Final Space Plan. Prior to execution of the Lease by County, Lessor and the Architect shall prepare the final space plan for Leasehold Improvements in the Premises (collectively, the "Final Space Plan"), which Final Space Plan shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein, and shall deliver the Final Space Plan County for County's approval.

3.3 Final Working Drawings. Within ten (10) working days after execution of the Lease by County and delivery of a copy of the Lease to Lessor, Lessor, the Architect and the Engineers shall complete the architectural and engineering drawings for the Leasehold Improvements, and the final architectural working drawings in a form which is complete to allow subcontractors to perform the work and to obtain all applicable permits (collectively, the "Final Working Drawings") and shall submit the same to County for County's approval.

3.4 Permits. The Final Working Drawings shall be approved by County (the "Approved Working Drawings") prior to the commencement of the construction of the Leasehold Improvements. Lessor shall immediately submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to commence and fully complete the construction of the Leasehold Improvements (the "Permits"). Lessor hereby agrees that neither County nor County's agents or consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that the obtaining of the same shall be Lessor's responsibility; provided however that County shall, in any event, cooperate with Lessor in executing permit applications and performing other ministerial acts reasonably necessary to enable Lessor to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of County, provided that County may withhold its consent, in its sole discretion, to any change in the Approved Working Drawings if such change would directly or indirectly delay the "Substantial Completion" of the Premises as that term is defined in Section 6.1 of this Leasehold Improvement Agreement.

3.5 County shall use its best, good faith, efforts and all due diligence to cooperate with the Architect, the Engineers, and Lessor to complete all phases of the Construction Drawings and the permitting process and to receive the permits, and approval of the "Construction Costs," as set forth in Section 7.1 below, as soon as possible after the execution of the Lease, and, in that regard, shall meet with Lessor on a scheduled basis to be determined by County, to discuss Lessor's progress in connection with the same. Upon County's execution of this Lease, Lessor shall provide County with a construction schedule including time projections for planning, entitlement process, related preparation and construction of the Leasehold Improvements.

SECTION 4 - LESSOR COVENANTS

4.1 Lessor recognizes, understands and covenants that any and all improvements shall be undertaken according to Exhibit "F", General Construction Specifications for Leased Facilities, attached thereto and made a part of the Lease.

4.2 Lessor recognizes, understands and covenants that improvements contemplated herein may be subject to the provisions contained in the California Labor Code (commencing with Section 1720) relating to general prevailing wage rates and other pertinent provisions therein.

4.3 Lessor shall comply and stay current with all applicable building standards, which may change from time to time, including but not limited to, the Americans with Disabilities Act of 1990 and any regulations issued pursuant thereto in providing improvements contemplated herein.

SECTION 5 - CONSTRUCTION

5.1 Lessor shall diligently pursue the planning, entitlement process, related preparation and construction of the Leasehold Improvements. Lessor shall provide County with periodic written progress reports, which reports shall contain, without limitation, updated information relative to permit approvals and construction.

5.2 Lessor shall notify County, in writing, forthwith when such planning, entitlement process, related preparation and construction of the Leasehold Improvements have been completed, a Certificate of Occupancy has been issued by the County of Riverside, or if no new Certificate of Occupancy is required, then upon acceptance of the improvements by the County of Riverside upon final inspection, all required permits have been obtained and electrical power has been turned on. Within ten (10) days thereafter, County shall schedule and conduct a "job walk" with Lessor for the purpose of accepting the Premises for occupancy. County shall accept the Premises if the improvements are Substantially Complete and the Premises are available for useful occupancy, as hereinafter defined. County reserves the right to determine if the Premises are Substantially Complete and available for useful occupancy.

5.3 In addition, immediately after the Substantial Completion of the Premises, Lessor shall have prepared and delivered to the County (1) a complete set of "As-Built" drawings showing every detail, latent or otherwise, of such improvements, including but not limited to electrical circuitry and plumbing, and (2) the same complete set of "As-Built" drawings on a computer disk in a CADD format.

SECTION 6 - COMPLETION OF THE COUNTY IMPROVEMENTS; LEASE COMMENCEMENT DATE

6.1 For purposes of this Lease, "Substantial Completion" of the Premises shall occur upon the completion of construction of the Leasehold Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of any punch list items and any County fixtures, work-stations, built-in furniture, or equipment to be installed by County; provided however, that such punch list items do not preclude the useful occupancy of the Premises. Useful occupancy herein defined as the Premises being safe, free of hazard, free of any risk to the safety of County employees and available for the use set forth in the Lease.

6.2 The Lease Commencement Date shall occur as set forth in Section 6.1, above.

SECTION 7 - CONSTRUCTION COSTS

7.1 Prior to County's execution of this Lease, Lessor shall provide County an itemized cost breakdown of the construction costs of the leasehold improvements, attached hereto and made a part hereof as Exhibit B - Addendum 1. The total costs of all the Leasehold Improvements subject to reimbursement, including but not limited to fixtures, equipment, architectural fees and permits, and as reflected in the cost breakdowns, shall not exceed the sum of \$462,020.00 which sum represents Lessor's estimate of such construction costs shown on Exhibit B - Addendum 1 in the amount \$452,020.00 plus a contingency amount of \$10,000.00 budgeted by the County for the sole purpose of paying for extra items requested by County during the course of construction or installation of leasehold improvements.

7.2 Upon completion of the Leasehold Improvements and within fourteen (14) days of Substantial Completion and acceptance of the Premises by County, Lessor shall provide County with an itemized statement, similar to the cost breakdown form attached as Exhibit B - Addendum 1, of the actual costs of the Leasehold Improvements incurred by Lessor, accompanied by vendor, contractor, subcontractor, material man invoices if requested by the County along with request for reimbursement of actual costs incurred.

SECTION 8 - REIMBURSEMENT FOR LEASEHOLD IMPROVEMENTS

8.1 In addition to the base rent as stated in the Lease, County shall reimburse

Lessor, as hereinafter set forth, the actual cost of the Leasehold Improvements as substantiated by the itemized statement required in Section 7.2 above and related supporting documentation as requested by the County. In no event shall Lessor be reimbursed an amount in excess of actual costs pursuant to Section 7.2 nor in excess of the total amount set forth in Section 7.1, whichever is less.

8.2 County shall pay to Lessor a one-time payment as reimbursement for the actual costs of improvements made by Lessor. In no event shall Lessor be reimbursed any amount neither in excess of actual costs nor in excess of the total amount set forth in Sections 7.1 and 7.2 above.

SECTION 9 - MISCELLANEOUS

9.1 County's Entry Prior to Substantial Completion. Provided that County and its agents do not interfere with Lessor's work in the Premises, Lessor shall allow County access to the Premises prior to the Substantial Completion of the Premises for the purpose of County installing over standard equipment or fixtures (including County's data and telephone equipment) in the Premises. Prior to County's entry into the Premises as permitted by the terms of this Section 9.1, County shall submit a schedule to Lessor, for approval, which schedule shall detail the timing and purpose of County's entry. County shall hold Lessor harmless from and indemnify, protect and defend Lessor against any loss or damage to the Premises and against injury to any persons caused by County's actions pursuant to this Section 9.1.

9.2 County's Representative. County has designated its Assistant County Executive Officer/EDA as its sole representative with respect to the matters set forth in this Leasehold Improvement Agreement, who, until further notice to Lessor, shall have full authority and responsibility to act on behalf of the County as required in this Leasehold Improvement Agreement.

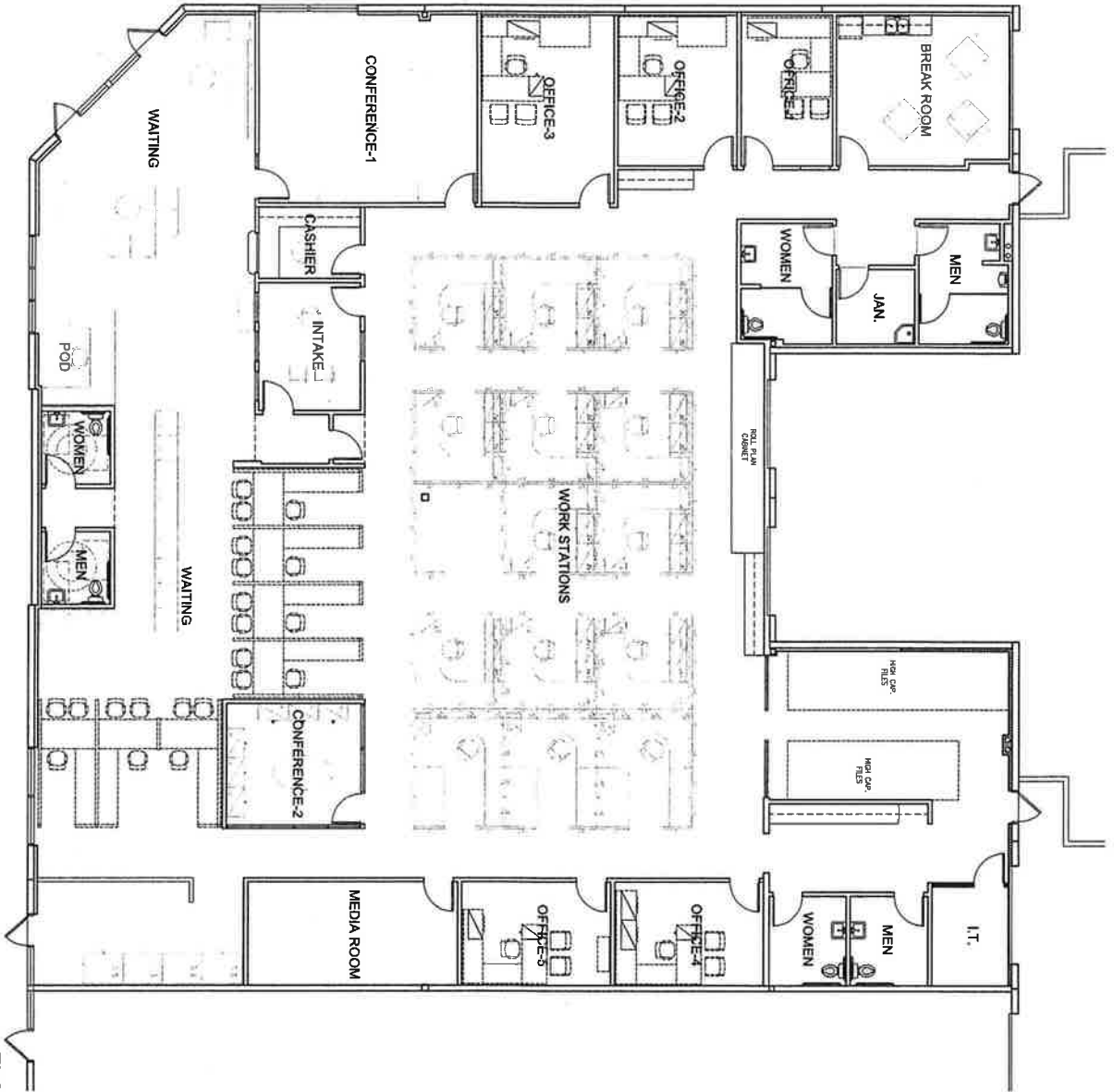
9.3 Lessor's Representative. Lessor has designated Marsha Vincelette as its sole representative with respect to the matters set forth in this Leasehold Improvement Agreement, who, until further notice to County, shall have full authority and responsibility to act on behalf of the Lessor as required in this Leasehold Improvement Agreement.

9.4 County's Agents. All subcontractors, laborers, material men, and suppliers retained directly by County shall conduct their activities in and around the Premises, in a harmonious relationship with all other subcontractors, laborers, material men and suppliers at the Premises.

9.5 Time of the Essence in this Leasehold Improvement Agreement. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where County is required to approve, if no written notice of approval is given within the stated time period, at the end of such period the item

shall automatically be deemed not approved

9.6 Lessor's Lease Default. Notwithstanding any provision to the contrary contained in this Lease, if an event of default by Lessor of this Leasehold Improvement Agreement, and said default has occurred at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to County pursuant to the Lease, County shall have the right to cause Lessor to cease the construction of the Leasehold Improvements and (ii) all other obligations of County under the terms of this Leasehold Improvement Agreement shall be forgiven until such time as such default is cured pursuant to the terms of the Lease or this Leasehold Improvement Agreement.



FLOOR PLAN

SCALE: 3/16" = 1'-0"



Exhibit B

COUNTY of RIVERSIDE
Coachella Valley Offices

77-588 El Duna Court
Palm Desert, California 92211

WILLIAM SHARON - ARCHITECT

7700S LAS MONTANAS ROAD - SUITE A
PALM DESERT - CALIFORNIA - 92211
760-772-2931

Author	
Checked By	
Drawing Date	June 14, 2010
Drawn By	WS
Scale	AS NOTED
Job Number	2782

Sheet Number

A-1.0

Transportation/Land Management
Estimated Tenant Improvement Costs -77588 El Duna Court

	County of Riverside	
	PSF	Item Cost
Architectural Fees	2.48	24,800
Building Permits	0.62	6,190
Fire Review	0.10	1,000
CVWD-Meter/Toilet Charge	-	-
TUMF Fees	-	-
Subtotal Soft Costs	3.20	31,990
<u>Division 1 - General Conditions</u>		
Permits & Fees	-	-
Project Management	1.04	10,389
Facilities & Equipment	0.73	7,315
Rough Clean Up	0.43	4,250
Final Clean Up	0.46	4,600
Misc Fees	-	-
Subtotal	2.66	26,554
<u>Division 2 - Demolition/Site Work</u>		
Soft Demolition (remove carpet,walls,etc)	-	-
Hard Demolition (sawcut, patch)	1.38	13,800
Subtotal	1.38	13,800
<u>Division 3 - Concrete</u>		
Patch Slab	0.40	3,990
Export Soil	-	-
Subtotal	0.40	3,990
<u>Division 4 - Masonry</u>		
Granite Countertops	-	-
Misc	-	-
Subtotal	-	-
<u>Division 5 - Steel</u>		
Structural Steel	-	-
Misc Steel - Roof ladder	-	-
Subtotal	-	-
<u>Division 6 - Woods & Plastics</u>		
Rough Carpentry	0.22	2,150
Millwork	1.81	18,125
Misc	-	-
Subtotal	2.03	20,275
<u>Division 7 - Thermal & Moisture Protection</u>		
Insulation	-	-
Roofing-Repair Roof	-	-
Roof Accessories - roof hatch	-	-
Caulking & Sealants	0.10	950
Subtotal	0.10	950

Addendum 1 - Exhibit B

Division 8 - Doors & Windows

Interior Frames/Doors/Hardware	3.59	35,850
Storefronts	-	-
Glass & Glazing	1.45	14,500
Subtotal	5.04	50,350

Division 9 - Finishes

Drywall	3.15	31,522
Acoustic Ceiling	0.62	6,229
Flooring	6.57	65,665
Painting	2.98	29,750
Subtotal	13.32	133,166

Division 10 - Specialties

Fire Extinguishers	0.09	850
Toilet Partitions	0.25	2,540
Subtotal	0.34	3,390

Division 11 - Equipment

Loading Dock Equipment	-	-
Subtotal	-	-

Division 12 - Furnishings

Window Coverings	-	-
Signage-2 ext signs-Int ID signs	-	-
Subtotal	-	-

Division 15 - Mechanical

Fire Protection	0.81	8,100
Plumbing	0.99	9,852
HVAC	3.21	32,115
Title 24	-	-
Subtotal	5.01	50,067

Division 16 - Electrical

Low voltage wiring	-	-
Electrical	5.42	54,150
Subtotal	5.42	54,150

Subtotal Project Costs**35.67****356,692**

Contractor Liability Insurance

0.26

2,597

Contractor Overhead

-

-

Contractors Fee

2.42

24,241

Subtotal

2.68

26,838

Total Project Cost**41.55****415,520****Optional add #1- Expedited schedule** 10,000**Optional add #2 Masonry wall** 26,500**Addendum 1 - Exhibit B**

ASBESTOS

- A. Lessor shall operate and maintain the below described spaces free of hazard from asbestos containing construction materials (ACCM's) as defined in Title 15, Sections 1601 and 2607 of the United States Code. An asbestos hazard will be recognized if an average concentration exceeds 0.01 fibers longer than five microns per cubic centimeter of air measured over an eight hour period as determined by the Transmission Electron Microscopy (TEM) method. TEM testing will be mandatory if samples tested by the Phase Contrast Microscopy (PCM) method indicate .1 or more fibers per cc of air.
1. Space leased to the County and plenums in the same HVAC zone.
 2. Common public areas which County employees or its invitees would normally/reasonably use.
 3. Building maintenance areas, utility spaces, and elevator shafts within or serving areas described in items 1 and 2 above.
- B. In the event construction of the building wherein leased premises are located was completed prior to 1979, the Lessor shall provide the County with certification that the areas referred to above are free of asbestos hazard from ACCM's prior to the execution of this lease. If said premises were constructed after 1979, Lessor shall provide County with a written statement to that effect.
- C. Certification shall be in the form of an ACCM's Survey and Evaluation Report prepared by a qualified Industrial Hygienist who shall be certified by the American Board of Industrial Hygiene (ABIH) or an Environmental Protection Agency (EPA) – Asbestos Hazard Emergency Response Act (AHERA) certified inspector. Said survey shall include those areas listed in paragraph (A). Survey requirements are: visual walk-through inspection and testing of suspected ACCM's. Bulk samples of suspected ACCM's shall be analyzed by a laboratory certified by the Department of Health Services and recognized by the EPA Quality Assurance Program using the polarized light microscopy (PLM) method. If friable asbestos is found or the physical condition of suspected ACCM's indicate possible fiber release, air sampling and testing by the Phase Contrast Microscopy (PCM) method must be performed. If asbestos fiber concentrations of .1 fibers per cc of air or greater are found, further testing by the Transmission Electron Microscopy (TEM) method is mandatory. Said survey and evaluation report shall identify all ACCM's found and recommend abatement procedures. If necessary, the report shall also specify guidelines for the implementation of an operation and maintenance plan inclusive of any required monitoring and testing intervals. The report is subject to review and approval by the County and the Lessor shall agree to all conditions contained therein.

- D. If at any time during the term of this lease, or during any extension or renewal hereof, previously unidentified ACCM's hazard is discovered, or airborne asbestos fibers above the maximum allowable limits are found to be entering the County-leased space from any other area within the building or buildings in which the County-leased space is located, the Lessor shall immediately, at Lessor's sole cost and expense, control such release and perform abatement of all hazardous ACCM's that are determined to be affecting the County-leased space.
- E. Lessor shall perform asbestos notification as required by Chapter 10.4 of the Health and Safety Code and shall guarantee that all abatement work as required under the conditions of this lease is performed by a licensed contractor certified by the Contractors State License Board and registered with the Division of Occupational Safety and Health. The County reserves the right to establish consultant oversight of any asbestos related work program at its expense.
- F. Additionally, Lessor shall be responsible for any and all direct or indirect costs associated with the abatement of the above described ACCM's which include, but is not limited to the actual costs to the Lessor for ACCM's abatement and for all required monitoring reports before, during, and after abatement. In effect, all costs shall be borne by the Lessor that are in any way associated with the abatement of ACCM's from the Lessor's building including clean up of contaminated County-owned equipment, furnishings, and materials. Copies of the air monitoring reports shall be furnished to the County together with certification by an Industrial Hygienist Consultant registered with Cal/OSHA that the area is free of hazard from ACCM's.
- G. If it is determined that for safety reasons its employees should be relocated at any time prior to or during the abatement of ACCM's, the Lessor shall provide comparable accommodating space (at no cost to the County) throughout the abatement process. Said determination shall be made by a qualified representative of Cal/OSHA. The Lessor specifically agrees to pay for all costs associated with this move or reimburse the County, if the County paid for this cost, including all reasonable administrative costs and cost of moving or renting furniture, data processing, and telephone equipment.
- H. In the event, after written notice is provided by the County, the Lessor fails, refuses, or neglects to diligently pursue abatement of above described asbestos hazard from ACCM's, the County may effect such abatement; and, in addition to any other remedies it may have, deduct all reasonable costs of such abatement and all costs associated in any way with the abatement of the above described ACCM's from the rent that may then be or thereafter become due throughout the term of this lease. For this purpose and as a condition of this lease agreement, the Lessor shall obtain an EPA generator number and grant license to the County for its use.

- I. In addition to any other remedies it may have, in the event the Lessor fails to diligently pursue abatement of asbestos hazard from ACCM's, as required under the provisions of this lease, the County may, by notice in writing, terminate this lease. Lessor shall be liable to the County for all expenses, losses, and damages reasonably incurred by the County as a result of such termination; including, but not limited to additional rental necessary to pay for an available similar replacement facility over the period of what would have been the remaining balance of the lease term plus any option periods, costs of any necessary alterations to the replacement facility, administrative costs, and costs of moving furniture, data processing, and telephone equipment.

- J. The Lessor shall indemnify, defend, and hold the County of Riverside, its officers, and employees harmless from and against any and all losses, damages, judgements, expenses (including court costs and reasonable attorney fees), or claims whatsoever, arising out of, or in any way connected with or related to, directly or indirectly, the presence of asbestos hazard from ACCM's within the County-leased space or the building in which the leased premises are located.

EXHIBIT "D"
CONFIRMATION OF LEASE INFORMATION

1. LEASE REFERENCE DATE: _____
2. PREMISES: 30135 Technology
Murrieta, California
3. COMMENCEMENT DATE: Construction of the leasehold improvements is substantially complete and the lease term shall commence as of _____, f or a term of _____ ending on _____, unless extended as provided in the Lease.
4. RENT: In accordance with the Lease, Rent began to accrue on _____, in the initial amount of _____ per month. Rent is due and payable in advance on the first day of each month during the Lease Term.

AGREED and ACCEPTED

LESSOR:

COUNTY:

Dated: _____

Dated: _____

COUNTY OF RIVERSIDE
Department of Facilities Management
Real Estate Division

**CUSTODIAL SERVICES REQUIREMENTS
FOR LEASED FACILITIES**

1. Background checks shall be performed, in a manner specified by County, of all qualified permanent and temporary employees.
2. Provide all required services and supplies.
3. Perform services five days a week during the hours of 5:00 pm to 1:00 am only.
4. Provide and replace all fluorescent light tubes and incandescent light bulbs using only those types of tubes and bulbs that are energy efficient as indicated by manufacturer. Fixture reflectors shall be wiped clean with each relamping.
5. Lessor and custodial staff shall be responsible for key control. Issuing keys to workers, collecting said keys at shift end and retrieving keys at the end of custodian's employment. If keys are lost, stolen or misplaced, rekeying costs are landlord's responsibility.
6. **SPECIFIC SERVICES** – Frequency and coverage:

A. Daily:

1. Rest Rooms:

Empty all trash containers, refill dispensers, damp mop floors, clean, sanitize and polish all plumbing fixtures, chrome fittings, flush rings, drain and overflow outlets, clean and polish mirrors, clean wall adjacent to hand basins/urinals, dust metal partitions, remove finger prints from walls, switches, etc.

2. Lobby Area – Main Corridors – Stairways:

Remove trash, vacuum, vacuum/damp mop tile, clean lobby and entrance doors, clean and sanitize drinking fountains.

3. Employee Break Rooms/Kitchen:

Remove trash from building and deposit in dumpster, vacuum rugs and carpet, wipe spills, mop tile floor, remove fingerprints from doors, light switches, etc., and refill dispensers.

4. General and Private Areas:

Remove trash, vacuum carpets, mop tile floors, spot clean interior partition glass, clean counter tops and blackboards, dust desks,

conference tables, credenza/file cabinets and bookcases.

5. Building Security:

- a. Turn off all lights (except security and night lights).
- b. Close windows.
- c. Reset alarms and lock all doors.

B. Weekly – All Areas:

Polish buff hard resilient floors in traffic areas, spot clean carpeted areas.

Dust all high and low horizontal surfaces, including sills, ledges, moldings, shelves, locker tops, frames and file cabinets, damp wipe plastic and leather furniture.

Remove fingerprints from doors, elevator walls and controls, frames and light switches in office areas, clean and polish bright metal to 70" height, clean and sanitize waste containers in rest rooms and break rooms.

C. Monthly – All Areas:

Clean interior glass partitions/doors, dry dust wood paneling, remove dust/cobwebs from ceiling areas.

Spray buff resilient/hard floor areas, detail vacuum carpet edges, under desk/office furniture.

D. Quarterly – All Areas:

Spray buff resilient and hard surface floors and apply floor finish.

Clean interior/exterior windows, clean/polish office furniture, damp clean diffuser outlets in ceiling/wall, wash waste containers, clean/dust blinds, wash sanitize.

E. Semi-Annually – All Areas:

- 1. All Areas:
 - a. Clean and polish all baseboards.
 - b. Damp clean lobby and reception chairs.
 - c. Clean carpeted surfaces-use a water extraction method.

F. Annually – All Areas:

- 1. All resilient and hard surface floors:
 - a. Move furniture, strip, seal and apply floor finish to all resilient and hard surface floors. |

**COUNTY OF RIVERSIDE
ECONOMIC DEVELOPMENT AGENCY
Real Estate Division**

**GENERAL CONSTRUCTION SPECIFICATIONS
FOR LEASED FACILITIES**

A. INTENT

1. It is the intent of these instructions to convey to the Lessor and his bidders the construction requirements for obtaining a complete and usable facility under lease agreement. These instructions apply to all new construction (build-to-suit), alterations and repair and/or renovation in facilities leased to the County of Riverside.
2. All references to the County in this or any other specification means the Director of Facilities Management or his designee.
3. All work in accordance with these specifications or any other specifications and plans must be coordinated with the Director of Facilities Management or his designee. Specifications contained on or with specific plans for construction may contain more stringent provisions than the minimum requirements stated herein. The more stringent requirements shall govern.
4. When fully justified, Lessor may request waiver of any portion of these specifications. Such requests must be submitted in writing to the Economic Development Agency with full justification. All specifications will be enforced unless specifically waived by the Economic Development Agency in writing.

B. COMPLIANCE WITH LOCAL REGULATIONS

1. In the absence of such codes, ordinances or regulations, the Lessor's contractor shall use the latest edition of the "Uniform Building Code". However, when such local, County or State requirements contain more stringent provisions than the minimum requirements stated herein, the more stringent requirements shall govern.
2. The Lessor shall, without additional expense to the County, be responsible for obtaining and paying for any necessary construction fees, licenses and permits required for privately owned buildings. Lessor shall comply with any applicable Federal, State and Municipal laws, codes, and regulations in connection with the prosecution of the work, and shall take proper safety and health precautions to protect work, the workers, the public, and the property of others.
3. All work in accordance with these specifications must be done in strict compliance with the Americans with Disabilities Act of 1990 and any regulations issued pursuant thereto.

C. DRAWINGS

1. A site plan, clearly indicating employee, visitor and open parking spaces, shall be prepared. Floor plans, elevations, mechanical and electrical drawings shall be prepared, preferably at one eighth inch (1/8") scale.
2. The Economic Development Agency shall be provided four (4) complete sets of the aforementioned drawings and specifications for review and approval.
3. Prior to start of construction, two (2) complete approved sets of construction plans and specifications shall be provided to the Economic Development Agency. These sets shall be signed to indicate approval by Information Technology and the user department. One set will be returned to Lessor for construction, the second set shall be retained by Economic Development Agency.
4. Any changes or deviation from the approved plans and specifications will not be accepted without prior written approval from the Economic Development Agency.

D. CONSTRUCTION

1. A pre-construction conference with Lessor, contractor and County shall be conducted at a mutually agreed-upon site for reviewing and defining the construction requirements.
2. Inspections by the Economic Development Agency will be conducted at random times during the course of construction. The successful bidder shall maintain, on the job site, a complete set of approved final drawings and specifications marked up to show any changes and as-built conditions. Normally, three (3) unscheduled and one (1) final inspection will be conducted. At the final inspection, a punch list will be developed, and any deficiencies noted will be corrected prior to County's acceptance of the facility.

E. SPECIFICATIONS

1. The Lessor shall be responsible, in all cases, for the proper design and coordination of architectural, structural, plumbing, electrical, heating, ventilation, air conditioning, site elements, etc., of the proposed facility. Accessibility for physically handicapped is required, unless specifically waived in writing by the Economic Development Agency.
2. Lessor shall verify the accuracy of all dimensions, and he shall be responsible for correcting and recording any discrepancies.

(SITE REQUIREMENTS)

A. SITE

1. The Lessor shall be responsible for determining site conditions, including sub-

surface soil conditions, adequate public utilities and load-bearing characteristics, the installation of retaining walls, demolition, relocation of utilities, and other site improvements.

B. GRADING

1. The finish grades and contours shall be correlated with street and sidewalk grades established by the local municipality. Floors, driveways, etc., shall be adjusted by the Lessor's architect as necessary, to insure property clearances, surface drainage, slope gradients, storm and sanitary sewer gradients and connections. All paved areas shall be graded as necessary to provide positive drainage of surface runoff water away from the buildings.

C. DRAINAGE

1. Walks, parking areas, driveways and maneuvering areas shall be provided with positive natural drainage whenever possible. The floor of the building and adjacent grades may be raised sufficiently to provide natural drainage.

D. RETAINING WALLS

1. The determination of the location and extent of retaining walls required is the responsibility of the Lessor.

E. LANDSCAPING

1. Suitable regionally appropriate, water conserving, low-maintenance planting shall be provided. Preservation of existing vegetation and the providing of additional landscaping shall meet local environmental requirements.

F. CLEANUP

1. Upon completion of the facility and prior to move-in and acceptance for lease by the County, the Lessor shall clean, seal and wax floors, clean windows, fixtures and finishes, interior and exterior, and remove surplus materials and debris from the site.

(ARCHITECTURAL REQUIREMENTS)

A. FLOORS

1. Floor elevations shall be at least eight inches above finished exterior grade whenever possible. When floor slab is below grade, it shall be waterproof.
2. Floors shall be designed in accordance with uniform, concentrated and special loads given in the "Uniform Building Code", chapter 23.
3. Carpet – One hundred percent (100%) continuous filament nylon or olefin with static control; minimum yarn weight - 28 oz. Require statement of pile weight

from vendor or manufacturer. Minimum five (5) year warranty excluding the use of protective chair pads against ten percent (10%) surface wears when properly maintained. Four inch (4") rubber cove base shall be used for base in all carpeted areas. Colors/patterns must be approved by the Economic Development Agency.

4. Carpet tiles may be used. Pile weight 28 oz. static control 2.0 K.V. or less. Color shall meet County color standards.
5. Non-carpeted floors - rest rooms, coffee rooms, etc., shall have sheet vinyl covering, including base. Vinyl tile may be used in other non-carpeted areas. Vinyl shall be commercial grade with colors and patterns full depth. Colors/patterns of sheet vinyl and vinyl tile must be approved by the Economic Development Agency.

B. WALLS

1. Interior walls - all interior partition construction shall comply with applicable Federal, State, County and City codes. The types of interior partitions to be used must be approved by the Economic Development Agency. Systems furniture may be used.
2. Toilet room walls adjacent to occupied spaces shall be sound insulating double-wall construction and filled with sound-absorbing materials.
3. Exterior walls - Exterior walls constructed of wood or steel stud shall be insulated to R-11 specifications.

C. ROOF AND INSULATION

1. Roof construction and insulation shall be appropriate to the overall design of the building and prevailing weather conditions. Light colored materials are encouraged.
2. All roof designs shall include a minimum one-half inch (½") to one foot (1') slopes for positive drainage.
3. Roofs on existing buildings shall be subject to (a) an inspection by a licensed roofing contractor, (b) County's review of roofing contractor's findings and (c) proof of corrective action.

D. TIMBER AND WOOD

1. All lumber used structurally shall be stress-graded with the stamp of the Lumber Association indicated on each piece showing the stress grade.

E. CEILING CONSTRUCTION

1. All ceilings shall be placed at nine feet (9'0") above finish floor level, unless

otherwise specified.

2. A suspended acoustical ceiling system with integrated lighting shall be installed in all occupied areas.
3. Rest rooms and coffee rooms shall have solid ceilings (drywall, etc.).

F. **WINDOWS**

1. Windows shall generally be limited to the lobby area and offices.
2. Glazing that extends below thirty-two inches (32") above the floor shall be protected with a horizontal railing or similar safety barrier. Individual windows may be metal or wood of commercial quality. All window openings shall be properly flashed to prevent moisture intrusion.
3. Low energy and reflective glazing shall be used in high heat gain areas.

G. **DOORS**

1. Exterior doors - all wood doors will be solid core. Exterior doors will be weather-stripped and have stops. Exterior doors to be not less than thirty-six inches (36") wide. Appropriate metal doors are acceptable.
2. Exterior doors shall have automatic closers.

H. **CABINET WORK**

1. Cabinet work shall conform to the standards as defined in the Woodwork Institute of California, Manual of Millwork, (reference "WIC #102", standard cabinet design).
2. Acceptable cabinet work quality is laminated plastic covered deluxe (D) grade, or wood factory finished deluxe (D) grade, except utility (U) grade in utility storage areas.
3. Countertops and splashes shall be laminated plastic, custom grade, self-edge trim. Minimum four inch (4") high splashes where abutting vertical wall surfaces.
4. Cabinet work to be complete with knobs, pulls, hinges, catches, etc.
5. Colors/patterns of laminated plastic and finishes of casework must be approved by the Economic Development Agency.

I. **HARDWARE**

1. Hardware will be of good commercial quality grade and type. Automatic door closers shall be provided on public and employee entrance doors, toilet room

doors, and coffee room doors. Public entrance and glazed partition lobby doors shall be equipped with push bars with integral PUSH AND PULL signs. Toilet and coffee room doors will have push plates and door pulls. When public entrance, lobby, toilet or coffee room doors are wood or metal with enameled finish, kick plates shall be provided. At buildings where only one (1) toilet is provided, the door closer will be omitted and the door fitted with a privacy lockset. Door locks will be operable by a master key system. Panic hardware must be installed where required by code. Simplex cipher locks (or equal) may be used in lieu of keyed locks when approved by the Economic Development Agency.

2. Exterior doors with hinges exposed to the public (out- swinging doors) will be equipped with door butts that have "fast" pins to prevent removal or tampering.
3. All doors to be provided with adequate hardware. Interior door locksets to be provided only where indicated on plans. Interior doors to be provided with doorstops.
4. Double doors (pair) - shall be avoided on exterior openings wherever possible. When pair is required by design, use removable mullion, unless specifically approved otherwise.
5. Exterior doors - all exterior doors must have a deadbolt lock, except where panic hardware is required.
6. Door lock keying - Simplex or equal may be substituted for keyed locks when approved by the County.
 - a. All keyed locks shall be equipped with six (6) pin keyways.
 - b. Three (3) keys shall be furnished for each lock.
 - c. All locks shall be keyed as specified by County, except that all locks within the following individual groups shall be keyed alike:
 - (1) Mechanical equipment rooms.
 - (2) Janitor's closets.
 - (3) Employee entrances (interior & exterior).
 - (4) Bulletin boards.
 - (5) Electrical panel boxes.
 - d. A master key system shall be provided and three (3) master keys shall be furnished, unless otherwise specified.
 - e. Keying - locks will incorporate a security system to assure that keys used during construction will not open doors after County occupancy. The key

side of all locks will be on the public side.

J. TOILET ENCLOSURES AND ACCESSORIES

Facilities must comply with all existing codes.

1. All toilet and urinal enclosures shall be secured to the floor and ceiling.
2. Doors shall be installed in men's and women's restrooms. Entrance doors to toilet enclosures shall be fitted with specific locking devices. Toilet enclosures for non ADA stalls shall be 34" wide, or more, on all new construction.
3. Each toilet compartment shall be provided with a metal coat hook and double roll toilet paper holder, suitable for dispensing rolled tissue.
4. Install one single-fold paper towel or roll towel dispensing cabinet for each multiple of two (2) lavatories or less in all rest rooms. Towel dispensers shall be designed to dispense paper towels.
5. Each pair of lavatories in all rest rooms shall be provided with soap dispensers.
6. Each lavatory in all rest rooms shall be provided with a 24" x 30" wall-mounted mirror. Provide a stainless steel shelf at each mirror.
7. Women's rest rooms shall be provided with feminine napkin dispenser. Women's toilet compartments shall be provided with one (1) feminine napkin disposal container.
8. Trash bins shall be provided in rest rooms.
9. Both men's and women's toilets shall be designed and constructed to accommodate the physically handicapped. One water closet compartment shall be sized to meet handicapped requirements, provided with out swinging door and grab bars. The toilet fixtures, lavatory, mirrors, etc., shall be located at the correct height for handicapped.

K. PAINING

1. All exterior painted surfaces shall be given a minimum of two (2) coats. Colors must be approved by the Economic Development Agency.
2. Interior surfaces and trim shall be given two (2) coats minimum. One hundred percent (100%) coverage required. Prefinished acoustical ceiling shall not be painted. Finish coat shall be in accordance with colors as prescribed by County and shall match color chips.
3. Paint colors must be approved by the Economic Development Agency.
4. All interior painted surfaces shall receive two (2) coats of semi-gloss enamel.

5. Wall coverings other than painted surfaces (i.e., wood paneling, vinyl material, etc.) shall be permitted. Location and colors must be approved by the Economic Development Agency.
6. Parking strips four inches (4") wide of highway traffic paint are to be provided.
7. Street number - Minimum six inches (6") high number - by Lessor.

L. **WINDOW TREATMENT**

1. Minimum treatment - Vertical blinds or other as specified by the Economic Development Agency.

M. **SIGNS**

1. Identification sign to be installed on exterior of building. Sign will be specifically identified by the Economic Development Agency. Placement and specific size of letters will be determined according to layout and location of structure. Letters will be black injection molded plastic, Helvetica in style.
2. Interior signs to be black phenolic material laminated with white letters. Signs will be specifically identified by the Economic Development Agency.
3. Lettering on entrance doors will be specifically identified by the Economic Development Agency.

N. **ASBESTOS & LEAD BASED PAINT**

1. All buildings constructed prior to 1978 will have asbestos and lead based paint check to ascertain that no friable asbestos or flaking lead based paint is in evidence. A copy of the report is to be filed with the Economic Development Agency.

O. **PLUMBING FIXTURES AND FITTINGS**

1. All rest room lavatories shall have self-closing faucets.
2. All toilets and urinals shall be equipped with flush valves.
3. Refrigerated water fountains - provide refrigerated water fountains at location indicated.
4. "Water-Saver" toilets will not be acceptable.
5. Provide hot water in rest rooms and break rooms.
6. Health Clinics-provide hot water in examination rooms, labs, restrooms and break rooms.

7. All work in accordance with these specifications must be done in strict compliance with the Americans with Disabilities Act of 1990, the California Title 24 section which implements it, and any regulations issued pursuant thereto.

P. FIRE PROTECTION

1. Provide all necessary fire extinguishers as required by local fire regulations.
2. Provide sprinkler inspection and test prior to occupancy.
3. Provide all other necessary protective devices and equipment as required by local fire regulations.
4. Building alarms and fire monitoring equipment shall not be installed in the telephone/data room without written permission of the IT Department.

Q. ELEVATORS

1. Provide documentation of inspection and routine maintenance prior to and during occupancy.

SPACE CONDITIONING)
(Heating, Ventilation and Air Conditioning)

A. GENERAL REQUIREMENTS

1. Space conditioning shall be considered the year-round control of temperature, humidity, air circulation, ventilation and air cleaning to the degree required to assure satisfactory and efficient use of the space for occupants and equipment. Follow good accepted practices as reflected in the latest issue of the American Society of Heating, Refrigeration and Air Conditioning Engineer's Guide (ASHRAE).

B. VENTILATION

1. Ventilation for air-conditioning system - Provide ventilation makeup air in the amount of 10% of total air requirement for cooling or two (2) air changes per hour, whichever is greatest, plus all exhaust air requirements.
2. Prior to construction of office space over 5,000 square feet, existing systems over ten (10) years of age shall be inspected by a licensed HVAC company and a statement of condition detailing the reliability and efficiency of the systems shall be provided.

C. EXHAUST SYSTEMS

1. Exhaust toilet areas - the exhaust fan shall be connected to the light switch or interconnected with the air conditioning time clock.

2. Air shall not be directly exhausted, except in the following instances:
 - a. Air used to make up exhaust for toilet rooms.
 - b. Air exhausted specifically for cooking, food preparation or removal of excessive heat generated by vending or various other machines.
 - c. When specified for coffee rooms.

D. SPACE TEMPERATURE CONTROLS

1. Central control system for the various areas or provide a thermostat for each heating and/or air-conditioning system. Use separate slide lever adjustments for heating and cooling with lock covers.
2. All systems shall be controlled by seven (7) day, twenty-four (24) hour time clocks set to the Economic Development Agency requirements.
3. Thermostats controlling space conditions during occupied hours shall be adjustable from sixty eight degrees (68°) to eighty degrees (80°) with the normal set at seventy degrees (70°) for heating and seventy-six degrees (76°) for cooling.
4. Simultaneous heating and cooling will not be acceptable.
5. Lessor shall comply with existing codes.
6. Heat-generated equipment shall be of adequate capacity to heat the building under design conditions.
7. All gas furnaces shall be approved by the American Gas Association.
8. All electric components shall be UL-approved and comply with the California Electric Code.
9. Electric strip heating is not acceptable.

E. AIR FILTERS

1. All recirculated and outside air shall pass through filters before entering air-handling units.
2. Filters shall be replaceable types and changed a minimum of four (4) times a year.
3. A location map showing filter locations shall be provided to County.

F. PIPING

1. Piping in finished areas, such as lobbies and offices, shall be concealed. No water piping of any description shall be installed near electrical switchgear. Provide shutoff valves at all locations necessary to isolate separate zones of the

system served.

2. All hot and chilled water piping shall be insulated.

G. AIR DISTRIBUTION

1. Ductwork shall be provided, as required, for proper air distribution with supply outlets spaced so as to avoid excessive throws and dead spots. In order to maintain sound privacy, door louvers will not be used to return air from offices. Sound-attenuating, acoustically lined transfer ducts or return air ducts must be used. All supply and return air ductwork shall be constructed and installed in accordance with ASHRAE Standards and shall comply with state and local building codes.
2. All air handling units, except unit heaters, must be provided with outside air intakes. Intakes shall be located to avoid the introduction of boiler flue gases or vehicle and condenser unit exhausts.
3. Diffusers shall be selected and spaced so that, at the occupied level, the movement of air will be uniform and not be less than ten (10) cubic feet per minute, nor more than fifty (50) cubic feet per minute when measured at four feet (4") above the floor. They shall be selected so that the throw from an air diffuser does not impinge on walls, columns, or the throws from other diffusers based on a terminal velocity of one hundred feet (100') per minute. Diffusers located in offices shall be of the fully adjustable air pattern type.

H. BALANCING AND ADJUSTING

1. Space conditioning equipment shall be balanced and adjusted by persons certified to perform such functions prior to occupancy.
2. Copy of air balance report shall be provided to the Economic Development Agency.

I. NOISE AND VIBRATION

1. Particular care shall be exercised in the design, selection and installation of all mechanical equipment and components to attain reasonable noise levels in occupied space. In general, sound levels for various spaces shall be maintained in accordance with the recommendations of the ASHRAE Guide.

J. OPERATING INSTRUCTIONS

1. The Lessor shall provide simplified consolidated equipment and control diagrams with specific operating instructions posted on a readily accessible label on each utility system, such as furnaces, refrigeration equipment, air handling systems, and pumping systems. These instructions shall clearly indicate how to stop and start systems, what adjustments must or may be made by County personnel to assure proper operation, and what action shall be taken in emergencies.

(ELECTRICAL)

A. GENERAL REQUIREMENTS

1. All electrical work shall be designed and installed in accordance with the plan requirements.
2. Codes and ordinances - shall conform to standards of the National Electrical Code (NEC), O.S.H.A., serving public telephone company, State Fire Marshal and local ordinances.
3. Service equipment shall be located in separate electrical/mechanical room with proper working clearances and grounding. All breakers shall be clearly identified.

B. INTERIOR LIGHTING

1. Fluorescent lamps shall generally be 34 watt, 430-milli-amp, rapid-start, cool-white, including energy efficient ballasts.
2. The lighting shall be designed to maintain a uniform level of illumination of the minimum foot -candles designated. Lighting levels shall be based on working plan thirty inches (30") above floor, appropriate coefficient of utilization for the fixture and maintenance factor. Conform to Title 24, Division 9 for lighting requirements. Provide not less than ten foot-candles in halls, thirty foot-candles in rest rooms and fifty foot-candles in all other areas, unless specifically noted otherwise. (eighty foot-candles in drafting room areas).
3. Each working space, utility or storage room shall have at least one receptacle. Each office shall have a minimum of one (1) receptacle on each twelve feet (12') of wall space. See plans for additional and/or special outlets.
4. Provide twenty-four (24) hour lighting for security.
5. Emergency lighting - Shall be provided where required by applicable codes, or natural lighting will not provide sufficient lumens for emergency exiting of building.

C. EXTERIOR LIGHTING

1. Install sufficient lighting to provide a minimum of five (5) foot-candles of illumination at each building entrance, around the perimeter of the building, in the parking and maneuvering areas and on driveways.
2. All exterior lighting shall be high or low-pressure sodium as specified by the County. Fixtures shall be controlled by photocell, time clocks, or combinations of both.

(TELEPHONE AND COMMUNICATIONS)

(Updated November 10, 2008)

A. GENERAL REQUIREMENTS

1. All communications requirements shall conform to the standards of Riverside County Information Technology (RCIT) and the serving public telephone company as noted below.
2. **The RIVERSIDE COUNTY INFORMATION TECHNOLOGY (RCIT) COMMUNICATIONS BUREAU TELECOMMUNICATIONS ENGINEER shall be consulted during the Programming, Conceptual Design, Design Development, and Construction Design stages to plan the design and provide input for the Telecommunications Infrastructure.**

B. TELECOMMUNICATIONS ROOM SPECIFICATIONS

1. **Dedicated Use: Telecommunications Rooms must be dedicated to the telecommunications function and related support facilities.** Equipment not related to the support of the Telecommunications Room, such as piping, duct work, and distribution of building power, must not be located in, or pass through the room. The Telecommunications Room may not be shared with building or custodial services. Cleaning materials such as mops, buckets or solvents must not be located or stored in the Telecommunications Room. Building alarms, fire monitoring equipment and building automation equipment shall not be installed in the Telecommunications Room without written permission of the RCIT Communications Bureau Telecommunications Engineer. In the event the RCIT Communications Bureau Telecommunications Engineer grants such permission, all building alarms and fire-monitoring equipment shall be installed only in the location designated.
2. **Room Physical Specifications - the room must be completed a minimum of thirty (30) days prior to occupancy.** Large projects (more than 20,000 sq. ft.) will require the Telecommunications Room (s) to be completed a minimum of 45 days or as directed by RCIT Communications Bureau Telecommunications Engineer prior to beneficial occupancy. All specifications for said room as outlined in this agreement shall be completed, including, but not limited to, installation of plywood, lighting, electrical circuits, HVAC, ceiling tiles, ground, floor tile and door with lock and three (3) sets of keys.

It should be understood that the contractor will have to schedule various trades in sooner than the normal construction schedule to complete the Telecommunications Room (HVAC, Electrician, Painter, etc.) as required by the RCIT Communications Bureau Telecommunications Engineer.

- a. **Location:** The Telecommunications Room shall be as close to the geographic center of the occupied space as possible. **Maximum distance from the center of the Telecommunications Room to the farthest WAO location shall not exceed a radius of 175 feet unless**

reviewed by RCIT Communications Bureau Telecommunications Engineer. If occupying more than one floor of a building, a **separate Telecommunications Room shall be required on each floor**, preferably stacked above one another. Provisions shall be made available for easy access into the Telecommunications Room for telephone and data wiring and shall be dedicated for telephone and data use only. Telecommunications Rooms should not be planned next to elevators, restrooms, electrical rooms, air shafts, mechanical rooms, and outside walls. If occupying more than one building, each building will require Telecommunications Rooms that meet the above requirements.

- b. **Minimum Room Sizes:** The Telecommunications Room shall be rectangular in shape and conform to the following inside room dimensions:

<u>Leased Premises – sq. ft.</u>	<u>Room Size</u>
5,000 sq. ft. or less	12' x 9'
5,000 – 10,000 sq. ft.	12' x 12'
10,000 – 30,000 sq. ft.*	12' x 14'
30,000 sq. ft. or larger**	12' x 14'

* May require more than one room

** Will require more than one room.

- c. **Plywood Wall Lining:** All walls will be lined with AC grade or better, void-free, 4'x8' sheets of 3/4" plywood. Plywood sheets shall be mounted vertically from ceiling height towards floor. Plywood must be painted on all sides with one coat of primer and two coats of white fire resistant paint. The plywood should be installed with the grade "C" surface facing the wall.
- d. **Doors:** The door will be a minimum of three (3) feet wide and 80 inches tall and be located as near as possible to a room corner. The door shall be equipped with a lock. Where practical, the door should open outward to provide additional usable space.
- e. **Air Conditioning:** The environmental control systems for the Telecommunications Room should be able to maintain a room temperature between 18°C and 24°C (64°F and 75°F) at all times (24 hours per day, 365 days per year). All building supplied HCAC inlets to the Telecommunications Room shall be controlled using a Variable Air Valve (VAV) with its own thermostat to prohibit heating the Telecommunications Room. The VAV will be installed in such a fashion to introduce conditioned air if the primary split A/C unit fails to cool the room. It will serve two purposes:
 1. Provide ventilation air to the room, cooling only.
 2. Serve as an additional backup.

If a building's HVAC system cannot ensure continuous operation

(including weekends and holidays), provide a standalone HVAC unit with independent controls for the Telecommunications Room. If an emergency power source is available in the building, connect the HVAC system that serves the Telecommunications Room to the emergency power source. Sensors and controls must be located in the Telecommunications Room, ideally placed 5 feet AFF (thermostat location will be specified on the Telecommunications Room drawing provided by RCIT Communications Bureau Telecommunications Engineer). If an in-room air conditioner is installed, the air conditioner will be hard wired to the thermostat and the location must be approved by RCIT Communications Bureau Telecommunications Engineer before installation. If remote-monitoring equipment is available, this room should have its own independent sensor. Average heat load for equipment is approximately 150 BTU/SQ Ft of Telecommunications Room space (specific heat load will be provided for each room).

- f. If **fire sprinklers** are located in the Telecommunications Room, the sprinkler shall have a high temperature standard response full circle head with a heavy-duty cover. Sprinkler lines located inside the TR shall not be "charged" under normal conditions. Coordinate placement of the sprinklers with RCIT Communications Bureau Telecommunications Engineer. Sprinkler heads must be a minimum of 10 ft. AFF.
- g. **Room Lighting** – Lighting to provide a minimum of 500 lux (50 foot candles) measured 3 ft. AFF. Coordinate placement of light fixtures with RCIT Communications Bureau Telecommunications Engineer to avoid interference with low voltage equipment. Light fixtures must be a minimum of 10 ft. AFF. Use white paint on the walls and ceiling to enhance room lighting. Power for the lighting should not come from the power panel located inside the Telecommunications Room.
- h. **Emergency Lighting** – Emergency lighting within the Telecommunication Room shall be provided to ensure that the loss of power to normal lights will not hamper an emergency exit from the room.
- i. **Floors:** The floor shall be capable of supporting a minimum load bearing of one hundred (100) pounds per square foot and maximum concentration loading of 2,000 lbs. per foot. Standard VCT floor covering shall be installed unless otherwise specified.
- j. **Ceiling:** If a ceiling will be installed in the Telecommunications Room it must be installed at a **minimum of 10' AFF**. Ceiling protrusions (e.g. sprinkler heads) must be placed to assure a minimum clear height of 10 feet that is clear of obstructions, to provide space over the equipment frames for cables and suspended cable trays. Ceiling finish must minimize dust and be light colored to enhance the room lighting. A hard ceiling shall not be allowed in the Telecommunications Room.

C. ELECTRICAL REQUIREMENTS

- a. **Dedicated Power Feeder** – The Telecommunications Room will have its own dedicated power feeder terminated in an electrical panel located inside the room and flush mounted in the wall. **Location of this electrical sub-panel shall be closely coordinated with RCIT Communications Bureau Telecommunications Engineer to ensure it does not impact the overall design and use of the space within the room. Power required for other equipment in the room (e.g. fluorescent lighting, motors, air conditioning equipment) should be supplied by a separate feeder, conduit, and distribution panel.** If an emergency power source is available, connect the Telecommunications Room electrical sub-panel into it.
- b. **General Purpose Outlets:** Provide 110 Volt, 20 Amp duplex outlets installed at standard height on all walls of the Telecommunications Room; maximum spacing between outlets shall not exceed 12 feet.
- c. **Telephone System:** Install one (1) dedicated 208 VAC, 20 Amp circuits terminated into a single surface mounted 4S electrical box with a NEMA L6-20 outlet at a height of 18 inches AFF from center. The circuit will have its own separate hot, neutral, and ground wire all the way back to the power distribution panel. The circuit will be clearly labeled on the cover plate and sub-panel.
- d. **Equipment Racks:** Install two (2) dedicated 20 Amp, 110 VAC circuit with isolated ground for each equipment rack (9' x 12' room – 2 racks, 12' x 12' room – 3 racks, 12' x 14' room – 4 racks). Install one (1) dedicated 30 Amp, 208 VAC circuit with isolated ground for every two equipment racks. The breaker number shall be identified on each of these outlets. Terminate each circuit on double duplex outlets in a surface mounted 4S box in the vertical cable manager 23" above the floor. Equipment Rack locations, circuit locations and quantity will be specified in the room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- e. **Paging – A/V: If required, install** one dedicated 20 Amp, 110 VAC circuit with isolated ground. Terminate on a double duplex outlet in a 4S box. The location of the outlet will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- f. **Security:** Install one dedicated 20 Amp, 110 VAC circuit with isolated ground. Terminate on double duplex outlets in a 4S box. The location of the outlet(s) will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- g. **Emergency Air Conditioner Outlet (To Support IT Telephone System):** Install one dedicated 208/220 VAC, 20 Amp circuit terminated on a single NEMA 6-20 receptacle. The location of the outlet will be specified in the Telecommunications Room layout provided by the RCIT

Communications Bureau Telecommunications Engineer.

- h. **Grounding** – A Telecommunications Main Grounding Busbar (TMGB) shall be installed in the Telecommunications Room at the location specified in the room layout that will be provided by the RCIT Communications Bureau Telecommunications Engineer. **The Grounding Busbar must be CPI Chatsworth Products, part #13622-020.** The Busbar shall be insulated from its supporting structure by at least two inches of separation. Bond the Busbar to the building AC grounding electrode system. The minimum size of the bonding conductor should be #3 AWG and be sized to carry the maximum short time rating Amps of the building grounding electrode conductor. A supplemental bonding connection is required to be Exothermically Welded to the structural steel of the building and local AC sub-panel located inside the Telecommunications Room. Resistance should be no more than .1 ohms between the TMGB and the building main grounding source measured following the two-point bonding test method using an earth ground resistance tester. All grounding conductors shall be run in rigid conduit.

D. CONDUIT REQUIREMENTS

1. Work Area Outlets (WAO):

- a. **General Specifications:** Each WAO shall consist of one 4 in. by 4 in. by 2.5 in. deep outlet box with a 2 in. by 4 in. reducing adapter installed.
- b. **Height Requirements:** Each WAO shall be installed at the same height as the adjacent electrical outlet. The height of jacks for wall telephones shall conform to any ADA rules pertaining to handicapped use. This height is typically 44 inches AFF to the center of the outlet box.
- c. **Conduits Specifications:**
 - (1) **Accessible Ceilings:** When there is an accessible ceiling such as suspended acoustical tile, provide a rigid trade size 1 conduit (**flex not allowed**) stubbed into the ceiling space from the outlet box. Ceiling must be accessible from the WAO location back to the Telecommunications Room. If a WAO location is at wall phone height (+44"), install an additional outlet box at standard floor height. Connect a rigid 1-inch conduit from the bottom of the wall height box to the top of the standard floor height box. Ream all conduit ends and fit with insulated bushings.
 - (2) **Non-Accessible Ceilings:** When the ceiling is not accessible, provide a rigid 1¼-inch conduit (**flex not allowed**) run from the WAO location all the way to the Telecommunications Room or to the nearest accessible ceiling space. Runs cannot have more than the equivalent of two 90-degree bends without installing a pull box (pull box must be accessible upon completion of construction). **All conduits will have a pull string installed.**

Where multiple outlets are installed, each location will have its own dedicated conduit run; no daisy chaining is allowed.

2. **System Furniture Wall In-feeds:** Wall in-feeds will be one rigid 1.25 in. conduit per 3 WAO locations of systems furniture. The conduit shall be stubbed into the ceiling area from a 4 in. by 4 in. by 2.5 in. deep outlet box. Ream all conduit ends and fit with insulated bushings. In-feed location will be accessible either by cutout or access panel in furniture or placed next to furniture where location will be accessible for service. Consult RCIT Communications Bureau Telecommunications Engineer for location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.
3. **System Furniture Floor Poke-Thru In-feeds:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC9FFTC Poke-Thru's with EMT 1.25 in. conduit per 3 WAO locations of systems furniture. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed, J-Box for furniture supplier power whip connections to be anchored to the ceiling of the floor below with unistrut. J-Box must be with-in 6' of furniture whip connection. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.
4. **System Furniture Power and Data Floor Boxes:** Floor Box locations requiring power/voice/data will require Wiremold P/N RFB4-C1-1 Floor Box with EMT 1.25 in conduit per 3 WAO locations of systems furniture for communications. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. O more than two 90's will be allowed. All boxes shall be configured for dual service which will require accessory items for separation of power and data. All boxes shall include (1) internal duplex receptacle for power, (1) Wiremold P/N RFB-2-SSRT for communications and (1) flanged cover P/N S28BBTCAL. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.
5. **Hard Wall Office Floor Poke-Thru:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC4ATC Poke-Thru's with the optional Communications Adapter P/N Com75 installed for Voice and Data conduits. Install two (2) EMT 0.75 in. conduits per location. The conduits shall be continuous and stubbed into the ceiling area of that floor being serviced with pull sting installed. No more than two 90's will be allowed. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.
6. **Hard Wall Power and Data Floor Boxes:** Floor Box locations required power/voice data will require Wiremold P/N RFB4-C1-1 Floor Box with (1) EMT 1.25 in. conduit for communications. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being

serviced with pull string installed. No more than two 90's will be allowed. All boxes shall be configured for dual service which will require accessory items for separation of power and data. All boxes shall include (1) internal duplex receptacle for power, (1) Wiremold P/N RFB-2-SSRT for communications and (1) flanged cover P/N S38BBTCAL. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.

7. **Backbone Pathways:**

- a. **Telecommunications Rooms On the Same Floor:** When two or more Telecommunications Rooms exist on the same floor, provide two (2) rigid metallic trade size 4 conduits between the main Telecommunications Room and each secondary Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree sweeps without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. Location of conduits will be identified on drawings provided by the RCIT Communications Bureau Telecommunications Engineer and provided on a site-by-site basis. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.**
- b. **Telecommunications Rooms On Different Floors:** When two or more Telecommunications Rooms exist on different floors, provide a minimum of two (2) rigid trade size 4 conduits between the main Telecommunications Room and each secondary Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree bends without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.** In multi-level buildings with **stacked Telecommunications Rooms**, sleeves shall be provided from the ceiling of the lowest level to the floor of the top level. Size, quantity, and location will be provided by the RCIT Communications Bureau Telecommunications Engineer.
- c. **MPOE:** If the MPOE (minimum point of entry) is not physically located in the Telecommunications Room it shall be necessary to install two (2) trade size 4 conduits from the MPOE to the Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree bends without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. Location of conduits will be identified on drawings provided by the RCIT Communications

Bureau Telecommunications Engineer and provided on a site-by-site basis. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.**

d. **Telecommunications Rooms in Multiple Buildings on Same or Adjacent Properties:** The number of conduits will be determined by the **size and scope of each project.** The items listed below are **BASIC** requirements only as the scope of the project increases, some or all of the items listed below may undergo major changes:

- (1) Conduits shall be rigid and shall be four (4) trade size 4. A **minimum** of two (2) conduits will be installed from the primary Telecommunications Room and each building as defined by the RCIT Communications Bureau Telecommunications Engineer. Conduits shall be installed in the most direct route possible.
- (2) Conduits shall be buried a minimum of 36 inches below finish grade.
- (3) Conduits shall be encased in 2,000 PSI concrete where vehicle traffic occurs and encased in slurry everywhere else for the entire length.
- (4) Tracer tape shall be installed the entire conduit length. Tracer tape shall be 12 inches wide, flat, and metallic and shall be installed 12 inches above concrete encasement. Tape shall be imprinted with the words "WARNING – FIBER OPTIC CABLE" spaced at a minimum of 24 inches on center.
- (5) No more than the equivalent of two (2) 90-degree bends shall be installed without the addition of a pull box, vault, or maintenance hole, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer.
- (6) Conduit runs in excess of 500 feet shall have a pull box, vault, or maintenance hole installed, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer. All sweeps shall have a minimum bending-radius of 10 times the diameter of the conduit.
- (7) All four inch conduits should have a minimum ¼-inch nylon pull rope. All four inch conduits over 400 feet should have a minimum 3/8-inch nylon pull rope. The size and requirements of pull boxes, vaults, or maintenance holes can only be determined by the scope of the project and will be defined by the RCIT Communications Bureau Telecommunications Engineer.

8. **Firewalls:** If any firewalls are present, conduit/sleeve access through the wall must be provided by the contractor. The ends of any conduit/sleeve penetrating

a firewall will be sealed with the appropriate fire stop. Identification of the areas that must be sealed shall be identified by the contractor at the time of wiring. Size and location of the sleeves will be determined by the RCIT Communications Bureau Telecommunications Engineer. Sleeves should penetrate the wall a minimum of 3 inches. Ream each end of conduit and fit with insulated bushing.

9. **Primary Service Conduit Requirements (New Construction):**

- a. The number of all primary service conduits will be determined by the **size and scope of each project**. **The items listed below are BASIC requirements only** and as the scope of the job increases, some or all of the items listed below may undergo major changes:
- (1) Entrance conduits shall be rigid and shall be four (4) trade size 4. **A minimum** of two (2) conduits will be installed into the Telecommunications Room. Conduits shall be installed in the most direct route possible.
 - (2) Conduits shall be buried a minimum of 36 inches below finish grade.
 - (3) Conduits shall be encased in slurry for sections identified by RCIT Communications Bureau Telecommunications Engineer as no traffic or low risk.
 - (4) Conduits shall be encased in 2,000 PSI concrete for sections not identified in section 5a3.
 - (5) Tracer tape shall be installed the entire conduit length. Tracer tape shall be 12 inches wide, flat, and metallic and shall be installed 12 inches above concrete encasement. Tape shall be imprinted with the words "WARNING – FIBER OPTIC CABLE" spaced at a minimum of 24 inches on center.
 - (6) No more than the equivalent of two (2) 90-degree sweeps shall be installed without the addition of a pull box, vault, or maintenance hole, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer.
 - (7) Conduit runs in excess of 500 feet shall have a pull box, vault, or maintenance hole installed, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer. All bends shall have a minimum-bending radius of 10 times the diameter of the conduit.
 - (8) All four-inch conduits should have a minimum ¼-inch nylon pull rope. All four-inch conduits over 400 feet should have a minimum 3/8-inch nylon pull rope. The size and requirements of pull boxes, vaults, or maintenance holes can only be determined by the scope of the project and will be defined by the RCIT Communications

Bureau Telecommunications Engineer.

E. CABLE TRAYS:

1. If the structural ceiling height is greater than 16' AFF or the occupied space is greater than 25,000 square feet, a cable tray system will be required to support the voice and data wiring. Consult with the RCIT Communications Bureau Telecommunications Engineer requirements to assist in the design of the cable tray system. A structural Engineer will be required to design the cable tray system to code and manufacturer specification and submit design to the RCIT Communications Bureau Telecommunications Engineer for approval.

**RCIT
System's Furniture
Telecommunications Standards
June 16, 2004**

1. Work Area Outlets

- 1.1. **Definition: Work Area Outlet (WAO)** – consists of a telecommunications faceplate and its component (s) – what telephones and PC's are plugged into at a user's desk location or work area.
- 1.2. Furniture communications outlet openings shall accommodate the installation of an industry-standard, single gang faceplate, with a minimum opening of 2 inches by 3 inches.
 - 1.2.1. Two (2) factor or field-installed threaded openings shall be provided for single gang faceplate mounting and shall accommodate a 10x22 screw.
- 1.3. Furniture communications outlet openings shall provide a minimum mounting depth of 44.5 mm (1.75 in).
- 1.4. Extender plates shall be provided for WAO's (Work Area Outlet's) within furniture system – one for each workstation space, fax location, and printer location.
 - 1.4.1. Extender plates shall be a minimum 7/8 inch deep.

2. Cabling Pathways

- 2.1. Furniture pathways shall have capacity for a minimum of (12) communications cables with an outside diameter of .25 inches and not exceed 40% of pathway capacity.
 - 2.1.1. Remaining pathway capacity will be utilized to accommodate future moves, adds, and changes (MAC's).
 - 2.1.2. This requirement applies to ALL areas of the furniture pathway

INCLUDING corners, panel to panel pathways, etc.

- 2.1.3. Consideration will include space used in furniture for connecting hardware.
- 2.2. Furniture system shall completely conceal all communications cabling in all cabling pathways.
- 2.3. Entire communications cabling pathway shall contain a continuous and rigid support infrastructure within each panel.
- 2.4. When communications cabling pathways run parallel to electrical pathways:
 - 2.4.1. A metallic barrier shall be provided (i.e. metallic divider, conduit, corrugated or solid) and shall be bonded to ground.
 - 2.4.2. Electrical components shall not impede on communications cabling pathways so as to restrict in any way the fill requirements noted above.
- 2.5. The minimum size pathway shall not force the cable bend radius to be less than 25 mm (1 in) under conditions of maximum cable fill.
- 2.6. Metallic pathway edges shall utilize protective bushings.
- 2.7. All panels shall be equipped with at least one (1) of the following raceways and shall singularly conform to all of the above noted cabling pathway requirements:
 - 2.7.1. Base Raceway
 - 2.7.2. Top Raceway

3. Furniture In-Feeds

- 3.1. Furniture in-feeds shall have capacity for a minimum of (12) communications cables with an outside diameter of .25 inches and not exceed 40% of pathway capacity.
 - 3.1.1. Remaining pathway capacity will be utilized to accommodate future moves, adds, and changes (MAC's).
 - 3.1.2. Consideration will include space used in furniture for connecting hardware.
- 3.2. Furniture in-feeds shall have the ability to provide for separate entry points for power and communications cabling.

- 3.2.1. Where entry points are closer than 6 inches, a physical / mechanical barrier shall be provided to separate cabling entry points.
- 3.3. Metallic in-feed edges shall utilize protective bushings.
- 3.4. One furniture in-feed shall be provided for every four (4) WAO's (Work Area Outlets).
- 3.5. Placement of furniture in-feeds shall be coordinated and verified by County IT.

ESTOPPEL CERTIFICATE

1. The County of Riverside, as Tenant, for the purpose of providing office space for use by _____ and _____, as Lessor, entered into a written office lease dated _____ in which Lessor leased to County and County leased from Lessor those certain premises consisting of approximately _____ square feet of office space located at _____. The office lease, as amended, modified, and supplemented, is referred to in this Certificate as the "Lease".
2. The Lease has not been amended, modified, nor supplemented, except _____.
3. County has paid Rent through _____. The next payment of Rent is due on _____. The current rent is _____. County has not paid Lessor a security deposit.
4. Under the Lease, the term began on _____, and the expiration date of the Lease is _____ subject to County's right to terminate the Lease and any options the County may have to extend the term as identified in this Certificate.
5. The Lease provides for _____ option(s) to extend the term of the Lease for _____ years each. The rental rate for each extension period is _____.
6. The County has the right of first refusal to renew the Lease, after the original term and any options to extend have expired, on the same terms and conditions as are then being offered by Lessor to bona fide third party prospective lessees.
7. The County has the right to early termination of this Lease if funding is reduced or becomes unavailable or if the County determines for any reason or cause that the Premises are no longer suitable for its use.
8. There are no oral or written amendments, modifications, or supplements to the Lease except as previously stated in this Certificate. A true, correct, and complete copy of the Lease, including all amendments, modifications, and supplements, is attached to this Certificate. The Lease, as amended, modified and supplemented, is in full force and effect and represents the entire agreement between Lessor and the County pertaining to the Premises.
9. All space and improvements leased by County have been completed and furnished in accordance with the provisions of the Lease, and County has accepted and taken possession of the Premises. All contributions required to be paid by Lessor to date for improvements to the Premises have been paid in full.
10. Lessor and County are not in default in the performance of any of the terms and provisions of the Lease. To the best knowledge of each Party, no event or condition has

occurred that, with the giving of notice or passage of time, or both, would constitute such default by Lessor or County.

11. Lessor has not assigned, transferred, or hypothecated the Real Property or any interest in the Real Property.
12. The County has not assigned, transferred, or hypothecated the Lease or any interest in the Lease or subleased all or part of the Premises.
13. There are no mortgagees, beneficiaries under deeds of trust, or other holders of a security interest in the Real Property, except as follows: _____.
14. There are no setoffs or credits against Rent payable under the Lease. No free periods or rental abatements, rebates, or concessions have been granted to County, except as follows: _____.
15. There are no pending actions, voluntary or involuntary, under any bankruptcy or insolvency laws of the United States or any state against either Lessor or County
16. The execution of this Certificate by Lessor and the County does not amend the Lease or waive any of Lessor's or County's rights under the Lease.
17. This Certificate is given to _____ with the understanding that as a lender or purchaser of the above described real property or assignee of either Lessor or County _____ may rely on it in connection with either the assignment or acquisition of the above described real property or making a loan secured by the above described real property. Following that acquisition, assignment by Lessor or loan, County intends to keep the Lease full force and effect and shall bind and inure to the benefit of _____ and its successor in interest.

COUNTY:

Robert Field
Assistant County Executive Officer/EDA

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

By: _____
Patricia Munroe
Deputy County Counsel |

RECORDED AT REQUEST OF AND WHEN
RECORDED RETURN TO:

Attention: _____

SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT

This Subordination, Non-disturbance, and Attornment Agreement ("Agreement") is made as of _____ between _____ (Lender), a _____, having its principal place of business at _____, _____, _____ and the County of Riverside (County), by its authorized representative the Assistant County Executive Officer/EDA having its address for notification at 3403 Tenth Street, Suite 500, Riverside, California 92501.

Recitals:

A. Lender has agreed to make a loan to _____, a _____ (Lessor), to be secured by a deed of trust, dated _____, _____, and recorded on _____, _____, as Instrument No. _____, in the Official Records of _____ County, California (together with all amendments, increases, renewals, modifications, consolidations, replacements, substitutions, and extensions, either current or future, referred to hereafter as the "Mortgage") encumbering Lessor's ownership interest in real property located in _____, _____, State of California. The legal description of the encumbered real property (the "Mortgage Premises") is set forth in Exhibit A, attached to this Agreement. The Mortgage, together with the promissory note or notes, the loan agreement(s), and other documents executed in connection with it are hereafter collectively referred to as the "Loan Documents".

B. On _____, _____, County and Lessor entered into a lease for the Mortgage Premises (the Lease). The Lease creates a leasehold estate in favor of County for space (the "Premises") located on the Mortgage Premises.

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

To confirm their understanding concerning the legal effect of the Mortgage and the Lease, in consideration of the mutual covenants and agreements contained in this Agreement and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged,

Lender and County, intending to be legally bound, agree and covenant as follows:

1. **Representations and Warranties.** County warrants and represents that the Lease is in full force and effect and that, as of the date of this Agreement and to the best of County's knowledge, there is no default under the Lease by Lessor or County.

2. **County Subordination.**

2.1. Subject to the provisions of Section 3, the Loan Documents shall constitute a lien or charge on the Mortgage Premises that is prior and superior to the Lease, to the leasehold estate created by it, and to all rights and privileges of County under it; by this Agreement, the Lease, the leasehold estate created by it, together with all rights and privileges of County under it, is subordinated, at all times, to the lien or charge of the Loan Documents in favor of Lender.

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

3. **Non-disturbance.**

3.1. Lender consents to the Lease.

3.2. Despite County's subordination under Section 2, County's peaceful and quiet possession of the Premises shall not be disturbed and County's rights and privileges under the Lease, including its right to early termination, its right to extend the term of the Lease, its right of first refusal to lease the property after expiration of the original term and any extensions thereof, shall not be diminished by Lender's exercise of its rights or remedies under the Loan Documents, provided that County has not canceled or terminated the Lease, nor surrendered, or abandoned the Premises.

3.3. If (a) Lender shall acquire title to, and possession of, the Premises on foreclosure in an action in which Lender shall have been required to name County as a party defendant, and (b) County is not in default under the Lease beyond any applicable cure or grace periods, has not canceled or terminated the Lease, nor surrendered, vacated or abandoned the Premises and remains in actual possession of the Premises at the time Lender shall so acquire title to, and possession of, the Premises, Lender and County shall enter into a new lease on the same terms and conditions as were contained in the Lease, except that:

(a) The obligations and liabilities of Lender under a new lease shall be subject to the terms and conditions of this Agreement (including the provisions of Sections 5-7);

(b) Lender shall have no obligations or liabilities to County under any such new lease beyond those of Lessor as were contained in the Lease; and

(c) The expiration date of any new lease shall coincide with the original expiration date of the Lease.

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

perfect the foreclosure, trustee's sale, or other proceeding.

4. Attornment.

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

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

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

4.3. If the interests of Lessor under the Lease are transferred by foreclosure of the Mortgage, deed in lieu of foreclosure, or otherwise, to a party other than Lender (Transferee), in consideration of, and as condition precedent to, County's agreement to attorn to any such Transferee, Transferee shall be deemed to have assumed all terms, covenants, and conditions of the Lease to be observed or performed by Lessor from the date on which the Transferee succeeds to Lessor's interests under the Lease.

5. Lender as Lessor. If Lender shall succeed to the interest of Lessor under the Lease, Lender shall be bound to County under all the terms, covenants and conditions of the Lease, and County shall, from the date of Lender's succession to the Lessor's interest under the Lease, have the same remedies against Lender for breach of the Lease that County would have had under the Lease against Lessor; provided, however, that despite anything to the contrary in this Agreement or the Lease, Lender, as successor to the Lessor's interest, shall be:

- (a) liable for any act or omission of the Lessor; provided that the Lender may elect either to perform the pre-existing obligation or to permit the County to perform it and to recover the cost out of Rent;
- (b) subject to any offsets or defenses expressly permitted under the Lease, including abatement rights which County might have had against Lessor;
- (c) bound by any rent or additional rent that County might have paid for more than one month in advance to Lessor; or
- (d) bound by an amendment or modification of the Lease even though

made without Lender's written consent and whether or not the amendment or modification materially adversely affect any right of Lessor under the Lease.

(e) subject to the County 's right to assert continuing claims, such as material interference with the County's use and enjoyment of the premises, against the Lender.

6. **Right To Cure.** County agrees that, before County exercises any of its rights or remedies under the Lease, Lender shall have the right, but not the obligation, to cure the default within the same time given Lessor in the lease to cure the default, plus an additional thirty (30) days or ten (10) days in the case of defaults in the payment of money from Lessor to County. County agrees that the cure period shall be extended by the time necessary for Lender to commence foreclosure proceedings and to obtain possession of the Mortgage Premises, provided that:

(a) Lender shall notify County of Lender's intent to effect its remedy;

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

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

(d) Lender prosecutes such proceedings and remedies with due diligence and continuity to completion.

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

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

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

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

8. **County's Reliance.** When complying with the provisions of Section 7, County shall be entitled to rely on the notices given by Lender under Section 7, and Lessor agrees to release, relieve, and protect County from and against any and all loss, claim, damage, or liability (including reasonable attorney's fees) arising out of County's compliance with such notice.

County shall be entitled to full credit under the Lease for any rents paid to Lender in accordance with Section 7 to the same extent as if such rents were paid directly to Lessor. Any dispute between Lender (or Lender's Transferee) and Lessor as to the existence of a default by Lessor under the terms of the Mortgage, the extent or nature of such default, or Lender's right to foreclosure of the Mortgage, shall be dealt with and adjusted solely between Lender (or Transferee) and Lessor, and County shall not be made a party to any such dispute (unless required by law).

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

10. **Cancellation of Lease.** County agrees that it will not cancel, terminate, or surrender the Lease, except at the normal expiration of the Lease term or as provided in the Lease.

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

12. **Transferee's Liability (Non Recourse).** If a Transferee acquires title to the Mortgage Premises:

(a) County's recourse against Transferee for default under the Lease shall be limited to the Mortgage Premises or any sale, insurance, or condemnation proceeds from the Mortgage Premises;

(b) County shall look exclusively to Transferee's interests described in (a) above for the payment and discharge of any obligations imposed on Transferee under this Agreement or the Lease ; and

(i) Transferee, its officers, directors, shareholders, agents, and employees are released and relieved of any personal liability under the Lease;

(ii) County shall look solely to the interests of Transferee set forth in (a) above, and

(iii) County shall not collect or attempt to collect any judgment out of any other assets, or from any general or limited partners or shareholders of Transferee.

13. **Transferee's Performance Obligations.** Subject to the limitations provided in Sections 11 and 12, if a Transferee acquires title to the Mortgage Premises, the Transferee shall perform and recognize all County improvement allowance provisions, all rent-free and rent rebate provisions, and all options and rights of offer, in addition to Lessor's other obligations under the Lease.

14. **Notice.** All notices required by this Agreement shall be given in writing and shall be deemed to have been duly given for all purposes when:

(a) deposited in the United States mail (by registered or certified mail, return receipt requested, postage prepaid); or

(b) deposited with a nationally recognized overnight delivery service such as Federal Express or Airborne.

Each notice must be directed to the party to receive it at its address stated below or at such other address as may be substituted by notice given as provided in this section.

The addresses are:

Lender: _____

Attention: _____

Copy to: _____

Attention: _____

County: Economic Development Agency
3403 Tenth Street, Suite 500
Riverside, CA 92501
Attention: Deputy Director of Real Estate

Copy to: _____

Attention: _____

Copies of notices sent to the parties' attorneys or other parties are courtesy copies, and failure to provide such copies shall not affect the effectiveness of a notice given hereunder.

15. Miscellaneous Provisions.

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

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

15.3. This Agreement has been executed under and shall be construed, governed, and enforced, in accordance with the laws of the State of California except to the extent that California law is preempted by the U.S. federal law. The invalidity or unenforceability of one or more provisions of this Agreement does not affect the validity or enforceability of any other provisions.

15.4. This Agreement has been executed in duplicate. Lender and County agree that one (1) copy of the Agreement will be recorded.

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

15.6. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which copies, taken together, shall constitute but one and the same instrument. Signature and acknowledgment pages may be detached from the copies and attached to a single copy of this Agreement to physically form one original document, which may be recorded without an attached copy of the Lease.

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

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

Executed on the date first above written.

Lender:

a _____

By: ___[signature]_____

Its: ___[state title]_____

COUNTY OF RIVERSIDE:

By: _____
Bob Buster
Chairman, Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk to the Board

By: _____

APPROVED AS TO FORM:
PAMELA J. WALLS, County Counsel

By: _____
Deputy

Accepted and Agreed To:

Lessor:

a _____

By: ____ [signature] _____
Its: ____ [state title] _____

[Exhibit A: Legal description of Mortgage Premises] |