

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

be conducted through registers connected to ductwork or plenum above ceilings, except as otherwise approved by the State.

- M. Air distribution system shall be equipped with air volume controls and shall be capable of draftless operation at an acceptable noise level while handling the design flow of air. The acceptable noise level shall comply with ASHRAE Handbook - HVAC Applications.
- N. The complete HVAC system shall be checked, adjusted, and balanced. The air balance report shall be submitted to the State upon project completion.
- O. Lessor shall provide vibration isolation supports for all mechanical equipment, piping, and ductwork to prevent transmission of vibration to building structure.
- P. Where the heating design of outdoor temperature is below 35°F, Lessor shall provide one winter night setback thermostat for each HVAC system. The thermostat shall cycle the heating system to maintain 55°F.
- Q. Lessor shall provide automatic-control time clocks (7-day-programmable) or energy management systems (microprocessors) to allow the shutoff and startup of the HVAC equipment according to the State's occupancy schedule. State shall determine maximum daily hours of operation. Lessor shall provide one-hour by-pass timers for each HVAC system for after-hours operation.
- R. Indirect evaporative cooling, desiccant dehumidification, and passive solar design measures are acceptable when approved by DGS.

2.13 ELECTRICAL

A. General Electrical Requirements:

1. Lessor shall provide electrical engineering and installation of all transformers, main switchboard, subpanels, branch circuits, wiring devices, electrical switching, energy management systems, lighting, receptacles, and control equipment for HVAC systems.
2. Service and metering equipment shall be in accordance with utility company requirements. An Electrical Arc-Flash Hazard Analysis and Short-Circuit and Protective Device Coordination Study shall be performed based on the available fault current from the utility system and contribution from the facilities motors. Electrical equipment warning labels shall be provided based upon the available arc hazard energy at each piece of Electrical Equipment. Labels shall comply with the requirements of the California Electrical Code and NFPA 70E.
3. Where electrical service panels are installed to provide service to State premises, Lessor shall provide and install panels with a minimum of 20 percent more circuit capacity than the Lessor's calculated load total.
4. The electrical panels serving the State's premises shall be accessible from the building core or from within the State's quarters. The location of the panels shall be coordinated and approved by the DGS prior to installation.
5. All appliances and all energy-consuming devices shall be Energy Star® certified by the Environmental Protection Agency (EPA).

B. Power Requirements:

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

1. Duplex convenience outlets shall be 20A, 125V, 3 wire grounding type provided in quantities indicated on the Exhibit "A". Lessor shall provide a minimum of two convenience outlets in each private office.
2. Electrical/data/telephone outlet heights:
 - a. Existing receptacles may remain at 12" A.F.F. New receptacles shall be installed at 15" A.F.F. or as noted on plans.
3. Lessor shall furnish and install all special use outlets, dedicated circuits, and isolated ground convenience outlets for copy machines, electronic communications equipment, and where noted on plan.
 - a. Dedicated circuits shall have individual ungrounded circuit conductors from each device to panel board circuit breaker and individual grounded circuit conductors from each device to the neutral bus located in the panel board. Equipment grounding conductors shall be connected to the grounding electrode system through a ground bus located in the panel board.

C. General Lighting Requirements:

1. Lighting Design Guidelines:
 - a. Lighting shall comply with the design guidelines of the current edition of IESNA Lighting Handbook.
2. Where existing light fixtures are reused, Lessor shall modify fixtures as necessary to comply with all seismic guidelines. Lessor shall thoroughly clean fixture housings, lamps, and fixture lenses. All lenses shall be free of damage and discolor. There shall be no visual discrepancy between existing lamp color temperature and new lamp color temperature in each enclosed space. Lessor shall replace incandescent lamp fixtures with new high efficiency lamp fixtures where applicable.
3. Premises shall have sufficient light fixtures properly spaced and be capable of providing the recommended levels of illumination indicated in the following table.

a. Minimum Lighting Levels:

AREA:	FOOTCANDLES:
Work Surfaces (includes task lighting)	50
Work Area Ambient Lighting	30
Telecommunications rooms and closets	50
Special Purpose Area(s)	75
Repair Garage	50
Hallways, Aisles, Corridors	25
Conference / Meeting Rooms	70
Incandescent Lighting	10 - 30
Drafting Areas	50
High Density Filing Areas	50
Document Processing Area/Room	30
Circulation Space around work areas	30
Building Entries	25
Restrooms	40
Waiting and Lounge Areas	15
Coffee Counters	20
Lunch Rooms/ Break Rooms	30
Warehouse	2

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

4. Minimum requirements for new or replacement linear fluorescent lighting systems:
 - a. Minimum Color Rendering Index (CRI) of 70
 - b. Option of common Color Temperature lamps (CCT) (3000° K through 4100°K)
 - c. Minimum power factor of 90%
 - d. Minimum system efficacy of 90 lumens per watt
 - e. High frequency electronic ballast
 - f. Maximum Total Harmonic Distortion (THD) of 20%
 - g. Minimum lamp life of 20,000 hours
5. Minimum requirements for compact fluorescent lighting systems:
 - a. Minimum Color Rendering Index (CRI) of 75%
 - b. Option of common Color Temperature lamps (CCT) (2700° K through 4100°K)
 - c. Minimum power factor of 90%
 - d. Minimum system efficacy of 60 lumens per watt
 - e. Electronic ballast
 - f. Maximum Total Harmonic Distortion (THD) of 20%
 - g. Minimum lamp life of 10,000 hours
6. Minimum requirements for LED lighting systems
 - a. Minimum Color Rendering Index (CRI) of 80
 - b. Option of common Color Temperature lamps (CCT) (3000° K through 4100°K)
 - c. Minimum power factor of 90%
 - d. Minimum system efficacy of 90 lumens per watt
 - e. Internal LED Driver
 - f. Lamps capable of being dimmed from 100% to 0% of maximum lighting output
 - g. Minimum lamp life of 50,000 hours
7. Pairs of one-lamp or three-lamp recessed fluorescent luminaires and continuous mounted fluorescents that are (1) on the same switch control, (2) in the same area, (3) within 10 feet of each other in accessible ceiling spaces; and (4) do not use electronic ballasts, shall be tandem wired and shall not use single lamp ballasts.
8. Where required, lighting panel switches including exterior lighting shall have a two schedule, programmable, 7-day with holiday setting, battery-backup time clock. Time clock operation shall have manual override with a two-hour bypass. Override shall be accessible to the tenant.
9. Where exterior illumination is required, lessor shall provide and install exterior solid-state luminaires that are designed for and exclusively use LED lamp technology. Luminaires shall include integrated controls and the required Backlight, Uplight, and Glare (BUG) ratings based on the Lighting Zone the luminaires are in for accent light and outdoor building security lighting. All building entrances shall be illuminated.

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

D. Communication Equipment Requirements:

1. Lessor shall provide and install all conduits and telephone service cabling from the building's main point of entry (MPOE) to the tenant agency's Telecommunication closet.
2. Lessor shall furnish and install telephone terminal backboard. Backboard shall be 4' x 8' x ¾" thick, fire retardant plywood, and painted to match adjacent surfaces.
3. Lessor shall furnish and install termination blocks, cable management hardware, and terminate and label all cables at both ends.
4. Lessor shall provide and install all components as required by the telephone service provider's requirements.
5. Unless otherwise noted, Lessor shall furnish and install a complete structured cabling system from the tenant agency's telecommunication closet to the final point of termination. Lessor shall provide all components such as, but not limited to, cabling, cable labels, cable trays, cable management hardware, patch panels, cross connects, patch cords, faceplate, jacks, and wall outlets, MSF workstation outlets, as necessary or required for a complete and operational system.
6. Lessor shall provide and install all conduit and outlet boxes with pull-wire.
7. The system shall be tested pursuant to and meet ANSI/TIA/EIA standards.
8. BICSI Certified cabling installers shall perform all work, and shall comply with all ANSI/TIA/EIA cabling standards.
9. The system shall comply with the requirements of the tenant agency's specifications.
10. The State shall not be required to remove any communication equipment and or cabling described herein either during the lease term or upon termination of this lease.

2.14 PARKING AND PAVING

- A. Parking areas and access from the public way shall be paved. Each parking stall shall have individual unobstructed access. All stalls shall be marked with 4" wide painted stripes using white traffic grade paint. Traffic areas shall have appropriate painted directional arrows and any other graphics noted on Exhibit "A". Lessor shall furnish and install appropriate signage as required by local jurisdiction.
- B. Pavement at existing parking areas shall be free of holes, patches, divots or badly weathered surface conditions. If new material is used, the existing asphalt shall be ground and used for fill in the parking area.

END OF DIVISION 2

EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 3

DIVISION 3 - SPECIAL PROVISIONS

The following Special Provisions supplement the requirements specified in Divisions 1 and 2. Where Division 3 requirements conflict with Divisions 1 & 2; Division 3 supersedes those requirements.

There are NO SPECIAL PROVISIONS for this Project.

END OF DIVISION 3

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 4**

DIVISION 4 - TECHNICAL REQUIREMENTS

The following Technical Requirements supplement the requirements specified in Divisions 1 and 2. Where Division 4 requirements conflict with Divisions 1 & 2; Division 4 supersedes those requirements.

There are NO TECHNICAL REQUIREMENTS for this Project.

END OF DIVISION 4

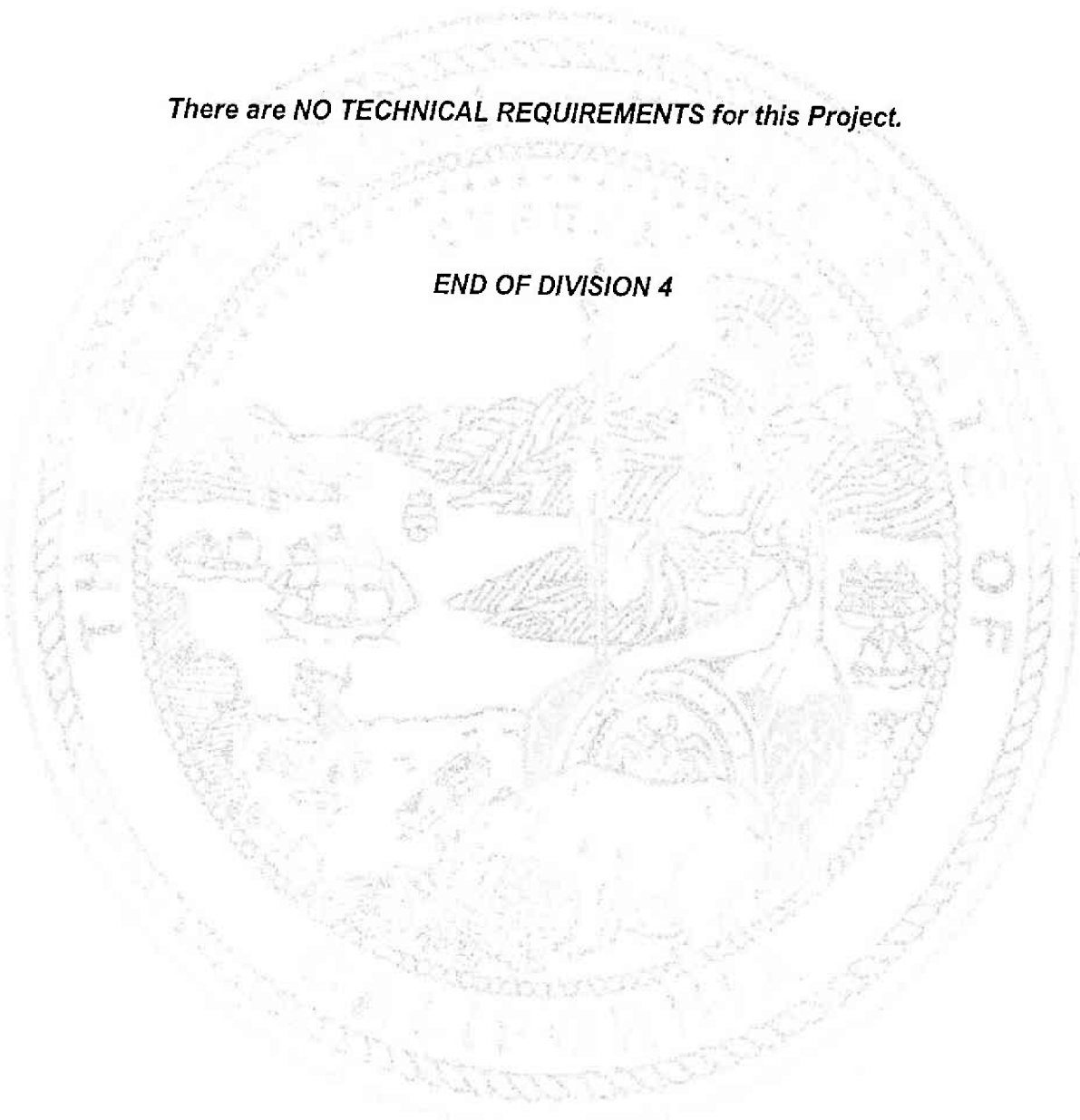


EXHIBIT 'C' – ADMINISTRATIVE REQUIREMENTS

PROJECT: OFFICE QUARTERS PROJECT NO.: 135305
 AGENCY: EMPLOYMENT DEVELOPMENT DEPARTMENT LEASE NO.: 6197-001
 LOCATION: 1325 SPRUCE STREET RIVERSIDE, CA 92507 DATE: 4-14-14

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PROJECT CONTACT: MARY KUYPER PHONE: 916.375.4115
 STATE FACILITIES MANAGER FAX: 916.375.4085
 EMAIL: mary.kuyper@dgs.ca.gov

Confirmation Statement

I/we have read this Exhibit 'C' Administrative Requirements and understand it is incorporated into, and is part of, this lease.
 I/we have acknowledged each and every page by placing my/our initials on this cover sheet.

Initials _____

DIVISION 1 – AUTHORITY AND POLICY REQUIREMENTS

1.00 GENERAL

- A. The State of California and its governing agencies have mandated that the Department of General Services (DGS), Real Estate Services Division (RES D) adhere to all regulations, policies and state statutes for all state agencies leasing private sector building space.
- B. This Exhibit 'C' document is a binding part of the lease document and shall function with Exhibits 'A' and 'B'.
- C. The forms contained in Division 4 are for the Lessor's reference. A separate Lessor's forms packet will be provided by RES D for the Lessor's use. The forms contained in the "Lessor's Packet" are to be used by the Lessor to accomplish the processes required by this document.
- D. Federal Americans with Disabilities Act (ADA) and California Building Code (Title 24) accessibility requirements are combined and noted hereafter as **CBC/ADA**.
- E. Abbreviations: State Fire Marshal (SFM), Division of the State Architect (DSA), Real Estate Services Division (RES D).

1.01 STATE FIRE MARSHAL AUTHORITY

- A. Section 13108 of the California State Health and Safety Code gives the State Fire Marshal (SFM) authority for enforcement of fire protection regulations for State owned and State occupied leased buildings or premises. This authority encompasses both plan review and construction inspections of all leased facilities.
- B. If at any time during the Design, Construction Document Review, or Construction Inspection processes, a conflict arises between the State and local authorities, the Lessor/architect will compile all pertinent information and present the situation through the RES D Space Planner to the SFM. The SFM has final authority in the determination of compliance and will take the lead in the resolution of problems or suitable interpretation of code.

1.02 ACCESS COMPLIANCE AUTHORITY

- A. California law incorporates the Americans with Disabilities Act requirements. California Government Code provides that buildings shall be made accessible to, and usable by, persons with disabilities, whether they are leased, rented, contracted, sublet, or hired by any municipal, county, or State divisions of government, or special district. California Building Standards Code defines that all State facilities shall meet the federal Architectural Barriers Acts.
- B. These statutes, in addition to the California Building Code, Title 24, generate the need for a standard process to ensure access compliance with respect to State leased facilities.
- C. The **Division of the State Architect (DSA)** is charged with the responsibility of ensuring compliance with the above standards.

DIVISION 1 – AUTHORITY AND POLICY REQUIREMENTS

ACCESS COMPLIANCE AUTHORITY - Continued

- D. If at any time during the Design, Construction Document Review, or Construction Inspection processes, a conflict arises between the State and local authorities, the Lessor/architect will compile all pertinent information and present the situation to the RESD Space Planner.
- E. The DSA has delegated a component of the access compliance responsibility to RESD for leased facilities: Conforming to DSA delegation, RESD is requiring the Lessor to ensure compliance by utilizing one of the two procedures defined in this document. Refer to Division 3 (below) for specific requirements and procedures.
- F. Public right- of- way access is required for all State leased facilities. If the existing conditions do not meet the required codes and regulations, the design professional (Lessor's architect) must demonstrate and document a diligent effort to request that the authority (having control) over the public right- of- way, makes the necessary modifications to secure right-of-way access. All correspondence shall be documented and provided to the RESD Space Planner for the project file.

End of Authority and Policy Requirements

DIVISION 2 – STATE FIRE MARSHAL PROCEDURE

2.00 RESD LEASE EXHIBIT 'A'

- A. Prior to the lease execution, the RESD Space Planner is responsible for the development and submittal of the lease Exhibit 'A' space plan(s) to the SFM for a general code compliance review and approval. The approved Exhibit 'A' plan(s) will reflect the design concept for the proposed lease within the configuration of the existing building shell. If RESD elects to use a narrative Facilities Design Program (FDP) in place of the Space Plan, the SFM review and approval will follow lease execution and development of preliminary architectural drawings by the Lessor.

2.01 CONSTRUCTION DRAWINGS

- A. The Exhibit 'A' Plan or the Exhibit 'A' FDP are design development guidelines only. Lessor, at Lessor's sole cost and expense, shall provide all required construction documents and calculations necessary to obtain a building permit from the local Building Department and to construct the improvements as indicated. The use of Exhibit 'A' Plan in lieu of construction documents is not acceptable to the State.

2.02 PLAN REVIEW AND APPROVAL

- A. The Lessor's architect is required to submit the construction drawings to the SFM for plan review and approval prior to construction. **All** specific technical elements of the construction such as fire alarm and smoke detection systems, fire sprinklers, construction details of fire assemblies, etc. shall be included with the construction drawings. For projects with no alterations that would require a building permit the Lessor is not required to submit construction drawings to the SFM.
- B. The Lessor's architect shall submit the **SFM Plan Review Application Form A** (attached) and the construction drawings to the State Fire Marshal in Sacramento. There is no fee associated with the SFM review process.
- C. The **Plan Review Application form** and all submittals shall be sent to:
Office of State Fire Marshal, Code Enforcement
1131 S Street
Sacramento, California, 95814
Contact telephone: (916) 324-3783 or 445-8550.

This form must be filled out completely, including the address to which the approved documents shall be returned. Plan review time is generally consistent with local building authority permitting process, however the architect shall verify the estimated review time for this project review at submittal. The architect shall make the necessary adjustments to the overall project schedule accordingly.

- D. The approved drawings or revisions requests will be returned to the address shown on the Plan Review Application and will be accompanied by either a **SFM Plan Review Approval Form B** or a **SFM Plan Review Transmittal Form C** (attached). The Lessor/architect shall provide a copy of the approved form to the RESD Space Planner.

DIVISION 2 – STATE FIRE MARSHAL PROCEDURE

2.03 CONSTRUCTION INSPECTION

- A. The regional SFM office will inspect and approve the construction in the State leased building. There are two regions; Code Enforcement North and Code Enforcement South. Call (916) 445-8550 to determine the local contact information. The Lessor, architect, or contractor shall be responsible for contacting the regional Deputy State Fire Marshal for coordination of the inspections based on the proposed construction schedule.
- B. After completion of each successive SFM construction inspection, any deficiencies shall be recorded on the SFM **Fire Safety Correction Notice** Form D (attached). This form is to be signed by a Lessor's representative on site. When final approval by the Deputy SFM is recorded on this document the Lessor shall send a copy to the RESD Space Planner.

End of SFM Process

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

3.00 GENERAL

- A. To comply with the accessibility requirements and ensure that the facility has complied with all accessibility codes and regulations, the Lessor is required to complete one of the two processes defined below. In each case the RESD Space Planner will remain the primary contact. The facilities are categorized according to size as either Group I or Group II projects. Each category has specific requirements as defined. Group I projects are submitted to RESD and Group II facilities are submitted to DSA for plan review and approval. The Lessor is required to follow the procedure of the applicable process and is responsible for the associated costs.

3.01 FEE REQUIREMENT

- A. The Lessor is required to submit the project fee to RESD for Group I or directly to the DSA regional office for Group II facilities. The RESD Space Planner will calculate the required fee using the **CBC/ADA Access Compliance Fee Calculation Form E** (attached) and include this in the Exhibit C lease document.

3.02 DETERMINATION OF FACILITY GROUP

- A. The group is determined by the category and the size of the State's net usable leased area. The respective administrative process is defined in the following Sections 3.03 (Group I) and 3.04 (Group II). The Group Types are defined below:

GROUP I:

Building Type:	Net Usable Square Footage:
Existing Office Buildings	Less than 100,000 square feet
Existing Warehouse Buildings	Less than 500,000 square feet
Any Building to be Constructed	Less than 30,000 square feet

GROUP II:

Building Type:	Net Usable Square Footage:
Existing Office Buildings with Alterations	100,000 sq. ft. or greater
Existing Warehouse Buildings with Alterations	500,000 sq. ft. or greater
Any Building to be Constructed	30,000 sq. ft. or greater

Note: Certain Group I projects, at the discretion of the State, may be determined compatible with Group II process regardless of the building size. The RESD Space Planner shall inform the Lessor which process applies to this particular project during lease negotiations.

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

3.03 GROUP I FACILITY PROCEDURE

For Group I facilities the Lessor's architect is required to complete the requirements outlined in paragraphs A through D below:

- A. Accessibility Survey: The Lessor must have an accessibility survey completed prior to the finalization and approval of the construction documents. The survey must be completed using the DGS' Accessibility Checklist for State-Leased Buildings and Facilities. The following consultants are acceptable:
1. DSA certified accessibility consultants trained for Leased facilities
<http://www.dgs.ca.gov/resd/Programs/LeasingandPlanning/NewLease/LeaseRequirements.aspx>
 2. Certified Access Specialist (CASP)
<http://www.dgs.ca.gov/dsa/Programs/programCert/casp.aspx#t1>
 3. ICC Accessibility Inspector/Plans Examiner
<https://av.iccsafe.org/EWEB/DynamicPage.aspx?Site=icc&WebKey=b7afd990-2e14-4013-a186-aeb405641a95&FromSearchControl=Yes>
 4. Architect licensed in the State of California
- A.1.1. The consultant will survey the facility and site per CCR Title 24, California Building Code (CBC), and Americans with Disabilities Act (ADA). State agencies are public entities and shall comply with Title II of the ADA. Exceptions to the code for existing buildings are not permitted. Access compliance shall apply to exterior areas such as but not limited to path of travel to and from public transportation and public right-of-way, parking, passenger drop-off and loading zones, walks and sidewalks, curb ramps, ramps, and all stairs. Access compliance shall also apply to interior areas such as but not limited to entrances and exits, lobbies, building common areas, elevators, access lifts, doors and gates, access to and through all rooms and spaces, restrooms, signs and identification, counters, waiting, seating areas, assistive listening systems, telephones, drinking fountains, alarms, and horizontal/vertical access. Consultants will observe and record all deficiencies, as well as provide solutions needed to bring facility into compliance with sufficient detail to allow Lessor or his/her agent to develop a cost estimate for proposed barrier removal. Should all areas mentioned above not be fully constructed, consultants shall review the construction documents in addition to the physical evaluation.
- B. Fee Payment: The Lessor shall prepare a check payable to the Dept. of General Services, Real Estate Services Division. Lessor shall enclose a copy of the **CBC/ADA Access Compliance Fee Calculation Form E** (attached) as prepared by the RESD Space Planner, along with payment and mail to DGS, RESD (Include the project number on the check to RESD).
- C. Construction Documents: The Lessor's Architect will incorporate all items defined in the accessibility survey into the construction documents. The Lessor shall submit the completed drawings to RESD for review.
- D. Verified Report: Following the completion of construction, the Lessor's architect is responsible for verifying that the items outlined in the accessibility survey and incorporated into the construction documents have been completed. The **Verified Report Form G** (attached) shall be signed by the Lessor's architect. The architect shall forward the signed Verified Report to RESD Space Planner prior to the final inspection that will be performed by RESD. The project will not be accepted for occupancy prior to receipt of this document.

End of Group I Procedure

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

3.04 GROUP II FACILITY PROCEDURE

The Lessor is required to submit plans and specifications to the **Division of the State Architect (DSA)** for access compliance review and approval. Although the formal process for access compliance plan review and approval is processed through DSA, the DGS RESD Space Planner will continue as the project manager. The Lessor's architect shall inform RESD of the status of plan review/approval from DSA.

For Group II facilities the Lessor's architect is required to complete the requirements outlined in paragraphs A through F below:

- A. **Accessibility Survey:** The Lessor must have an accessibility survey completed prior to the finalization and approval of the construction documents. The survey must be completed using the DGS Accessibility Checklist for State-Leased Buildings and Facilities. The following consultants are acceptable:
1. DSA certified accessibility consultants trained for Leased facilities
<http://www.resd.dgs.ca.gov/Branches/PSB/LeaseRequirements.htm>
 2. Certified Access Specialist (CAsp)
<http://www.dgs.ca.gov/dsa/Programs/programCert/casp.aspx#1>
 3. ICC Accessibility Inspector/Plans Examiner
<https://av.iccsafe.org/EWEB/DynamicPage.aspx?Site=icc&WebKey=b7afd990-2e14-4013-a186-aeb405641a95&FromSearchControl=Yes>
 4. Architect licensed in the State of California

Note: See Section 3.03; paragraph A.1.1 (Group I Facility Procedure) for parameters of survey.

- B. **Construction Drawings and Specifications:** The Lessor is required to retain an architect licensed in the State of California to design and develop plans and specifications in accordance with the lease exhibits and applicable codes and regulations. The Lessor's architect will incorporate all items defined in the accessibility survey into the construction documents. The architect is required to stamp and sign the construction documents.
- C. **Fee Payment:** In accordance with the calculation of fees per the **CBC/ADA Access Compliance Fee Calculation Form E** (attached), the Lessor shall prepare a check payable to the Division of the State Architect. This check along with a copy of the CBC/ADA Access Compliance Fee Calculation Form E shall be forwarded directly to the appropriate regional DSA office in the submittal package.
- D. **Submittal Package:** The submittals shall be sent to the appropriate DSA regional office. The state is divided into four regions, San Francisco Bay Area, Sacramento, Los Angeles and San Diego. The DSA regional office that will review this project can be confirmed by calling DSA at (916) 445-8100. The submittal package must be complete before the DSA accepts the project for review. Proceed to the DSA website using the link below for instructions on this process:

<http://www.dgs.ca.gov/dsa/Programs/progProject/overview/proisubmitintro.aspx>

Upon receipt of the submittal package, a DSA application number is assigned to the project for tracking purposes. A preliminary review of your submittal is performed within a few days. Plan review is scheduled after DSA verifies that a complete submittal package has been received. The Lessor's architect shall verify the estimated time for this project review with DSA at submittal. The architect shall make the necessary adjustments to the overall project schedule accordingly.

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

- E. DSA Plan Approval: Once approval has been granted by DSA, the Lessor is required to construct the project in compliance with the plans, specifications and lease exhibits. The Lessor shall provide a copy of DSA's letter of approval to the RESD Space Planner. Construction shall not commence until this process has been completed.
- F. Verified Report: Following completion of construction, the Lessor's architect shall visit the site to verify that the building and site are in compliance with the DSA approved plans and specifications. The **Verified Report** Form G (attached) shall be completed and signed by the Lessor's architect. The architect shall forward the Verified Report to RESD Space Planner prior to the final construction inspection by RESD. The project will not be accepted for occupancy prior to receipt of this document.

End of Group II Procedure

DIVISION 4 – REFERENCE FORMS

4.00 SFM PLAN REVIEW APPLICATION, FORM A

STATE OF CALIFORNIA - THE RESOURCES AGENCY

Edmund G. Brown Jr., Governor

DEPARTMENT OF FORESTRY AND FIRE PROTECTION
OFFICE OF THE STATE FIRE MARSHAL
Fire and Life Safety Division
1131 "S" Street (95811)
P.O. Box 944246 (94244-2460)
Sacramento, CA
T: (916) 445-8550 F: (916) 324-3784
Web Site: www.fire.ca.gov



PLAN REVIEW APPLICATION

Please Print or Type- Must be Submitted with all Plans, Specifications and Deferred Approvals

Application Date: _____

State Department Project: Employment Development Department

Building Name: EDD Riverside 135305

DGS Project # (DGS Only): 135305 Please check on of these boxes/do not leave blank Bill To: SRF ARF Agency

Project Address: 1325 Spruce Street

City: Riverside Zip Code: 92507 County: Riverside

Scope of Project: _____

Estimated Contract Cost: _____

Bid Date: _____ Contract State Date: _____

Submitting Firm/Agency: _____

Address: _____

City: _____ Zip Code: _____ County: _____

Contact Person: _____

Telephone Number: () - _____ Email Address: _____

SFM USE ONLY - BELOW THIS LINE

Date Received: _____

Received By: _____

SFM FILE #: _____

Database ID #: _____

CONSERVATION IS WISE-KEEP CALIFORNIA GREEN AND GOLDEN
PLEASE REMEMBER TO CONSERVE ENERGY. FOR TIPS AND INFORMATION, VISIT "FLEX YOUR POWER" AT WWW.CA.GOV

DIVISION 4 – REFERENCE FORMS

4.01 SFM PLAN REVIEW APPROVAL, FORM B

(This is for Reference Only – The Lessor will receive this Plan Review Approval form or the Plan Review Transmittal form (next page) with the plans that were submitted for review and approval to the SFM)

STATE OF CALIFORNIA - THE RESOURCES AGENCY

Edmund G. Brown Jr., Governor

OFFICE OF THE STATE FIRE MARSHAL
Code Enforcement – North
DEPARTMENT OF FORESTRY AND FIRE PROTECTION



1131 "S" Street (95811)
P.O. Box 944246 (94244-2460)
Sacramento, CA
Web Site: <http://osfm.fire.ca.gov>
(916)445-8550
(916)324-3784 FAX

PLAN REVIEW APPROVAL

TO: _____ DATE: _____

CSFM: _____

FACILITY NAME: _____
FACILITY ADDRESS: _____
PROJECT DESCRIPTION: _____

Reproducible plans and specifications for the project described and included in the plan review transmittal dated _____ are approved by this office and were stamped _____.

Nothing in our review shall be construed as encompassing structural integrity. Approval of this plan does not authorize or approve any omission or deviation from applicable regulations. Final approval is subject to field inspection. One set of approved plans shall be available on the project site at all times.

If you have any questions, please contact me at _____.

Deputy State Fire Marshal

cc: Code Enforcement – North
 Code Enforcement – South
 Field File

RECORD #: _____
RECEIVED DATE: _____

CONSERVATION IS WISE-KEEP CALIFORNIA GREEN AND GOLDEN
PLEASE REMEMBER TO CONSERVE ENERGY. FOR TIPS AND INFORMATION, VISIT "FLEX YOUR POWER" AT WWW.CA.GOV

DIVISION 4 – REFERENCE FORMS

4.02 SFM PLAN REVIEW TRANSMITTAL, FORM C

STATE OF CALIFORNIA - THE RESOURCES AGENCY

Edmund G. Brown Jr., Governor

OFFICE OF THE STATE FIRE MARSHAL
Code Enforcement – North
DEPARTMENT OF FORESTRY AND FIRE PROTECTION



1131 "S" Street (95811)
P.O. Box 944246 (94244 2460)
Sacramento, CA
Web Site: <http://osfm.fire.ca.gov>
(916) 445-8550
(916) 324-3784 FAX

PLAN REVIEW TRANSMITTAL

TO: _____ DATE: _____
_____ CSFM: _____

FACILITY NAME: _____
FACILITY ADDRESS: _____
PROJECT DESCRIPTION: _____

As requested, we have reviewed Plans Specifications Change Order Addendum Instructional Bulletin
 Request for Information Equipment Submittal for the project listed above to determine conformance with the fire
and life safety standards of Titles 19 and 24, California Code of Regulations. By copy of this transmittal we are:

- advising you that the items listed above were found to be in accordance with the applicable provisions of Title 19 and 24.
- returning the items listed above to you for review. Consideration must be given to all comments noted in red pencil on the documents.
- requesting that you contact our office at the telephone number listed below for an appointment for our stamp of approval or back check. Submit the plans with our official comments at the time of the back check.

Nothing in our review shall be construed as encompassing structural integrity. Approval of this plan does not authorize or approve any omission or deviation from applicable regulations. Final approval of this project is subject to field inspection.

If you have any questions, please contact me at _____.

Deputy State Fire Marshal

cc: Code Enforcement – North
 Code Enforcement – South
 Field File

RECORD #: _____
RECEIVED DATE: _____

CONSERVATION IS WISE-KEEP CALIFORNIA GREEN AND GOLDEN
PLEASE REMEMBER TO CONSERVE ENERGY. FOR TIPS AND INFORMATION, VISIT "FLEX YOUR POWER" AT WWW.CA.GOV

DIVISION 4 – REFERENCE FORMS

4.03 SFM FIRE SAFETY CORRECTION NOTICE
and/or
FINAL CONSTRUCTION APPROVAL - FORM D

STATE OF CALIFORNIA - THE RESOURCES AGENCY

Edmund G. Brown Jr., Governor

OFFICE OF THE STATE FIRE MARSHAL
Code Enforcement – North
DEPARTMENT OF FORESTRY AND FIRE PROTECTION



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Sacramento, CA
Web Site: <http://osfm.fire.ca.gov>
(916) 445-8550
(916) 324-3784 FAX

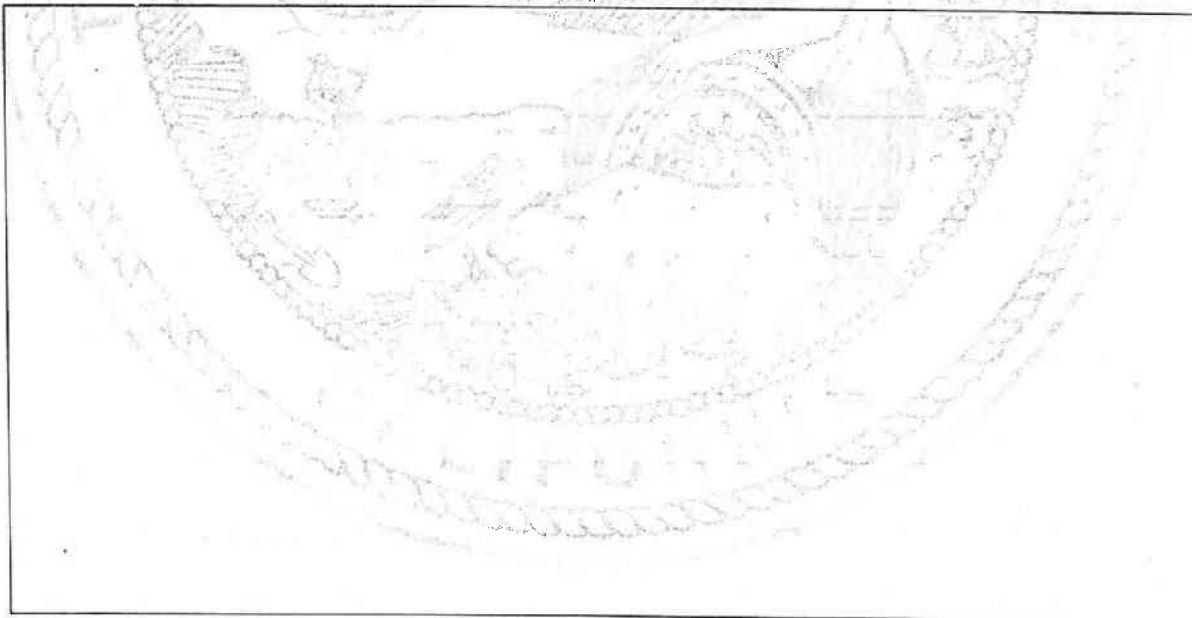
Fire Safety Correction Notice

File Number: _____

Name: _____

Address: _____

The California Health and Safety Code and the State Fire Marshal's regulations require the following fire safety deficiencies be corrected:



The above deficiencies are to be corrected within _____ days. When ALL deficiencies have been corrected, sign and return the certification on the opposite side of this form. If you have any questions, contact the Office of the State Fire Marshal at () _____ - _____

ISSUED BY (Deputy State Fire Marshal)

RECEIVED BY

DATE

CONSERVATION IS WISE-KEEP CALIFORNIA GREEN AND GOLDEN
PLEASE REMEMBER TO CONSERVE ENERGY. FOR TIPS AND INFORMATION, VISIT "FLEX YOUR POWER" AT WWW.CA.GOV



DIVISION 4 – REFERENCE FORMS

4.04 CBC/ADA ACCESS COMPLIANCE FEE CALCULATION
FORM E

RELPS Planner: Mary Kuyper Date: 4-14-14

Agency: Employment Development Department

Address: 1325 Spruce Street, Riverside, CA 92507

Project Number: 135305

Project Name: EDD Riverside 135305

For GROUP I Facilities
Send to:
Dept. of General Services
Real Estate Services Division
Professional Services Branch
707 3rd Street, Suite 5-305
West Sacramento, CA 95605

For Group II Facilities
Send to:
DSA Regional Office
See DSA Website for offices in
your area at
www.dsa.dgs.ca.gov/Contact/default.htm

Project Type	Project Size (net usable s.f.)		Project Value (PV)
<input type="checkbox"/> Existing Warehouse Buildings		\$20/sf	\$ -
<input checked="" type="checkbox"/> Existing Office Buildings	9,467	\$50/sf	\$ 473,350
<input type="checkbox"/> New Construction		\$150/sf	\$ -

GROUP I (Under \$5,000,000)	Project Value	Multiplier	Fee
PV X 0.2% of 1st \$500,000 =	\$ 473,350	0.002	\$ 947
Remainder of PV x 0.1% =	\$ -	0.001	\$ -
Remainder between 2M and 5M x .01%	\$ -	0.0001	\$ -
Calculated total =			\$ 947
x 10% (QA or \$200 Minimum) = Total Fee			\$ 200

GROUP II (Over \$5,000,000)	Project Value	Multiplier	Fee
PV x 0.5% of 1st \$500,000	\$ -	0.005	\$ -
PV between 500,000 and 2M x .25%	\$ -	0.0025	\$ -
PV over 2M x .1%	\$ -	0.001	\$ -
Calculated total -			\$ -
Total Fee			\$ -

Total Lessor Fee Obligation:	\$ 200
-------------------------------------	---------------

DIVISION 4 – REFERENCE FORMS

4.05 DVBE PROGRAM CERTIFICATION SHEET, FORM F

CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE
PROGRAM CERTIFICATION SHEET

Lessor must complete and sign to certify if DVBE Participation was or was not obtained

LEASE AMOUNT/DVBE CERTIFICATION

Lease Project No.: 135305

I hereby certify that the Lease Contract Amount, as defined below, is in the amount of \$ _____ of which \$ _____ was awarded to a certified DVBE firm resulting in _____% DVBE participation. I understand that the Lease Contract Amount is the total dollar figure against which the DVBE participation will be evaluated.

Lessor Name

Date

Lessor's Signature

Printed Name

DEFINITION: Lease contract amount is the total amount of lease costs expended by the Lessor over the firm term of the lease which are attributable to expenditures by the lessor to make the leased property sufficient for state occupancy. This typically includes, but is not necessarily limited to, tenant improvements, extraordinary maintenance, and janitorial services specified in the lease. In the case of a build-to-suit facility, the total of the construction and off-site development costs, as well as architectural and engineering costs, would be included.



DIVISION 4 – REFERENCE FORMS

4.06 VERIFIED REPORT, FORM G

State Leased Buildings and Facilities
Verified Report - Form G

The Architect having general responsible charge of the work of construction on the plans and specifications, is responsible for the submission of this report to the Department of General Services / Real Estate Services Division, Planner (DGS/RESD) prior to the state tenant taking occupancy.

RESD Project Info:	Agency: Employment Development Department	RESD Project # 135305
	Project Type (Scope of Work): Lease Renewal or Amendment 56	Date:
	RESD Planner: Mary Kuyper	Phone: 916.375.4115 Fax: 916.375.4085

Facility Info:	Building Name	Hours of Operation:	
	Address: 1325 Spruce Street	Suite	
	City: Riverside	Zip: 92507	
	Lessor Contact	Phone	Fax

Contractor:	Company Name	License #	Phone
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This report includes all construction work through the date of: _____ month _____ day _____ year

Exterior Work	% Compliant	Interior Work	% Compliant
Parking & Accessible Stalls		Accessible Main Entrance	
Walks & Sidewalks		Doors & Gates	
Curb Ramps		Information / Reception Counter	
Stairways		Elevators / Ramps / Lifts	
Ramps & Landings		Sanitary Facilities / Sinks / Drinking Fountains	
Accessible Main Entrance		Stairwells / Exits	
Wayfinding & Signage		Conference / Meeting / Assembly Rooms	
		Wayfinding & Signage	
		Fire Alarms	
		Total Project Percentage of Completion	

*All items required to be 100% complete unless Hardship approved by DSA or Mitigation Plan outlined in lease.

List work and % to be completed (attach additional pages as necessary):

I declare under penalty of perjury that I have read the above report and know the contents thereof; that all of the above statements are true and that I know of my own personal knowledge that the work during the period covered by the report has been performed and materials used and installed, and in every material respect are in compliance with the duly approved plans and specifications therefore.

Architect:	Signature	Date
	Name	Architect #
	Company / Firm	Phone
	Address	Fax

Submit completed forms to location indicated below:

DGS/RESD Attn: Planner	Real Estate Services Division 707 Third Street, Suite 5-305 West Sacramento, CA 95605
---------------------------	---

September 1, 2015

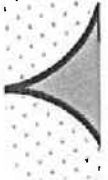
Project No.: 135305



EXHIBIT "D"

**"MASTER LEASE AND FOUR
AMENDMENTS"**

INITIAL HERE



EDD STANDARD SUBLEASE FORM

<u>SUBLEASE COVERING PREMISES LOCATED AT</u> 1325 Spruce Street Riverside, CA 92507
<u>SUBLESSOR'S FED. TAX I.D. NO. OR SOCIAL SECURITY NO.</u> 95-6000930
<u>SUBTENANT AGENCY</u> Employee Development Department

File No.: 6197-001
Project No.: 129092

Preamble

This Agreement, made and entered into this 18th day of April 2011 is a Sublease of that certain Lease Agreement (the "Master Lease") dated June 13, 2006, as amended December 12, 2006, July 13, 2007, and February 9, 2010 between the Spruce Street Professional Building, LLC as Lessor (the "Master Lessor") and County of Riverside as Lessee. This Sublease agreement is between

COUNTY OF RIVERSIDE

hereinafter called the Sublessor, without distinction as to number or gender, and the State of California, acting by and through the Director of the Department of General Services, hereinafter called the State;

WITNESSETH

WHEREAS, under the Master Lease, Sublessor hires from Master Lessor certain premises located at 1325 Spruce Street, Riverside, California as more particularly described in the Master Lease, and

WHEREAS, a copy of the Master Lease and three (3) amendments is attached hereto, incorporated herein as Exhibit "D" and made a part of this sublease by this reference; and

WHEREAS, the Master Lease provides that Sublessor shall have the right to sublet any portion of the Master Leased Premises; and Sublessor has obtained necessary consent from the Master Lessor; and

WHEREAS, the County of Riverside and the State of California's Employment Development Department (EDD) desire to consolidate certain of their operations at a facility currently under Master Lease to the Sublessor;

NOW, THEREFORE, it is mutually agreed between the parties as follows:

Description

1. The Sublessor hereby subleases unto the State and the State hereby hires from the Sublessor those certain premises with appurtenances situated in the City of Riverside, County of Riverside, State of California, and more particularly described as follows:

Approximately 10,251 net usable square feet of office space on the 1st, 2nd, 4th, and 5th floor (consisting of 9,695 net usable square feet of shared space as outlined in green and 556 net usable square feet of exclusive space as outlined in red on the attached Exhibit A Plan), of the building located at together with Outline Specifications marked Exhibit "B", State Fire Marshal, CBC/ADA Access Compliance & Sustainable Measure Procedures marked Exhibit "C", a copy of the Master Lease and three amendments marked Exhibit "D", said Exhibits "A" and "B" and "C" and "D", Project No. 129092 dated January 7, 2011, hereby being incorporated by said reference into this sublease, and including sixty-seven (67) nonexclusive, unobstructed parking spaces contiguous to the subject building, and unlimited use of the building's common facilities.

Term

2. The term of this sublease shall commence on April 1, 2010, and shall end on March 31, 2014, with such rights of termination as may be hereinafter expressly set forth.



JUN 28 2011 3:54

Early Termination

3. The State may terminate this sublease at any time effective on or after March 31, 2012, by giving written notice to the Sublessor at least thirty (30) days prior to the date when such termination shall become effective. If the State fails to complete its move out within the notice period and remains in the premises, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination.

Rent

4. Rental payments shall be paid by the State, from legally available funds in arrears on the last day of each month during said term as follows:

TWENTY-SIX THOUSAND TWO HUNDRED EIGHTY-EIGHT AND 50/100 DOLLARS (\$26,238.50) from April 1, 2010, through March 31, 2011; then

TWENTY-EIGHT THOUSAND TWO HUNDRED THIRTY-SIX AND 19/100 DOLLARS (\$28,236.19) from April 1, 2011, through March 31, 2012; then

TWENTY-EIGHT THOUSAND NINE HUNDRED FIFTY-THREE AND 76/100 DOLLARS (\$28,953.76) from April 1, 2012, through March 31, 2013; then

TWENTY-NINE THOUSAND SEVEN HUNDRED SEVENTY-THREE AND 84/100 DOLLARS (\$29,773.84) from April 1, 2013, through March 31, 2014; and thereafter.

Rental payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on the actual number of days in the month. Rental shall be paid to Sublessor at the address specified in Paragraph 5 or to such other address as the Sublessor may designate by a notice in writing. If the premises are not complete pursuant to Paragraph 6 by the date shown in Paragraph 2, it is understood and agreed by and between the parties that, at the State's sole option, the dates shown in Paragraphs 2 and 3 and the dates and dollar amounts shown in Paragraph 4 may be adjusted to the first of the month following the State's acceptance of the completed premises, such acceptance shall not unreasonably be withheld. If the State exercises this option, it is agreed the State will complete unilaterally an amendment to the sublease to revise the herein above stated dates. Any accrued rents for the period of time prior to the unilaterally adjusted commencement date will be paid in accordance with Paragraph 8. Additionally, it is understood and agreed between the parties that, at the State's option, the dates shown in the "CPI Escalator Operating Expenses" paragraph, if incorporated herein, shall be adjusted to reflect the time delay between sublease commencement and the first of the month following the actual acceptance date. In the event this sublease agreement contains a provision granting the State an Option to Purchase the premises, it is further agreed herein by the parties that, notwithstanding the provision of the Option to Purchase paragraph herein, the effective dates and corresponding purchase option prices of said Option to Purchase shall be adjusted consistent with any adjustment to the sublease commencement date, as stated above, which initial purchase option date shall in no event be less than twenty-four (24) months nor more than thirty-six (36) months from the "adjusted" commencement date. Said "adjusted" purchase option dates shall be established consistent herewith and incorporated into said sublease with a unilateral amendment by the State.

Notices

5. All notices and correspondence herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States Mail, certified and postage prepaid and addressed as follows:

To the Sublessor County of Riverside Economic Development Agency/Workforce Development Division
1325 Spruce Street, Suite 100
Riverside, CA 92507

Phone No. (951) 955-3100
FAX No. (951) 955-9495

and to the State:

DEPARTMENT OF GENERAL SERVICES,
REAL ESTATE SERVICES DIVISION
LEASE MANAGEMENT C 6197-001

PHONE NO. (916) 375-4172

707 THIRD STREET, SUITE 5-305
WEST SACRAMENTO, CA 95605

FAX NO. (916) 375-4173

ALL NOTICES AND CORRESPONDENCE MUST REFERENCE
TENANT AGENCY AND PREMISES ADDRESS

Rental warrants shall be made payable to: County of Riverside

and mailed to:

County of Riverside Economic Development Agency
ATTN: Workforce Development Fiscal Division
3133 Mission Inn Avenue
Riverside, CA 92507

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices and correspondence shall be mailed to either party may be changed by giving written notice to the other party.

Completion and
Compliance with
Plans and
Specifications

6. Sublessor agrees that, prior to April 1, 2010, and at Sublessor's sole cost and expense, all required construction, improvements and/or alterations, if any, shall be completed and the subleased premises made ready for State's occupancy in full compliance with Exhibit "A", consisting of two (2) sheets titled, "Office Quarters, Project No. 129092" dated January 7, 2011, and in accordance with Exhibit "B", consisting of 55 pages, plus cover sheet, titled, "Outline Specifications, Project No.: 129092" dated January 7, 2011, and in accordance with Exhibit "C", consisting of 19 pages, plus cover sheet, titled, "State Fire Marshal, CBC/ADA, Access Compliance & Sustainable Measure Procedures, which Exhibits "A" and "B" and "C" are by this reference incorporated herein.

Notice of
Completion and
Access to Premises
during
Construction

7. Sublessor shall notify the State in writing by certified mail of the date the subleased premises will be completed and ready for occupancy at least thirty (30) days prior thereto. Such notice shall be a condition precedent to the accrual of rental hereunder, except however, that if the State occupies the premises prior to the receipt of such notice or prior to the expiration of the notice period of such notice, rental shall commence to accrue as of the date of occupancy.

Following execution of this sublease, and not more than sixty days (60) prior to completion of construction and occupancy under this sublease, State or its contractors or other representatives shall have the right to enter the premises for the purpose of installing certain equipment such as, but not limited to, modular system furniture, and electrical and telecommunications cabling and equipment.

State agrees to indemnify and hold Sublessor harmless from and against any claims, damages, or other injury suffered by Sublessor as a result of the work to be performed pursuant to this right to enter the premises prior to State's acceptance and occupancy of the premises. Sublessor agrees to indemnify and hold State and its agents, contractors or other representatives harmless from and against any claims, damages, injury or other harm suffered by reason of the negligence or other wrongful act of Sublessor or any of Sublessor's agents, contractors, or other representatives.

In no event shall the exercise of this right of entry be construed so as to cause an acceleration of the occupancy date of this sublease or the obligation of the State to pay rent.

Sublessor and State shall each make all reasonable efforts to ensure that the respective construction and installation work is scheduled in such a manner so as to not interfere with or delay the other.

In the event that one or the other party causes a delay in the other party's work, such injured party shall be compensated in the following manner:

Delays caused by the Sublessor:

Credit the State a compensating day of delay in the occupancy date and corresponding day of delay in payment of rent.

Delays caused by the State:

Credit the Sublessor a compensating day of payment of rent from the actual date of occupancy.

Compensation will be in one day increments.

The parties agree that this shall be the sole remedy for delay, in that the calculation of damages in any other manner is too uncertain and not susceptible of accurate determination.

Early Occupancy

8. Sublessor agrees that if the subleased premises are ready for occupancy prior to the completion date specified above in Paragraph 6, State may elect to occupy the premises on the earliest date practical after its receipt of the herein required completion notice. The rent payable for any such early occupancy by the State shall be at the rate of \$26,288.50 per month, and shall be prorated on a daily basis for any partial month.

**Time limit and
Prior Tenancy**

9. No rental shall accrue under this sublease, nor shall the State have any obligation to perform the covenants or observe the conditions herein contained until the subleased premises have been made ready for occupancy in accordance with the provisions hereof. It is specifically agreed that in the event the subleased premises are not completed and ready for occupancy by the State on or before April 1, 2010, then and in that event the State may, at its option and in addition to any other remedies it may have, terminate this sublease and be relieved of any further obligations hereunder, providing that a fair and reasonable allowance for the following delays shall be added to said time for completion:

- A. Acts of the State, its agents or employees, or those claiming under agreement with or grant from the State; or by
- B. The acts of God which Sublessor could not reasonably have foreseen or guarded against; or by
- C. Any strikes, boycotts or like obstructive actions by employees or labor organizations and which are beyond control of Sublessor, and which cannot be reasonably overcome; or by
- D. Restrictive regulations by the Federal Government which are enforced in connection with a National Emergency.

It is understood by all parties hereto that it shall be the Sublessor's responsibility to remove any prior tenant.

**Conformity to
Exhibits**

10. Occupancy of the subleased premises by the State shall not relieve Sublessor in any respect from full compliance at all times with aforesaid Exhibits "A" and "B". It is further understood and agreed that any installation not in conformity with said Exhibits "A" and "B" shall be immediately corrected by the Sublessor at Sublessor's sole cost and expense. In the event Sublessor shall, after notice in writing from the State requiring the Sublessor to comply with the requirements of this paragraph in regard to a specified condition, fail, refuse or neglect to remedy such condition, State may terminate this sublease without further obligation, or as to such specified condition, at its option and in addition to any other remedy the State may have, withhold rent due and bring the subleased premises into conformity with said Exhibits at its own cost including State's Administrative costs, if any, and deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

Asbestos

11. Sublessor hereby warrants and guarantees that the space subleased to the State will be operated and maintained free of hazard from Asbestos Containing Construction Materials (ACCM) and agrees to the conditions for survey, testing, and abatement of ACCM described in Exhibit "B" as applicable. Sublessor specifically agrees that, in the event the State elects to exercise its rights under the provisions of Paragraph 16 of this sublease, any costs related to abatement or hazard from asbestos shall be the Sublessor's responsibility as described in the aforementioned Exhibit "B."

Parking

12. Sublessor, at Sublessor's sole cost and expense, shall clearly mark the parking spaces described hereinabove as assigned to the State of California. Said parking spaces will be arranged and maintained so as to provide unobstructed access to each parking space at any time. In addition to any assigned parking spaces, State and its invitees shall have equal access to common spaces provided to all tenants on a first-come, first-served basis.

**Services, Utilities,
and Supplies**

13. Sublessor, at Sublessor's sole cost and expense, during the term of this sublease shall furnish the following services, utilities, and supplies to the area subleased by the State, and also to the "common" building areas (if any) such as lobbies, elevators, stairways, corridors, etc., which State shares with other tenants, if any:

- A. Sewer, trash disposal, and water service, including both hot and cold water to the lavatories except lavatories in Employment Development Department public toilet rooms in lobby areas which need only cold water.
- B. Elevator (if any) service.
- C. Electricity and/or gas as necessary to provide power for heating, ventilating, and air conditioning, and electrical or gas service as needed for State's operations.
- D. Janitorial services sufficient to maintain the interior in a clean well-maintained condition; that is, to eliminate all visible dust, dirt, litter, grime, stains, smears, finger marks, etc., to the greatest practical degree possible, by performing at least the following:

Daily:

- (1) Empty and clean all trash containers, and dispose of all trash and rubbish.
- (2) Clean and maintain in a sanitary and odor-free condition all floors, wash mirrors, basins, toilet bowls, and urinals.
- (3) Furnish and replenish all toilet room supplies (including soap, towels, seat covers, toilet tissue, and sanitary napkins).
- (4) Sweep or dust mop all hard surface floors, and carpet sweep all carpeted areas, including stairways and halls. Offices with hard surface floors in the public lobby area shall be damp-mopped daily.
- (5) Remove finger marks and smudges from all glass entrance doors.
- (6) Specifically check, and if action is needed, then:
 - a. Dust the tops of all furniture, counters, cabinets, and window sills, (which are free of interfering objects).
 - b. Remove spots and/or spills from the carpets, floors, and stairways.

As needed, but not less frequently than:

Twice Weekly: Vacuum all carpets.

Weekly:

- (1) Damp mop all hard surface floors.
- (2) Dust all window blinds.
- (3) Treat stainless steel fountains and sinks to eliminate stains and mineral deposits.
- (4) Spot clean the walls.
- (5) Sweep parking areas and sidewalks.

Quarterly:

- (1) Strip all hard surface floors and apply a new coat of floor finish; buff as necessary to produce a uniformly shining appearance.
- (2) Treat carpets for static electricity control (if not integrated in the fabric).

Semi-annually: Wash all windows, window blinds, light fixtures, walls, and painted surfaces.

Annually:

- (1) Steam clean carpets to remove all stains and spots.
- (2) Clean Drapes.

In the event of failure by the Sublessor to furnish any of the above services or supplies in a satisfactory manner, the State may furnish the same at its own cost; and, in addition to any other remedy the State may have, may deduct the amount thereof, including State's Administrative costs, from the rent that may then be, or thereafter become due hereunder.

**Repair and
Maintenance**

14. A. During the sublease term, the Sublessor shall maintain the subleased premises in good repair and tenantable condition, so as to minimize breakdowns and loss of the State's use of the premises caused by deferred or inadequate maintenance, including, but not limited to:

- (1) Generally maintaining the subleased premises in good, vermin free, operating condition and appearance.
 - (2) Furnishing prompt, good quality repair of the building, equipment, and appurtenances.
 - (3) Furnishing preventative maintenance, including, but not limited to, manufacturers recommended servicing of equipment such as elevator (if any), heating, ventilating and air conditioning equipment, and fixtures.
 - (4) Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballast, starters, and filters for the heating, ventilating and air conditioning equipment as required.
 - (5) Furnishing remedial painting as necessary to maintain the premises in a neat, clean and orderly condition.
 - (6) Annual testing and maintenance of all fire extinguishers in or adjacent to the subleased premises.
 - (7) Repairing and replacing as necessary intrabuilding network cable and inside wire cable used for voice and data transmission.
 - (8) Repairing and replacing parking lot bumpers and paving as necessary. Repaint directional arrows, striping, etc., as necessary.
 - (9) Maintaining landscaped areas, including sprinklers, drainage, etc., on a weekly basis, in a growing, litter-free, weedfree, and neatly mowed and/or trimmed condition.
 - (10) Repairing and replacing floor covering as necessary. Sublessor, at Sublessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repairing or replacement of floor covering.
 - (11) Keeping all walkways, parking lots, entrances, and auxiliary areas free of snow, water, oil spills, debris, or other materials which may be hazardous to users of the building.
- B. Sublessor shall provide prompt repair or correction for any damage except damage arising from a willful or negligent act of the State's agents, employees or invitees.
- C. Except in emergency situations, the Sublessor shall give not less than 24 hour prior notice to State tenants, when any pest control, remodeling, renovation, or repair work affecting the State occupied space may result in employee health concerns in the work environment.
- D. In case Sublessor, after notice in writing from the State requiring the Sublessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply with such notice, or in the event of an emergency constituting a hazard to the health or safety of the State's employees, property, or invitees, the State may terminate this sublease without further obligation or at its option, perform such maintenance or make such repair at its own cost and, in addition to any other remedy the State may have, may withhold rent due and deduct the amount thereof, including necessary costs incurred by the State required for the administration of such maintenance and repairs, from the rent that may then be or thereafter become due hereunder.
- E. Sublessor understands and agrees that State shall not assume any of Sublessor's obligations under the Master Lease.

Painting

15. In addition to any painting completed prior to the commencement of this sublease, and touch-up painting required after initial occupancy upon receipt of written request from the State, Sublessor agrees at Sublessor's sole cost and expense to repaint all painted surfaces (interior and exterior) of the subleased premises in accordance with the attached Exhibits "A" and "B". In no event shall Sublessor be required to repaint more than once during the first sixty (60) month period of this sublease after the painting completed prior to the commencement date, and once during any succeeding sixty (60) month period. Sublessor shall, within forty-five (45) days from the giving of any such notice, arrange for and complete the painting. Colors are to be approved by the State. Sublessor, at Sublessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repainting, and provide drop cloths, and covers as necessary.

**Change Orders
and Alterations**

16. The State shall have the right during the existence of this sublease to make change orders and alterations; attach fixtures; and erect additions, structures, or signs in or upon the subleased premises. Such fixtures, additions, structures, or signs so placed in or upon or attached to the premises under this sublease or any extension hereof shall be and remain the property of the State and may be removed therefrom by the State prior to the termination or expiration of this sublease or any renewal or extension hereof, or within a reasonable time thereafter.

In the event alterations, fixtures, additions, structures, or signs in or upon the subleased premises are desired by State and State elects not to perform the work, any such work, when authorized in writing by the State shall be performed at Sublessor in accordance with plans and specifications provided by State. Sublessor agrees to obtain competitive bids from at least three licensed contractors and to contract with the lowest bidder. Sublessor further agrees that the overhead and profit for the work shall not exceed fifteen percent (15%) total for Sublessor and any general contractor combined. Within forty-five (45) days after receiving Sublessor's notice of completion of the requested work and an invoice requesting payment therefor, together with a complete detailed accounting of all costs for each trade, State agrees to either reimburse Sublessor by a single total payment for the cost of such work; or, with Sublessor's prior written approval, State will amortize the cost of the requested work over the remaining term of this sublease by increasing the monthly rent by an amount to include principal and interest on the unpaid balance. The interest rate may not exceed the prime rate (the basic rate on corporate loans posted by at least seventy five percent (75%) of the nation's 30 largest banks) plus 2 percent (2%) as of the date of the State's written authorization to proceed.

In the event State terminates this sublease on or after the end of the firm term, but before the expiration date of the sublease, State agrees to pay to Sublessor the portion of the principal balance which is unamortized as of the effective date of termination. Said payment shall be a single payment to be made within forty-five (45) days after the effective date of the termination.

Assignment and Subletting 17. The State shall not assign this sublease without prior written consent of the Sublessor, which shall not be unreasonably withheld, but shall in any event have the right to sublet the subleased premises.

Quiet Possession 18. The Sublessor agrees that the State, while keeping and performing the covenants herein contained, shall at all times during the existence of this sublease, peaceably and quietly have, hold, and enjoy the subleased premises without suit, trouble, or hindrance from the Sublessor or any person claiming under Sublessor.

Inspection 19. The Sublessor reserves the right to enter and inspect the subleased premises at reasonable times, and to render services and make any necessary repairs to the premises.

Destruction 20. If the subleased premises are totally destroyed by fire or other casualty, this sublease shall terminate. If such casualty shall render 10 percent (10%) or less of the floor space of the subleased premises unusable for the purpose intended, Sublessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.

In the event such casualty shall render more than 10 percent (10%) of such floor space unusable but not constitute total destruction, Sublessor shall forthwith give notice to State of the specific number of days required to repair the same. If Sublessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option, and in addition to maintaining occupancy, may terminate this sublease or, upon notice to Sublessor, may elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this sublease and any other sublease between Sublessor and State.

In the event of any such destruction other than total, where the State has not terminated the sublease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Sublessor shall diligently prosecute the repair of said premises and, in any event, if said repairs are not completed within the period of thirty (30) days for destruction aggregating 10 percent (10%) or less of the floor space, or within the period specified in Sublessor's notice in connection with partial destruction aggregating more than 10 percent (10%), the State shall have the option to terminate this sublease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this sublease and any other sublease between Sublessor and State.

In the event the State remains in possession of said premises though partially damaged, the rental as herein provided shall be reduced by the same ratio as the net square feet the State is thus precluded from occupying bears to the total net square feet in the subleased premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and restrooms.

It is understood and agreed that the State or its agent has the right to enter its destroyed or partially destroyed subleased facilities no matter what the condition. At the State's request, the Sublessor shall immediately identify an

appropriate route through the building to access the State subleased space. If the Sublessor cannot identify an appropriate access route, it is agreed that the State may use any and all means of access at its discretion in order to enter its subleased space.

**Subrogation
Waived**

21. To the extent authorized by any fire and extended coverage insurance policy issued to Sublessor on the herein subleased premises, Sublessor hereby waives the subrogation rights of the insurer, and releases the State from liability for any loss or damage covered by said insurance.

**Prevailing Wage
Provision**

22. For those projects defined as "public works" pursuant to Labor Code §1720.2, the following shall apply:

A. Sublessor/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.

B. The Sublessor/contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Sublessor will post at the job site. All prevailing wage rates shall be obtained by the Sublessor/contractor from:

Department of Industrial Relations
Division of Labor Statistics and Research
455 Golden Gate Avenue, 8th Floor
San Francisco, California 94102

C. Sublessor/contractor shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.

D. Prior to commencement of work, Sublessor/contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6, and §1777.7 of the Labor Code and Applicable Regulations

**Fair Employment
Practices**

23. During the performance of this sublease, the Sublessor shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Sublessor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

Sublessor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5), and the regulations or standards adopted by the awarding State agency to implement such article.

**DVBE
Participation**

24. The State of California supports the use of Disabled Veteran Business Enterprise (DVBE) and California Certified Small Business (SB) and we encourage the Sublessor to utilize DVBE and Certified SB to fulfill its sublease obligation under this sublease.

**Service
Companies**

25. Within fifteen (15) days after occupancy of the subleased premises by the State, Sublessor shall provide the State with the name, address, and telephone number of an agency or person convenient to the State as a local source of service regarding the Sublessor's responsibilities under this sublease as to repairs, maintenance, and servicing of the premises and any or all related equipment, fixtures, and appurtenances.

Service Credit

26. Sublessor agrees that the rental provided under the terms of Paragraph 4 hereof is based in part upon the costs of the services, utilities, and supplies to be furnished by Sublessor in accordance with Paragraph 13 hereof. In the event the State vacate the premises prior to the end of the term of this sublease, or, if after notice in writing from the State, all or any part of such services, utilities, or supplies for any reason are not used by the State, then, in such event, the monthly rental as to each month or portion thereof as to which such services, utilities, or supplies are not used by the State shall be reduced by an amount equal to the average monthly costs of such unused services, utilities, or supplies during the six-month period immediately preceding the first month in which such services, utilities, or supplies are not used.

Holding Over

27. In the event the State remains in possession of the premises after the expiration of the sublease term, or any extension or renewal thereof, this sublease shall be automatically extended on a month to month basis, subject to thirty (30) days termination by either party, and otherwise on the terms and conditions herein specified, so far as applicable. If the last rental amount shown in Paragraph 4 included the amortization of a capital sum expended by Sublessor for certain alterations and improvements, as described in a separate paragraph herein, and the capital sum has been fully amortized, the holdover rent shall be reduced by the amount of the monthly amortization. If the State fails to vacate the premises within the notice period and remains for an extended period, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination.

Surrender of Possession

28. Upon termination or expiration of this sublease, the State will peacefully surrender to the Sublessor the subleased premises in as good order and condition as when received, except for reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which State has no control or for which Sublessor is responsible pursuant to this sublease. The State shall have no duty to remove any improvements or fixtures placed by it on the premises or to restore any portion of the premises altered by it, save and except in the event State elects to remove any such improvements or fixtures and such removal causes damages or injury to the subleased premises, and then only to the extent of any such damage or injury.

Time of Essence, Binding upon Successors

29. Time is of the essence of this sublease, and the terms and provisions of this sublease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns to the respective parties hereto. All of the parties hereto shall be jointly and severally liable hereunder.

No Oral Agreements

30. It is mutually understood and agreed that no alterations or variations of the terms of this sublease shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

Lump Sum Payments

31. Notwithstanding the provisions of Paragraph 4 of this sublease, the State hereby agrees to pay Sublessor the sum of FIVE THOUSAND TWO HUNDRED SIXTY-ONE AND 00/100 DOLLARS (\$5,261.00) for alterations and improvements to the exterior signage of the herein subleased premises in accordance with the attached Exhibits "A" and "B" and "C" identified in Paragraph 6 of this sublease. Payment will be made by the State after (a) completion by Sublessor of the alterations and improvements in accordance with said Exhibits "A" and "B" and "C," (b) inspection and approval by a representative of the Department of General Services, and (c) submission by the Sublessor of an invoice in triplicate for such alterations to the address specified in Paragraph 5 of this sublease.

Indemnification

32. The State agrees to indemnify and hold harmless the Sublessor to the extent authorized by Government Code Section 14662.5 and agrees to repair or pay for any damage proximately caused by reason of the State's use of said premises during the term of this sublease, except to the extent that any such damages or expenses suffered by Sublessor are the result of Sublessor's negligent or wrongful acts or the acts of any persons acting under or on behalf of the Sublessor and/or where the State is found to have no liability by reason of any immunity arising by statute or common law in connection with the fulfillment of the State's constitutional and statutory public responsibilities.

Sublessor agrees to indemnify and hold harmless the State in the event of any claim, demand, cause of action, judgments, obligations, or liabilities, and all reasonable expenses which State may suffer as direct and proximate result of the negligence or other wrongful act or violation of law by the Sublessor, its employees, or any person or persons acting under the direct control and authority of the Sublessor or its employees, in connection with the State's occupancy of said premises under and during the term of this sublease except to the extent that any such damages or expenses suffered by State are the result of State's sole negligence.

IN WITNESS WHEREOF, this sublease has been executed by the parties hereto as of the date first above written.

STATE OF CALIFORNIA
Approval Recommended

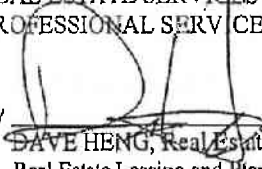
SUBLESSOR

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DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION
PROFESSIONAL SERVICES BRANCH

COUNTY OF RIVERSIDE

By



DAVE HENG, Real Estate Officer
Real Estate Leasing and Planning Section

By



BOB BUSTER, Chairman
Board of Supervisors

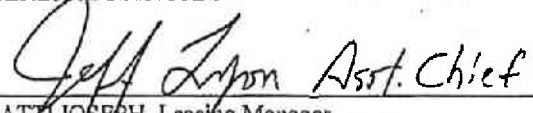
Approved

ATTEST:

DIRECTOR OF THE DEPARTMENT
OF GENERAL SERVICES

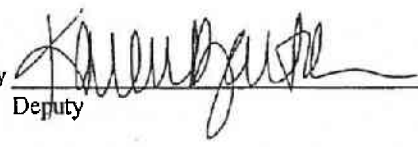
KECIA HARPER-IHEM
Clerk to the Board

By



JEFF LYON, Asst. Chief
Real Estate Leasing and Planning Section

By



PATRI JOSEPH, Leasing Manager
Real Estate Leasing and Planning Section

APPROVED AS TO FORM:

PAMELA J. WALLS, County Counsel

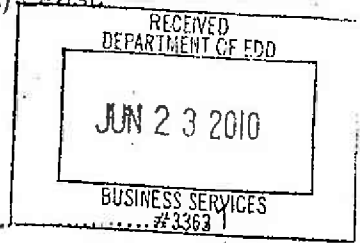
By



SYNTHIA M. GUNZEL, Deputy

1325 Spruce Street

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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
Periodic Services	Exhibit E-1
General Construction Specifications for Leased Facilities	Exhibit F
Estoppel Certificate	Exhibit G
Subordination, Non-Disturbance & Attornment Agreement	Exhibit H
Amortization Schedule of Tenant Improvements (for Early Termination)	Exhibit I

COUNTY OF RIVERSIDE EDA LEASE

1. Parties.

1.1 This Lease ("Lease") is made by and between the County of Riverside, hereinafter referred to as "County" and the Spruce Street Professional Building, LLC, hereinafter referred to as "Lessor". County and Lessor are hereinafter collectively referred to as the "Parties" or individually as a "Party".

2. Premises.

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

2.2 **Defined.** The Premises shall consist of that certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as a portion of The Spruce Street Professional Building, located in the City of Riverside, State of California, and generally described as a free standing building consisting of approximately 77,000 square feet with one hundred and seventeen (117) unreserved and unassigned parking spaces; 30,407 square feet of exclusive space for the County with three (3) parking spaces reserved for the County and top-of-the-building signage, all as shown on the site plan attached as Exhibit "A". It is understood that the Premises include all appurtenances and easements thereto and the non-exclusive right of ingress and egress at all times to and from the public streets and highways for County, its employees and invitees.

2.3 **Preparation of Premises/Acceptance.** The rights and obligations of the Parties regarding the construction of the Premises before the commencement of the Lease Term are stated in the attached Leasehold Improvement Agreement, Exhibit "B". If this Lease conflicts with the Leasehold Improvement Agreement, the Leasehold Improvement Agreement shall prevail.

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

3. Use.

3.1 County shall use and occupy the Premises for the purpose of providing office space for use by County, but the Premises may be used for any official business of County government or any other legal use which is reasonably comparable thereto. Nothing contained in this Lease

shall be construed to require County to occupy the Premises continuously.

4. Term.

4.1 Commencement. This Lease shall be effective upon the date of its full execution by the Parties hereto which includes approval by the County of Riverside, Board of Supervisors. The parties agree that once the lease is executed by the parties as set forth herein, the Lessor shall have one hundred and fifty (150) days in which to complete the tenant improvements prior to the occupancy of the premises by County. The parties acknowledge that the terms of this section 4.1 control the terms of section 4.3 if this lease is not executed and approved by the County before July 1, 2006. The term of this Lease shall be for a period of ten years ("Original Term") commencing on the earlier of (a) the date County staff occupies the Premises, or (b) the date on which County accepts the Premises for occupancy, which shall occur only after Lessor delivers to County a copy of the final inspection card executed by the appropriate governing authority, a copy of the elevator certification from the State of California, and provided that County, in its sole discretion, is satisfied that all leasehold improvements have been completed in accordance with Exhibit "B" and Exhibit "F", excepting minor punchlist items as determined by the County ("Commencement Date"). The Original Term shall expire at midnight on the last day of the month in which the tenth anniversary of the Lease Commencement Date occurs ("Expiration Date") unless sooner terminated pursuant to the terms of this Lease.

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

4.3 Delay in Delivery of Premises. If the Original Term of this Lease has not commenced by December 1, 2006, County may, at its sole option, either: (a) deduct from any rents that may become due hereunder the sum of \$2,000 for each day the Premises are not substantially complete and available for occupancy as per paragraph 2.4 (except if delay is due to change orders in the tenant improvement construction that delay delivery and are requested by the County, unforeseeable government regulatory or, weather related factors, or the delay is caused solely by the negligence or misconduct of the County) after said date, as liquidated damages for failure to provide occupancy in a timely manner as prescribed hereunder. Lessor and County agree that such damages are to be one of the mutually exclusive remedies, as prescribed in this Section 4, for such failure, in that at the time of entering into this Lease it would be impractical and extremely difficult to fix the actual damages that would flow from Lessor's failure to provide occupancy in a timely manner, including, but not limited to, the difference in money between the total sum to be paid by County to another party for rent to Lease such party's real property, if the rental hereunder is less than the rental to be paid such other party; or if the Original Term of this Lease has not commenced by December 1, 2006, or (b) cancel this Lease, and Lessor hereby waives any and all rights that it may have against County for any costs, expenses and/or charges that Lessor may have incurred as a result of preparing the Premises for occupancy.

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

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

5.1 **Rent.** County shall receive the first three months rent free plus \$10,000 for construction of top-of-building signage from Lessor. Thereafter, County shall pay the sum of \$63,854.70 per month to Lessor per month as rent for the Premises during the term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$63,854.70	First
\$65,770.30	Second
\$67,743.40	Third
\$69,775.70	Fourth
\$71,868.90	Fifth
\$74,024.90	Sixth
\$76,245.60	Seventh
\$78,532.90	Eighth
\$80,888.80	Ninth
\$83,315.40	Tenth

Said monthly sums shall be payable, in advance, on the first day of the month or as soon thereafter as a warrant can be issued in the normal course of County's business; provided, however, in the event rent for any period during the term hereof which is less than one (1) full calendar month said rental shall be pro-rated based upon the actual number of days of said month.

5.2 **Tenant Improvements (TIs).** Tenant improvement costs are those costs for customizing and configuring the County's 26,798 square feet of dedicated space per the County's space plan (excluding restrooms). County TIs shall include: construction drawings and engineering costs for TIs, carpeting, flooring, paint, automatic door openers at main lobby, hard walled offices, break rooms, data rooms, HVAC, heat pumps, ducting, conference rooms, storage and supply rooms with locking hardware, electrical and to office and modular furniture, etc. Note: data lines and connectivity will be contracted with County Vendors at County cost. Lessor to provide restrooms and elevator lobbies on the fourth and fifth floors. County's tenant improvement (TI) costs are those costs above the \$35 per square foot or \$937,930 total allowance for TIs and \$10,000 top-of-building signage allowance provided by Lessor. Such amount will be set forth in writing by an addendum to this Lease. County will pay additional TI costs in lump sum.

5.3 **Annual Increase.** As reflected in the provisions of Section 5.1 herein, the monthly rent shall be increased on each anniversary of this Lease by an amount equal to three percent (3%) of such monthly rental. Lessor may have the opportunity to recoup pro-rated building operational expenses only (such as utilities, janitorial services and minor maintenance costs) over

three percent (3%) but not more than five percent (5%) annually if such cost increases exceed 3% from year to year. The actual costs during the first year of occupancy starting 2006 shall serve as the base year to make such determination. Detailed documentation shall be required to obtain this additional reimbursement of costs.

6. Options.

6.1 Option to Extend Term. Lessor grants to County two option(s) to extend the Lease term ("Extension Option(s)"). Each Extension Option shall be for a period of two years ("Extended Term"), subject to the conditions described in this Section 6.1.

6.1.1 Exercise of Option. The Extension Option(s) shall be exercised by County delivering to Lessor written notice thereof no later than six months prior, but not more than twelve months prior, to the expiration of the Original Term or any extension thereof.

6.1.2 Option Rent. The rent payable by County during any Extended Term shall be negotiated at time of the extension in a written amendment to this Lease.

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

6.2 Right of First Offer to Lease Additional Space. Lessor hereby grants to County a right of first offer to lease the other premises in the building containing the leased Premises ("Adjacent Premises"), in the event Lessor receives a first offer from a third party to lease any portion of the Adjacent Premises, which offer is acceptable to Lessor. Lessor shall promptly notify County in writing of the offer, including the square footage of the portion of the Adjacent Premises proposed to be let and other terms and conditions of the offer. County shall have ten (10) days within which to notify Lessor in writing whether County agrees to lease the portion of the Adjacent Premises under such offer upon the terms and conditions set forth in such offer. In the event County fails to give written notice of its election to lease the proposed additional space, Lessor shall be free to accept the bona fide offer and lease the Adjacent Premises to the third party. If the third party fails to lease such portion of the Adjacent Premises and the Adjacent Premises (or remaining portion of the Adjacent Premises) remains available, County shall have the same right of first refusal granted herein with regard to any future offer to lease such portion of the Adjacent Premises.

6.3 Right of First Offer to Extend Lease Term. At such time as the Original Term and/or Extended Terms have expired, in further consideration of the Rent, Covenants, and Conditions to be paid, performed, and observed by County, Lessor hereby grants to County a right of first offer to extend the Lease of the Premises. In the event Lessor receives a bona fide offer from a third party to lease the Premises, which offer is acceptable to Lessor, Lessor shall promptly notify County in writing of the offer, including the amount of rent offered and other terms and conditions of the offer. County shall have thirty (30) business days within which to notify Lessor in writing whether County agrees to extend the Lease of the Premises on the same terms and conditions as the third party offer. In the event County elects to extend the Lease of the Premises, the Lease shall be subject to the same terms and conditions as the third party offer, including, but not limited to, amount of rent, term, and commencement date. In the event County fails to give written notice of its election to extend the Lease of the Premises, Lessor shall be free

to accept the bona fide offer and lease the Premises to the third party. If the third party fails to lease the Premises and the Premises remains available, County shall have the same right of first refusal granted herein with respect to a bona fide offer to lease the Premises by a subsequent third party offerer.

6.4 County's Right to Termination After Five Years of Occupancy. The Parties hereto recognize and understand that the rental consideration hereunder originates from County, State and/or Federal sources, and therefore County shall have the right to terminate this Lease, after five years of occupancy, if: (a) such funding is reduced or otherwise becomes unavailable, or is not appropriated in the County's annual fiscal budget, or (b) any law, rule or regulation precludes, prohibits or materially adversely impairs County's ability to use the Premises for the use permitted herein, or (c) if County in its sole discretion determines that the Premises are no longer suitable for its use for any reason or cause. In such event, County agrees to provide written notice of their intention to exercise the five year termination clause to Lessor no less than 60 days prior to the date that County seeks to vacate the Premises. Lessor is entitled to recover from County the unamortized portion of the tenant improvements that remain on the balance of the lease as compensation for such early termination. The monthly payment for the tenant improvements is estimated to be \$12,394.81 @ 10% interest (See Section 5.2 above for the gross amount of improvements over the span of the original lease term calculated herein on a monthly basis) and the termination fee shall be the principal amount due at the time of termination of the lease as reflected in the Balance Due column as demonstrated in Attachment "I", attached hereto, and said amount shall be payment in full by County to Lessor for all amounts due and owing based upon the County's exercise of the early termination clause set forth in this section 6.4 of this agreement. The amounts set forth in Attachment "I" are based on an estimated interest rate of 10%, the amount that will be due in the case of early termination shall be based on the outstanding principal remaining calculated on the ten year amortization schedule and the actual interest rate obtained for the financing of the improvements. This amount shall be set forth in a written amendment to this agreement and shall be subject to the review and approval of the Assistant County Executive Officer of the Economic Development Agency. (Attachment "I" is an estimated amortization schedule of the tenant improvements).

6.4.1 Notice. After five years; County may provide Lessor with written notification of its election to terminate this Lease at least sixty days prior to the date of termination.

6.5 Termination for Cause. Failure of Lessor to comply with the obligations set forth in this Lease or imposed by federal, state or local law or regulation shall be grounds for termination for cause of this Lease. This Lease may be terminated for cause by providing thirty (30) days written notice to Lessor. County shall pay all rent due and owing up to the thirty day termination date set forth in the notice. After the thirty (30) day effective date of the termination, Lessor and County shall be discharged of all future obligations under this Lease, except those provisions that by their terms, survive the expiration or earlier termination of the Lease.

7. Compliance.

7.1 Compliance. Lessor warrants that the Premises and improvements on the Premises shall comply with all applicable State and Federal laws, covenants or restrictions of record, building codes, regulations and ordinances ("Applicable Requirements") in effect as of the Commencement Date of this Lease, regardless of the use to which County will put the Premises.

If the Premises do not comply with said warranty, Lessor shall, promptly after receipt of written notice from County, or any governmental agency having jurisdiction over such matters, setting forth the nature and extent of such non-compliance, rectify the same at Lessor's expense. If the Applicable Requirements are hereinafter changed so as to require during the term of this Lease, unless same is the result of the use to which County puts the Premises, the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance as hereinafter defined; or the reinforcement or other physical modification of the Premises Lessor shall, promptly after receipt of written notice from County or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Lessor's expense.

7.2 Americans With Disabilities. Lessor warrants and represents the building exterior and common areas of the building shall be readily accessible to and usable by individuals with disabilities in compliance with Title III of the Americans with Disabilities Act of 1990 and California Title 24, as amended from time to time and regulations issued pursuant thereto and in effect from time to time. Any cost incurred to cause the exterior of the building and common areas to comply with said Act shall be borne by Lessor.

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

7.4 Hazardous Substance. It is the intent of the Parties to construe the term "Hazardous Substances" in its broadest sense. Hazardous Substance shall be defined as any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials, is either: (a) potentially injurious to the public health, safety or welfare, the environment or the Premises; (b) regulated or monitored by any governmental authority; or (c) a basis for potential liability of County to any governmental agency or third party under any applicable statute or common law theory.

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

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

The representation, warranty and indemnity of Lessor described in this Paragraph shall survive the termination or expiration of this Lease.

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

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

8. Custodial Services.

8.1 Custodial Services. Lessor shall provide, or cause to be provided, and pay for all custodial services in connection with the Leased Premises and such services shall be provided as set forth in the attached Exhibit "E". The provider of such custodial services will perform background checks, in the manner specified by County, of qualified permanent and temporary employees to determine their suitability for employment. The provider will be bonded for at least the sum of \$10,000.00, and proof of such insurance, as supplied by the Lessor, shall be furnished prior to occupancy of Premises by County. In addition to bonding as required herein, Lessor shall also receive proof of statutory workers' compensation insurance, commercial general liability and Vehicle Liability Insurance from the provider of any custodial functions performed at the Premises.

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

9. Utilities.

9.1 Lessor warrants and represents to County that during the term of this Lease and any extension thereof that sufficient utility services to provide water, telecommunications, electric power, natural gas and sewers necessary to meet County's requirements exist or are available for use by County within the Premises.

9.2 County shall pay for all its own telephone services within the leased space which will be used in connection with the Leased Premises. Lessor shall provide, or cause to be provided, and pay for all other utility services, including, but not limited to electrical, water, natural gas, refuse collection, and sewer services, as may be required in the maintenance, operation and use of the Leased Premises.

10. Repairs and Maintenance.

10.1 **Lessor's Repair and Maintenance Obligations.** Lessor shall, at Lessor's sole expense and in accordance with the terms of this Lease, repair, replace and maintain in attractive condition, good order and function throughout the term in accordance with Exhibit "F", General Construction Specifications for Leased Facilities: (a) the structural portions of the Premises (understood to include the roof, foundation and load bearing walls); (b) the nonstructural portions of the Premises (understood to include the roof covering and membrane), including but not limited to, all improvements such as interior carpet, tile, and paint, alterations and fixtures, but excluding furnishings; (c) all systems and equipment, including but not limited to, Base Building Systems as defined in section 2.4 of this agreement; and (d) the exterior portions of the Premises, and real property including, but not limited to, windows, paint alterations and fixtures and doors, landscaping, driveways, sidewalks, lighting and parking facilities servicing the Premises. It is the intent of this paragraph that Lessor performs any and all building repairs, replacements and maintenance. Lessor agrees to make all repairs to or alterations of the Premises that may become necessary by reason of industry standard for age, wear and tear, vandalism, deferred maintenance or defects in any construction thereof by Lessor.

10.2 **Lessor's Default.** Repairs shall be made promptly when appropriate to keep the applicable portion of the Premises and other items in the condition described in this Section. Lessor understands certain response time is required to ensure County operations continue with minimal interruption to ensure the safety of employees and delivery of services. Repairs or maintenance as determined by Agency, must be commenced and diligently completed within eight (8) hours from written notice (which must identify the problem or condition). Lessor shall not be in default of its repair and maintenance obligations under this Section 10, if Lessor commences and diligently and promptly completes the repairs and maintenance within eight (8) hours of the aforementioned areas and within thirty (30) days for all other circumstances after written notice by County to Lessor of the need for such repairs and maintenance, as determined by the County. If Lessor defaults with timely repairs and maintenance, County may exercise its right for early termination under section 6.5 of this agreement. Lessor shall not be in default for extraordinary repairs or capital improvements in which Lessor is diligently providing services even though such services may exceed the thirty (30) day timeframe, but instead shall be governed by the timeframe to be agreed to between the parties as to completion of the extraordinary repairs and capital improvements.

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

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

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

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

10.4 Emergency Repairs.

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

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

10.4.3 If Lessor fails to promptly and diligently complete the repairs or maintenance within twenty-four (24) hours of the aforementioned notice, or if the County is unable to contact Lessor or any designated agent within a reasonable time based upon the seriousness of the event or situation, County may, but shall not be so obligated to, cause said repairs or replacements to be made or such maintenance to be performed. Upon demand by County, Lessor shall promptly reimburse County the actual cost and expenses thereof, provided said costs and expenses are

reasonable. Should Lessor fail to promptly pay the cost and expenses, County may deduct and offset that amount from Rent payable under this Lease.

10.5 Periodic Services. Lessor shall provide, or cause to be provided, and pay for all Periodic Services as defined and set forth in the attached Exhibit "E-1".

11. Alterations and Additions.

11.1 Improvements by Lessor.

11.1.1 Lessor recognizes and understands that any County improvements requested by the County to be completed by Lessor during the term of this Lease shall be undertaken according to Exhibit "F", General Construction Specifications for Leased Facilities.

11.1.2 Lessor recognizes and understands that any County improvements requested by County may be subject to the provisions contained in the California Labor Code (commencing with Section 1720). Lessor and Lessor's contractors may be subject to audit to confirm compliance with wage scale regulations.

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

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

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

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

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

11.2 Improvements by County.

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

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

11.3 Communications Equipment. County may, from time to time, install maintain, replace and/or remove any satellite dishes, links, duct bank or antennas on the grounds, roof and/or exterior walls or parapet of the Premises as County deems reasonably necessary or desirable for County use only, provided County shall first obtain Lessor's written approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Upon the removal by County of any such satellite dishes, links or antennas, County shall repair any damage incurred in connection with such removal.

12. Indemnification and Insurance.

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

12.2 Indemnification and Hold Harmless.

12.2.1 Lessor shall indemnify defend and hold harmless the County Parties from any liability whatsoever, including but not limited to, property damage, bodily damage, bodily injury, or death, or from any services provided by Lessor Parties or any act, error, omission, of Lessor Parties or of any invitee, guest, or licensee of Lessor and any other related third party in, on, or about the Project arising out of, from or in any way relating to this Lease. When indemnifying County Parties, Lessor shall defend at its sole cost and expense, including but not limited to, attorney fees, cost of investigation, defense and settlements or awards, on behalf of the County parties in any claim or action based upon such liability.

12.2.2 County shall indemnify and hold harmless the Lessor Parties from any liability whatsoever, including but not limited to, property damage, bodily injury, or death, based or asserted on events which may occur within the County leased premises and is under the exclusive control of the County arising out of or from its use and occupancy relating to this Lease. County

Parties shall not indemnify Lessor Parties for liability arising within the County leased Premises when such liability arose out of or is related to Lessor's responsibilities under the terms of this Lease. County shall defend at its sole cost and expense, including but not limited to, attorney fees, cost of investigation, defense and settlements or awards, on behalf of the Lessor Parties in any claim or action based upon such liability.

12.2.3 With respect to any action or claim subject to indemnification herein, the indemnifying party shall, at their sole cost, have the right to use counsel of their choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of the indemnified party; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes the indemnifying party's obligation to indemnify as set forth herein.

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

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

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

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

12.3 Insurance

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

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

12.3.1.2 Commercial General Liability. Commercial General Liability Insurance coverage, including but not limited to, premises liability, contractual liability, products/completed operations, personal and advertising injury, cross liability coverage and employment practices liability covering bodily injury, property damage, and personal injury arising

out of or relating, directly or indirectly, to the design, construction, maintenance, repair, alteration and ownership of the Premises and all areas appurtenant thereto including claims which may arise from or out of Lessor's operations, use, and management of the Premises, or the performance of its obligations hereunder. Policy limits shall not be less than \$1,000,000 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Lease or be no less than two (2) times the occurrence limit. The County shall be listed as additional insured under Lessor's Commercial General Liability Insurance.

12.3.1.3 Vehicle Liability (if applicable). If vehicles or licensed mobile equipment are used on the leased premises, Lessor shall maintain auto liability insurance for all owned, non-owned or hired automobiles in an amount not less than \$1,000,000 per occurrence combined single limit.

12.3.1.4 Property (Physical Damage).

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

(b) Boiler and Machinery insurance providing coverage for at least but not limited to, all high voltage electrical and rotating mechanical equipment on a full replacement cost value basis. Policy shall provide Business Interruption, Extra Expense, and Expediting Expense coverage as well as coverage for off-premises power failure. Policy shall name the County as a Loss Payee as its interests may appear.

(c) During such time, prior to the commencement of this Lease while Lessor is preparing the Premises in accordance with Exhibit "B", Lessor shall keep or require its Contractor to keep in full force and effect, a policy of Course of Construction Insurance covering loss or damage to the Premises for the full replacement value of such work. The Named Insured shall include the Lessor, County and Contractor as their interests appear. Lessor or their Contractor shall be responsible for any deductible payments that result from a loss at the Premises under this coverage. If, at the time of any loss to the property described on Exhibit "B", it is determined that the insurance has not been carried or the insurance does not cover the loss of property being installed, the Lessor shall be responsible to pay the loss without contribution from the County.

12.3.1.5 General Insurance Provisions – All Lines.

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

(b) The Lessor or Lessor's insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed \$500,000 per occurrence such deductibles and/or retentions shall have the prior written consent of the County Risk Manager before the commencement of the Lease term. Upon notification of deductibles or self insured retentions which are deemed unacceptable to the County, at the

election of the County's Risk Manager, Lessor's carriers shall either: 1) reduce or eliminate such deductibles or self-insured retentions as respects this Agreement with the County, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

(c) At the inception of this Lease and annually at the Lessor's insurance policy renewal date(s), the Lessor shall cause their insurance carrier(s) to furnish the County of Riverside with 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein; or, 2) if requested to do so orally or in writing by the County Risk Manager, provide original certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) shall provide no less than Thirty (30) days written notice be given to the County of Riverside prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, this Lease shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage and the insurance required herein is in full force and effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance. The Lease term shall not commence until the County of Riverside has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Section.

(d) It is understood and agreed by the parties hereto and the Lessor's insurance company(s) that the 1) Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, 2) the County shall be added as an additional insured with proper endorsement from the Lessor's insurance company(s) excepting vehicle liability and workers compensation liability policies of the Lessor, and 3) the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

12.3.2 Lessee's Insurance: The Lessee maintains funded programs of Self-Insurance. Lessee shall provide to Lessor a Certificate of Self-Insurance evidencing the Lessee's Self-Insurance for the following coverage:

12.3.2.1	Workers' Compensation	\$1,000,000 per occurrence
12.3.2.2	Commercial General Liability	\$1,000,000 per occurrence
12.3.2.3	Automobile Liability (if applicable)	\$1,000,000 per occurrence

13. Damage and Destruction.

13.1 **Repair of Damage.** County agrees to notify Lessor in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("Casualty"). If the Premises, whether covered by insurance or not, are damaged by a Casualty, or the Casualty results in the Premises not being provided with Base Building Systems or parking facilities, and if neither Lessor nor County has elected to terminate this Lease under this Section 13, Lessor shall promptly and diligently restore

Premises, the County Improvements originally constructed by Lessor, Base Building Systems, and County's parking facilities to substantially the same condition as existed before the Casualty, subject to modifications required by building codes and other laws. If County requests that Lessor make any modifications to the County Improvements in connection with the rebuilding, Lessor may condition its consent to those modifications on: (a) confirmation by Lessor's contractor that the modifications shall not increase the time needed to complete the County Improvements; or (b) an agreement by County that the additional construction period shall not extend the rent abatement period.

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

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

13.4 County's Option to Terminate. If (a) the Repair Period Notice provided by Lessor indicates that the anticipated period for repairing the Casualty exceeds ninety (90) days, or (b) notwithstanding the above, in the event of a substantial or total casualty to the Premises or improvements, County may by written notice to Lessor within thirty (30) days after such damage or destruction of its intention to terminate this Lease, elect to terminate this Lease at no cost by providing written notice (County's Termination Notice) to Lessor within thirty (30) days after receiving the Repair Period Notice. If County does not elect to terminate within said thirty (30) day period, County shall be considered to have waived its option to terminate.

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

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

this Lease under Section 13.3.

13.7 Effective Date of Termination; Rent Apportionment. If Lessor or County elects to terminate this Lease under this Section 13 in connection with a Casualty, this termination shall be effective thirty (30) days after delivery of notice of such election. County shall pay Rent, properly apportioned up to the date of the Casualty. After the effective date of the termination, Lessor and County shall be discharged of all future obligations under this Lease, except for those provisions that, by their terms, survive the expiration or earlier termination of the Lease.

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

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

14. Eminent Domain.

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

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

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

14.4 Temporary Condemnation. In the event of a temporary condemnation, this Lease will remain in effect, County will continue to pay Rent, and County will receive any award made for

the condemnation. If a temporary condemnation remains in effect at the expiration or earlier termination of this Lease, County will pay Lessor the reasonable cost of performing any obligations required of County with respect to the surrender of the Premises. If a temporary condemnation is for a period that extends beyond the Term, this Lease will terminate as of the date of occupancy by the condemning authority and any award will be distributed in accordance with Section 14.3.

15. Estoppel Certificates.

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

16. Subordination, Non-Disturbance, and Attornment.

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

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

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

17. Breach by Lessor.

17.1 Lessor's Default. Except as provided to the contrary in this Lease, Lessor's failure to perform any of its obligations under this Lease shall constitute a default by Lessor under the Lease if the failure continues for thirty (30) days after written notice of the failure from County to Lessor. If the required performance cannot be completed within thirty (30) days, Lessor's failure to perform shall constitute a default under the Lease unless Lessor undertakes to cure the failure within thirty (30) days and diligently and promptly completes this cure. County retains the right for

early termination under this provision.

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

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

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

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

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

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

18.4 Easements. Lessor shall not (a) subdivide, parcel or otherwise divide the Premises, (b) create, modify or terminate any ingress or egress to or from the Premises, or (c) create any easements in the Premises, without County's prior written approval.

19. Miscellaneous.

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

loading and unloading and sufficient parking for County's business shall not unreasonably be obstructed nor shall the daily business of County be disrupted as a result of such alterations, renovations and improvements.

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

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

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

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

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

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

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

19.9 Entire Lease. This Lease is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and

contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Lease may be changed or modified only upon the written consent of the Parties hereto.

19.10 Interpretation. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of the Lease, neither the Lease nor any ambiguity or uncertainty will be construed or resolved against either party (including the party primarily responsible for drafting and preparation of this Agreement), under any rule of construction or otherwise, it being expressly understood and agreed that the parties have participated equally or have had equal opportunity to participate in the drafting hereof.

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

19.12 Recording. Either Lessor or County shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees applicable thereto.

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

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

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

19.16 Mechanic's Liens. If any mechanic's or materialmen's lien or liens shall be filed against the Premises for work done or materials furnished to a Party, that Party shall, at its own cost and expense, cause such lien or liens to be discharged within fifteen (15) days after notice thereof by filing or causing to be filed a bond or bonds for that purpose. In the event any notice preliminary to establishing such a lien (such as the California Preliminary 20-Day Notice) is served on Lessor for work done on the Premises, Lessor shall immediately forward a copy of such notice to Lessee.

19.17 Surrender. County shall, after the last day of the term or any extension thereof or upon any earlier termination of such term, surrender and yield up to Lessor the Premises in good order, condition and state of repair, reasonable wear and tear and damage by fire or other casualty excepted. County may, but shall not be required to: (a) patch or paint any walls/surfaces;

(b) remove any leasehold improvements constructed or installed prior to or during the term of this Lease or any extension thereof; or (c) remove any fixtures or equipment installed prior to or during the term of this Lease or any extension thereof.

19.18 Notice. Except as expressly provided elsewhere in this Lease, all notices and other communication required under this Lease shall be in writing and delivered by: (a) Certified Mail, postage prepaid, return receipt requested, in the United States mail; or (b) via an overnight courier that provides written evidence of delivery and addressed to the Party hereto to whom the same is directed at the addresses set forth in Section 1.6 herein. Either Party hereto may from time to time change its mailing address by written notice to the other Party.

County's Notification Address:

County of Riverside
Attention: Assistant County Executive Officer/EDA
C/O Clerk of the Board
4080 Lemon Street, 1st Floor
Riverside, California 92501

Lessor's Notification Address:

Attention: Mr. Ray Magnon
Spruce Street Professional Building, LLC
815 Marlborough Street, Suite 200
Riverside, CA 92507

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

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

Dated: _____

SPRUCE STREET PROFESSIONAL BUILDING, LLC

By: Ray Magnon

By: _____

Dated: JUN 13 2006

COUNTY OF RIVERSIDE

ATTEST:

NANCY ROMERO
Clerk of the Board

By: Bob Buster

Bob Buster, Chairman
Board of Supervisors

By: Janet Schlemmer
Deputy

[SEAL]

APPROVED AS TO FORM:

County Counsel

By: Carol Walls, Assistant
~~Deputy~~

Initials
Date
File No.
Document No.
Revised 8/2005

LEASEHOLD IMPROVEMENT AGREEMENT
1325 Spruce Street, Riverside

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 improvements on 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 1.2 and 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 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.

Development Agency as its 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 Ray Magnon 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.

Magnon Companies

TI Costs

May 4, 2006

Project Name: EDA Tenant Improvement
 Project Address: 2245 Iowa Avenue
 Riverside, CA 92507
 Superintendent: Dennis Hicks
 Completion Date: TBD
 Total Building Footage: 26,798 Useable Square Feet

Item Description	Quantity	Unit	Rate	Allowance	Budget	Variance	Total
Acoustical Ceiling	26,798	SF	2.50	\$ 66,910.83	\$ 74,929.38	\$ 2.80	\$ 74,929.38
Architectural	26,798	SF	1.44	\$ 38,473.73	\$ 38,473.73	\$ 1.44	\$ 38,473.73
Cabinets: Laminate *	81	467.42 LF	\$ 37,860.83	\$ 65,465.34	\$ 808.21	\$ 65,465.34	
Cabinets: Hard wood (U/L)	26	934.84 LF	\$ 24,305.72	Incl. Above		\$	
Cabinets: Hard wood (L)	17	467.42 LF	\$ 7,946.10	Incl. Above		\$	
Cabinets: Corian	43	333.71 LF	\$ 10,049.48	Incl. Above		\$	
Carpet **	26,798	SF	2.49	\$ 66,727.02	\$ 66,733.09	\$ 3.50	\$ 93,793.00
Carpet Base	4,500	117 LF	\$ 5,258.45	In Carpet		\$	
Clean Up	300	21.03 HR	\$ 6,310.14	\$ 6,310.14	\$ 21.03	\$ 6,310.14	
Doors & Hardware	70	995.00 PER	\$ 69,650.00	\$ 69,650.00	\$ 995.00	\$ 69,650.00	
Electrical	26,798	7.62 SF	\$ 204,078.03	Pending		\$ 204,493.20	
Fire Sprinklers	26,798	1.87 SF	\$ 50,183.12	\$ 42,818.96	\$ 1.60	\$ 42,818.96	
Flouring VCT	3,400	1.55 SF	\$ 5,284.16	In Carpet		\$	
Framing/Drywall	2,200	58.43 LF	\$ 128,539.84	\$ 115,452.15	\$ 52.48	\$ 115,452.15	
Glass: Sidelights	31	141.39 PER	\$ 4,385.21	\$ 4,385.21	\$ 141.39	\$ 4,385.21	
HVAC	96	2,656.25 TON	\$ 255,000.00	Pending		\$ 289,282.02	
Insulation	18,000	0.26 SF	\$ 4,627.43	\$ 4,627.43	\$ 0.26	\$ 4,627.43	
Paint	22,000	0.64 SF	\$ 14,139.38	\$ 13,438.26	\$ 0.61	\$ 13,438.26	
Plumbing	16	1,168.54 PER	\$ 18,696.70	\$ 18,507.40	\$ 1,156.71	\$ 18,507.40	
Supervision	500	29.21 HR	\$ 14,606.80	\$ 11,685.44	\$ 23.37	\$ 11,685.44	
Vertical Blinds	1,100	11.69 LF	\$ 12,853.98	Pending		\$ 12,853.98	

Total of TI Costs \$ 1,045,384.94 \$ 1,066,165.63

TI Allowance	Useable Footage	Allowance	Budget	Variance
	26,798	\$35.00	\$ 937,930.00	\$ (128,235.63)

** Exclusions - Reception desks, cabinets or shelving in storage areas.

* Estimated uses building standard carpet, Budget uses upgrade carpet (County of Riverside Standard)

EXHIBIT "C"

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.

EXHIBIT "D"
CONFIRMATION OF LEASE INFORMATION

1. LEASE REFERENCE DATE: _____
2. PREMISES: 1325 Spruce Street
Riverside, California 92508

3. COMMENCEMENT DATE: Construction of the Leasehold Improvements is Substantially Complete and the Lease Term shall commence as of _____, for 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 \$63,854.70. 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: _____

EXHIBIT D

COUNTY OF RIVERSIDE
Economic Development Agency
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 three 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:

EXHIBIT E-1
PERIODIC SERVICES

Service:

Frequency:

Interior Painting

Every three years in high traffic areas, i. e. Lobbies and hallways.

Carpet Cleaning

Semi-annually – by qualified carpet cleaning company.

Pest Control

Monthly.

HVAC Standard Preventative

Quarterly.

Maintenance Contract

Fire Extinguishers

Annually or as required by local regulations.

Exterior Time Clocks

Reset for time changes.

Roof Inspections & Maintenance

Annually, prior to rainy season.

Clean debris from roof, drains and down spouts, inspect and repair roof as needed.

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

COUNTY OF RIVERSIDE
Economic Development Agency

GENERAL TENANT IMPROVEMENT CONSTRUCTION SPECIFICATIONS
FOR LEASED FACILITIES

A. INTENT

1. It is the intent of these instructions to convey to the Lessor and his bidders the minimum construction requirements for providing complete and usable facility tenant improvements under lease agreement. These instructions apply to all new construction, 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 Riverside County Economic Development Agency.
3. All work in accordance with these specifications or any other specifications and plans must be coordinated with the Assistant County Executive Officer/EDA or her 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 Assistant County Executive Officer/EDA 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 parking spaces, shall be prepared. Floor plans, elevations, mechanical and electrical drawings shall be provided, preferably at one eighth inch (1/8") scale.
2. The Assistant County Executive Officer/EDA 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. One set will be returned to Lessor for construction, the second set shall be retained by the 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. A complete set of approved final drawings and specifications marked up to show any changes and as-built conditions shall be maintained on the job site. 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.

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. Floors shall be designed in accordance with uniform, concentrated and special loads given in the "Uniform Building Code", chapter 23.
2. 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 against ten percent (10%) surface wear when properly maintained. Matching carpet strips with metal cap shall be used for base in all carpeted areas. Colors/patterns must be approved by the Economic Development Agency.
3. Carpet tiles may be used. Pile weight 28 oz. static control 2.0 K.V. or less. Color shall meet County color standards.
4. Non-carpeted floors including the rest rooms and break rooms, shall have a minimum of high quality sheet vinyl covering or tile, including base. Vinyl/tile may not be used in other non-carpeted areas. Vinyl/tile shall be commercial grade with colors and patterns full depth. Colors/patterns of sheet vinyl and 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.

2. Toilet room walls adjacent to occupied spaces shall be sound insulating double-wall construction and filled with sound-absorbing materials.

C. ROOF AND INSULATION

1. Roof construction and insulation shall be appropriate to the overall design of the building and prevailing weather conditions.
2. All roof designs shall include a minimum one-half inch (1/2") to one foot (1') slopes for positive drainage.

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 be tinted.
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.
3. Glazing shall consist of a reflective tinting.

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 (36") wide. Appropriate metal doors are acceptable.
2. Exterior doors shall have automatic closers. Main entrances shall have ADA automatic door openers.

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 entrances will have ADA automatic door openers 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, kickplates shall be provided. At locations 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 ten (10) 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 toilets. Entrance doors to enclosures shall be fitted with specific locking devices.
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 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 outswinging door and grab bars. The toilet fixtures, lavatory, mirrors, etc., shall be located at the correct height for handicapped.

K. PAINTING

1. 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 should be four inches (4") wide with highway traffic caliber paint.
7. Street numbers - should be a minimum of six inches (6") high.

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 top edge of building. Sign shall be designed by Lessor to specification of the Economic Development Agency. Placement and specific size of letters will be determined according to layout and location of structure.
2. Interior signs to be pre-approved by the Economic Development Agency.
3. Lettering on entrance doors will be specifically identified by the Economic Development Agency.
4. Lessor will provide County \$10,000 allowance toward top-of-building signage. The design and size of sign must be approved by the Economic Development Agency.

N. 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 should be provided on each floor.
4. "Water-Saver" toilets will not be acceptable.
5. Provide hot water in rest rooms, break rooms and quiet room.
6. 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.

O. 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 Riverside County Information Technology Department.

P. ELEVATORS

1. Provide inspection and routine maintenance prior to 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.

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 break 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 electronic thermostats 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's 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.

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, timeclocks, or combinations of both.

(TELEPHONE AND COMMUNICATIONS)
(Updated February 12, 2001)

A. GENERAL REQUIREMENTS

1. All telephone and communications equipment shall conform to the standards of the County of Riverside, Department of Information Technology and the serving public telephone company.
2. Provide telephone outlets and data processing terminals as required by the user department.

B. SWITCH ROOM SPECIFICATIONS

1. Provisions shall be made available for easy access into the telephone/data room for telephone and data wiring. The IT Department will be consulted during the planning and building stages to assist in designing accesses into and out of the telephone room for all wiring.
2. Building alarms and fire monitoring equipment shall not be installed in the telephone/data room without written permission of the IT Department. In the event the IT Department grants such permission, all building alarms and fire-monitoring equipment shall be installed in locations designated by the IT Department.
3. Data Room Physical Specifications - the room must be completed thirty (30) days prior to 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, ground, floor tile and door with lock.
 - a. The room should be as square as possible and as close to geographic center of the building as possible. The room shall be dedicated for telephone and data use only. The size of the room shall be as follows:

<u>Leased Premises – sq. ft.</u>	<u>Room Size</u>
5,000 square feet or less	8' x 10'
5,000 – 10,000 sq. ft.	10' x 14'
10,000 sq. ft. or more	16' x 20'

- b. All walls will be lined with AC grade 4'x8' sheets of 3/4" plywood from floor to ceiling. Plywood must be void free and painted on all sides with at least two coats of fire resistant paint.
- c. The door will be a minimum of three (3) feet wide and located as near as possible to a room corner. The door will be equipped with a lock. The door must open outward to provide additional usable space.
- d. 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). 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 it. Sensors and controls must be located in the telecommunications room, ideally placed 5 feet AFF (thermostat location will be specified on the telecommunication room drawing provided by County of Riverside Information Technology Department). If an in-room air conditioner is installed, the location must be approved by IT before installation. If remote-monitoring equipment is available, this room should have its own independent sensor. Average heat load for equipment is 20,000 BTU (specific heat load will be provided for each

room).

- e. If fire sprinklers are required by code, the sprinkler shall have a high temperature standard response full circle head with a heavy-duty cover. Other fire protection systems shall be provided as outlined in applicable codes.
- f. Room Lighting – Provide a minimum equivalent of 500 lux (50 foot candles) measured 3 ft. AFF. Coordinate placement of light fixtures with County of Riverside Communications to avoid interference with low voltage equipment. Light fixtures must be a minimum of 8.5 ft. AFF. Use light-colored 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. One light should be on emergency power if available.

Emergency Lighting – Emergency lighting shall be provided and be placed to ensure that the loss of power to normal lights will not hamper an emergency exit from the room.

- g. The floor shall be covered with 1/8", 12"x12" Armstrong Excelon SDT Static Dissipative Tile, and shall be installed according to the manufacturer specifications. It shall be capable of supporting minimum bearing loads of one hundred (100) pounds per square foot and maximum concentration loading of 2,000 lbs. per foot. Grounding of the floor tile system in all areas shall be performed by a qualified technician.
 - h. Four (4) each double duplex outlets at +12 inches on one twenty (20) Amp breaker (minimum one outlet on each wall to serve as utility outlets).
 - i. One (1) isolated ground with a maximum resistance of five (5) ohms to be provided. (IT Department shall be consulted regarding type - see layout for exact location.)
 - j. If multiple telecommunication rooms are required, two (2) four-inch (4") conduits will be installed between the rooms for horizontal cabling connectivity.
 - k. A ceiling will be installed in the switch room at a minimum of 8.5' AFF. Ceiling protrusions (e.g. sprinkler heads) must be placed to assure a minimum clear height of 8 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. If a drop ceiling is installed no provisions for wire entering the room will need to be provided. If a hard, no access ceiling is installed, a minimum of two (2) four-inch (4") conduits will be installed as sleeves to allow the voice and data wiring to be extended into the switch room. Actual number of voice and data wiring will dictate if additional sleeves will be required. Exact location of the sleeves will be determined by IT Department.
 - l. Other Uses – Telecommunication rooms must be dedicated to the telecommunications function and related support facilities. Equipment not related to the support of the telecommunication room, such as piping, duct work, and distribution of building power, must not be located in, or pass through the room. The telecommunication room may not be shared with building or custodial services that may interfere with the telecommunications systems. For example, sump sinks and cleaning materials such as mops, buckets or solvents must not be located or stored in the telecommunication room.
 - m. Grounding – A Telecommunication 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 County Telecommunications Engineer. The Grounding Busbar must be a copper, 6 mm thick by 100 mm wide, by 10 cm long, pre-drilled Busbar. 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 #6 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 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.
4. Critical / Special Electrical - All outlets shall be standard 110/117 VAC outlets with a ground, unless otherwise noted.
- a. Dedicated Power Feeder – The telecommunications room will have it's own dedicated power

feeder terminated in an electrical panel located inside the room. Location of this electrical sub-panel shall be closely coordinated with County Communications 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. Telephone System: Install two dedicated 110 VAC, 20 Amp circuits terminated in a surface mounted 4S electrical box with $\frac{1}{2}$ " and $\frac{3}{4}$ " knockouts at a height of 6 ft. AFF. The 4S locks will contain no outlets, only a blank cover plate. Each of the two circuits will have its own separate hot, neutral, and ground wire all the way back to the power distribution panel. Each dedicated circuit will be clearly labeled on the blank cover plate and sub-panel.
- c. Equipment Racks: Install one dedicated 20 Amp, 110 VAC circuit with isolated ground for each equipment rack (minimum of four racks program). Terminate each dedicated circuit on double duplex outlets in a surface mounted 4S box on the side of the cable ladder. Cable ladder layout, circuit locations and quantity will be specified in the room layout provided by the County Telecommunications Engineer. The breaker number shall be identified on each of these outlets.
- d. 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. This outlet will be located near the door and will be specified in the room layout provided by the County Telecommunications Engineer.
- e. General Purpose Outlets: Install one dedicated 20 Amp, 110 VAC circuit for general-purpose use. This circuit will be terminated on double-duplex outlets around the room with at least one outlet every 12 feet and at least one outlet per wall 12 inches AFF.
- f. Security: One dedicated 110 VAC, 15 Amp circuit terminated on a double-duplex outlet. Location and height of this outlet will be specified in the room layout provided by the County Telecommunications Engineer.
- g. Paging – One dedicated 110 VAC, 15 Amp circuit terminated on a double-duplex outlet. Location and height of this outlet will be specified in the room layout provided by the County Telecommunications Engineer.
- h. Multiple Telecommunication Rooms - If multiple telecommunication rooms are required, connecting conduits will be required.

C. 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 42 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 1-inch rigid conduit stubbed into the ceiling space from the outlet box. Ceiling must be accessible from the WAO location back to the Telecommunications Room. If the WAO location is at wall phone height, install an additional outlet box at standard floor height and connect a 1-inch rigid 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, the conduits shall be run from the WAO location all the way to the Telecommunications Room or the 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 1.25 in. rigid conduit per 2.5 WAO locations of systems furniture. The conduit stubbed into the ceiling space from a 4 in. by 4 in. by 2.5 in. deep outlet box. Consult County Communications for location, quantity, and size of in-feeds.
3. **Backbone Pathways:**
 - a. **Telecommunications Rooms:** The standard conduit configuration connecting Telecommunications Rooms will consist of 2-3 in. rigid conduits. Conduits are to be run in the most direct route possible with no more than two 90-degree bends without a pull box. 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 provided on a site-by-site basis. The bend radius of the conduit shall be 10 times the internal conduit diameter. Also provide each conduit with pull string with minimum tensile strength of 30 lbs.
 - b. **Sleeves:**
 - (1) **Firewalls:** If any firewalls are present, access through the wall must be provided by the contractor. The ends of any conduit penetrating a firewall will be sealed with an appropriate sealer. 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 County Telecommunications Engineer. Sleeves should penetrate the wall a minimum of 3 inches. Ream each end of conduit and fit with insulated bushing.
 - (2) **Telecommunications Rooms:** 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 County Telecommunications Engineer.
4. **Primary Service Conduit Requirements (New Construction):**
 - a. The number of all primary service conduits will be determined by the size and scope of each job. **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 four (4) inches in diameter. A minimum of two (2) conduits will be installed into the Telecommunications Room. Conduits are to be run the most direct route as possible.
 - (2) Conduits shall be buried a minimum of 30 inches below finish grade.
 - (3) As a minimum, a slurry mix of concrete shall cover of the conduit (s) for protection.
 - (4) No more than two (2) 90-degree bends shall be installed without the addition of a pull box.
 - (5) Conduit runs in excess of 500 feet shall have a pull box installed. All bends shall have a minimum-bending radius of 10 times the diameter of the conduit.
 - (6) All four-inch conduits should have a minimum 1/4-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 can only be determined by the scope of the job.
 - (7) If the MPOE (main point of entrance) is not physically located in the Telecommunications Room it will be necessary to install two 2-inch conduits from the MPOE to the Telecommunications Room.

D. CABLE TRAYS:

1. Is 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 County Telecommunications Engineer regarding possible installation and to assist in the design of the cable tray system.

ESTOPPEL CERTIFICATE

1. The County of Riverside, as Tenant, for the purpose of providing office space for use by the Economic Development Agency and the Spruce Street Professional Building, LLC, 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 30,407 square feet of office space located at 1325 Spruce Street, Riverside, CA. 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 _____. 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 two option(s) to extend the term of the Lease for two years each. The rental rate for each extension period is negotiated at time of extension.
6. The County has the right of first offer 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 after five years of initial Lease occupancy 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. If County terminates after five years; Lessor is entitled to recover from County the amortized portion of the tenant improvements that remain on the balance of the lease as described in section 6.4 of the Lease and Attachment "I".
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. County shall receive the first three months rent free plus \$10,000 for top-of-building signage allowance.
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 except as specifically provided in this Certificate.
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 agrees that the Lease shall remain in full force and effect and shall bind and inure to the benefit of _____ and its successor in interest.

LESSOR:

COUNTY

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 1157 Spruce Street, Riverside, California 92507.

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; or
- (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 notice 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: _____

Attention: _____

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:

a _____

By: _____ [signature] _____

Its: _____ [state title] _____

Accepted and Agreed To:

Lessor:

a _____

By: _____ [signature] _____

Its: _____ [state title] _____

[Notarizations of Parties' Signatures]

[Exhibit A: Legal description of Mortgage Premises]

Exhibit I
 Amortization Schedule of Tenant Improvement
 (for Early Termination)

VB-60 and on.txt
 Amortization Schedule: 120 months to repay \$937930.00 at 10.0%.

Month	Payment Amount	Interest Amount	Principal Reduction	Balance Due
61.	\$12394.82	\$4861.38	\$7533.44	\$575832.60
62.	\$12394.82	\$4798.60	\$7596.21	\$568236.39
63.	\$12394.82	\$4735.30	\$7659.52	\$560576.87
64.	\$12394.82	\$4671.47	\$7723.35	\$552853.52
65.	\$12394.82	\$4607.11	\$7787.71	\$545065.82
66.	\$12394.82	\$4542.21	\$7852.60	\$537213.21
67.	\$12394.82	\$4476.78	\$7918.04	\$529295.17
68.	\$12394.82	\$4410.79	\$7984.03	\$521311.14
69.	\$12394.82	\$4344.26	\$8050.56	\$513260.58
70.	\$12394.82	\$4277.17	\$8117.65	\$505142.93
71.	\$12394.82	\$4209.52	\$8185.29	\$496957.64
72.	\$12394.82	\$4141.31	\$8253.51	\$488704.13
73.	\$12394.82	\$4072.53	\$8322.28	\$480381.84
74.	\$12394.82	\$4003.18	\$8391.64	\$471990.21
75.	\$12394.82	\$3933.25	\$8461.57	\$463528.64
76.	\$12394.82	\$3862.74	\$8532.08	\$454996.56
77.	\$12394.82	\$3791.64	\$8603.18	\$446393.37
78.	\$12394.82	\$3719.94	\$8674.87	\$437718.50
79.	\$12394.82	\$3647.65	\$8747.16	\$428971.33
80.	\$12394.82	\$3574.76	\$8820.06	\$420151.27
81.	\$12394.82	\$3501.26	\$8893.56	\$411257.72
82.	\$12394.82	\$3427.15	\$8967.67	\$402290.04
83.	\$12394.82	\$3352.42	\$9042.40	\$393247.64
84.	\$12394.82	\$3277.06	\$9117.76	\$384129.88
85.	\$12394.82	\$3201.08	\$9193.74	\$374936.15
86.	\$12394.82	\$3124.47	\$9270.35	\$365665.79
87.	\$12394.82	\$3047.21	\$9347.60	\$356318.19
88.	\$12394.82	\$2969.32	\$9425.50	\$346892.69
89.	\$12394.82	\$2890.77	\$9504.05	\$337388.64
90.	\$12394.82	\$2811.57	\$9583.25	\$327805.39
91.	\$12394.82	\$2731.71	\$9663.11	\$318142.28
92.	\$12394.82	\$2651.18	\$9743.63	\$308398.65
93.	\$12394.82	\$2569.99	\$9824.83	\$298573.82
94.	\$12394.82	\$2488.11	\$9906.70	\$288667.11
95.	\$12394.82	\$2405.56	\$9989.26	\$278677.85
96.	\$12394.82	\$2322.31	\$10072.50	\$268605.35
97.	\$12394.82	\$2238.38	\$10156.44	\$258448.91
98.	\$12394.82	\$2153.74	\$10241.08	\$248207.83
99.	\$12394.82	\$2068.40	\$10326.42	\$237881.40
100.	\$12394.82	\$1982.34	\$10412.47	\$227468.93
101.	\$12394.82	\$1895.57	\$10499.24	\$216969.68
102.	\$12394.82	\$1808.08	\$10586.74	\$206382.95
103.	\$12394.82	\$1719.86	\$10674.96	\$195707.98
104.	\$12394.82	\$1630.90	\$10763.92	\$184944.06
105.	\$12394.82	\$1541.20	\$10853.62	\$174090.44
106.	\$12394.82	\$1450.75	\$10944.07	\$163146.38
107.	\$12394.82	\$1359.55	\$11035.27	\$152111.11
108.	\$12394.82	\$1267.59	\$11127.23	\$140983.88
109.	\$12394.82	\$1174.86	\$11219.95	\$129763.93
110.	\$12394.82	\$1081.37	\$11313.45	\$118450.47
111.	\$12394.82	\$987.09	\$11407.73	\$107042.74
112.	\$12394.82	\$892.02	\$11502.80	\$95539.94
113.	\$12394.82	\$796.17	\$11598.65	\$83941.29
114.	\$12394.82	\$699.51	\$11695.31	\$72245.98
115.	\$12394.82	\$602.05	\$11792.77	\$60453.21
116.	\$12394.82	\$503.78	\$11891.04	\$48562.17
117.	\$12394.82	\$404.68	\$11990.13	\$36572.03
118.	\$12394.82	\$304.77	\$12090.05	\$24481.98
119.	\$12394.82	\$204.02	\$12190.80	\$12291.18
120.	\$12393.60	\$102.43	\$12293.18	\$0.00

* Interest calculated at 1/12th of annual interest rate on the remaining principal amount. (Rounding errors possible)

**FIRST AMENDMENT TO THE COUNTY OF RIVERSIDE ECONOMIC
DEVELOPMENT AGENCY (EDA) LEASE AT 1325 SPRUCE STREET, RIVERSIDE,
CALIFORNIA**

The COUNTY OF RIVERSIDE ("County") and the SPRUCE STREET PROFESSIONAL BUILDING, LLC, ("Lessor"), hereby amend that certain lease dated June 13th, 2006 ("the Lease") pertaining to property known as the Spruce Street Professional Building at 1325 Spruce Street, Riverside, California, as follows:

A. Section 2.2 of the Lease is hereby amended in its entirety to read as follows:

Defined. The Premises shall consist of that certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as a portion of The Spruce Street Professional Building, located in the City of Riverside, State of California, and generally described as a free standing building consisting of approximately 77,000 square feet; 38,061 gross square feet of exclusive space for the County with 30,407 gross square feet of exclusive space on the fourth and fifth floors (the "Original Space") and 7,654 gross square feet of exclusive space on the second floor (the "Additional Space") with 144 unreserved and unassigned parking spaces and 3 reserved parking spaces for the County and top-of-the-building signage, all as shown on the site plan attached as Exhibit "A" in the Lease. It is understood that the Premises include all appurtenances and easements thereto and the non-exclusive right of ingress and egress at all times to and from the public streets and highways for County, its employees and invitees.

B. Section 4.1 of the Lease is hereby amended by adding the following:

4.1.1. This First Amendment shall be effective upon the date of its full execution by the Parties hereto which includes approval by the County of Riverside, Board of Supervisors. The "Additional Space" shall be ready and available for move in by County on April 1, 2007.

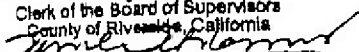
C. Section 4.3 of the Lease is hereby amended as follows:

Delay in Delivery of Premises. 4.3. If the Original Term of this Lease for occupancy of the fourth and fifth floors has not commenced by March 31, 2007, County may, at its sole option, either: (a) deduct from any rents that may become due hereunder the sum of \$2,000 for each day the Premises are not substantially complete and available for occupancy as per paragraph 2.4 (except if delay is due to change orders in the tenant improvement construction that delay delivery and are requested by the County, unforeseeable government regulatory or, weather related factors, or the delay is caused solely by the negligence or misconduct of the County) after said date, as liquidated damages for failure to provide occupancy in a timely manner as prescribed hereunder. Lessor and County agree that such damages are to be one of the mutually exclusive remedies, as prescribed in this Section 4, for such failure, in that at the time of entering into this Lease it would be impractical and extremely difficult to fix the actual damages that would flow from Lessor's failure to provide occupancy in a timely manner, including, but not limited to, the difference in money between the total sum to be paid by County to

EACH DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED IS CERTIFIED TO BE A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE AND OF RECORD IN MY OFFICE.

Dated: 12-28-06

Nancy Romero
Clerk of the Board of Supervisors
County of Riverside, California



First Amendment EDA Lease
Spruce Street Professional Building, LLC.

another party for rent to Lease such party's real property, if the rental hereunder is less than the rental to be paid such other party; or if the Original Term of this Lease for the fourth and fifth floors has not commenced by March 31, 2007, or (b) cancel this Lease, and Lessor hereby waives any and all rights that it may have against County for any costs, expenses and/or charges that Lessor may have incurred as a result of preparing the Premises for occupancy.

4.3.1. Provided County has executed plans and specifications to Lessor by December 31, 2006, and the second floor occupancy has not commenced by April 1, 2007, County may, at its sole option, either: (a) deduct from any rents that may become due hereunder the sum of \$500 for each day the second floor Premises are not substantially complete and available for occupancy as per paragraph 2.4 (except if delay is due to change orders in the tenant improvement construction that delay delivery and are requested by the County, unforeseeable government regulatory or, weather related factors, or the delay is caused solely by the negligence or misconduct of the County) after said date, as liquidated damages for failure to provide occupancy in a timely manner as prescribed hereunder. Lessor and County agree that such damages are to be one of the mutually exclusive remedies, as prescribed in this Section 4, for such failure, in that at the time of entering into this First Amendment it would be impractical and extremely difficult to fix the actual damages that would flow from Lessor's failure to provide occupancy in a timely manner, including, but not limited to, the difference in money between the total sum to be paid by County to another party for rent to Lease such party's real property, if the rental hereunder is less than the rental to be paid such other party; or if the Original Term of this First Amendment for the second floor has not commenced by April 1, 2007, or (b) cancel this Lease, and Lessor hereby waives any and all rights that it may have against County for any costs, expenses and/or charges that Lessor may have incurred as a result of preparing the Premises for occupancy.

D. Section 5.1 of the Lease is hereby amended in its entirety to read as follows:

RENT. County shall receive the first three months rent free plus \$10,000 for construction of top-of-building signage from Lessor. Effective April 1st, 2007, County shall pay the sum of \$2.10 per square foot for 38,061 total square feet or \$79,928.10 per month to Lessor as rent for the Premises during the term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$79,928.10	First
\$82,325.94	Second
\$84,795.72	Third
\$87,339.59	Fourth
\$89,959.78	Fifth
\$92,658.57	Sixth
\$95,438.33	Seventh

\$98,301.48
\$101,250.52
\$104,288.04

Eighth
Ninth
Tenth

Said monthly sums shall be payable, in advance, on the first day of the month or as soon thereafter as a warrant can be issued in the normal course of County's business; provided, however, in the event rent for any period during the term hereof which is less than one (1) full calendar month said rental shall be pro-rated based upon the actual number of days of said month.

E. Section 5.2 of the Lease is hereby amended in its entirety to read as follows:

Tenant Improvements (TIs). Tenant improvement costs are those costs for customizing and configuring the County's 33,698 square feet of dedicated space per the County's space plan (excluding restrooms). County TIs shall include: construction drawings and engineering costs for TIs, carpeting, flooring, paint, automatic door openers at main lobby, hard walled offices, break rooms, data rooms, HVAC, heat pumps, ducting, conference rooms, storage and supply rooms with locking hardware, electrical to office and modular furniture, etc. Note: data lines and connectivity will be contracted with County Vendors at County cost. Lessor to provide restrooms and elevator lobbies on the second, fourth, and fifth floors. County's tenant improvement (TI) costs are those costs above the \$35 per square foot or \$1,179,430.00 total allowance for TIs and \$10,000 top-of-building signage allowance (as described in section 5.1) provided by Lessor. Such amount will be set forth in writing by an addendum to this Lease. County will pay additional TI costs in lump sum.

All other provisions of the Lease and Amendment not otherwise affected by this First Amendment shall remain the same. This First Amendment to the Lease shall not be binding or deemed consummated until approved and executed by County's Board of Supervisors.

IN WITNESS WHEREOF, the County of Riverside and Spruce Street Professional Building, LLC. have executed this First Amendment to the Lease dated June 13th, 2006.

Dated: DEC 12 2006

COUNTY OF RIVERSIDE

SPRUCE STREET PROFESSIONAL BUILDING, LLC.

By: Bob Buster
Bob Buster
Chairman, Board of Supervisors

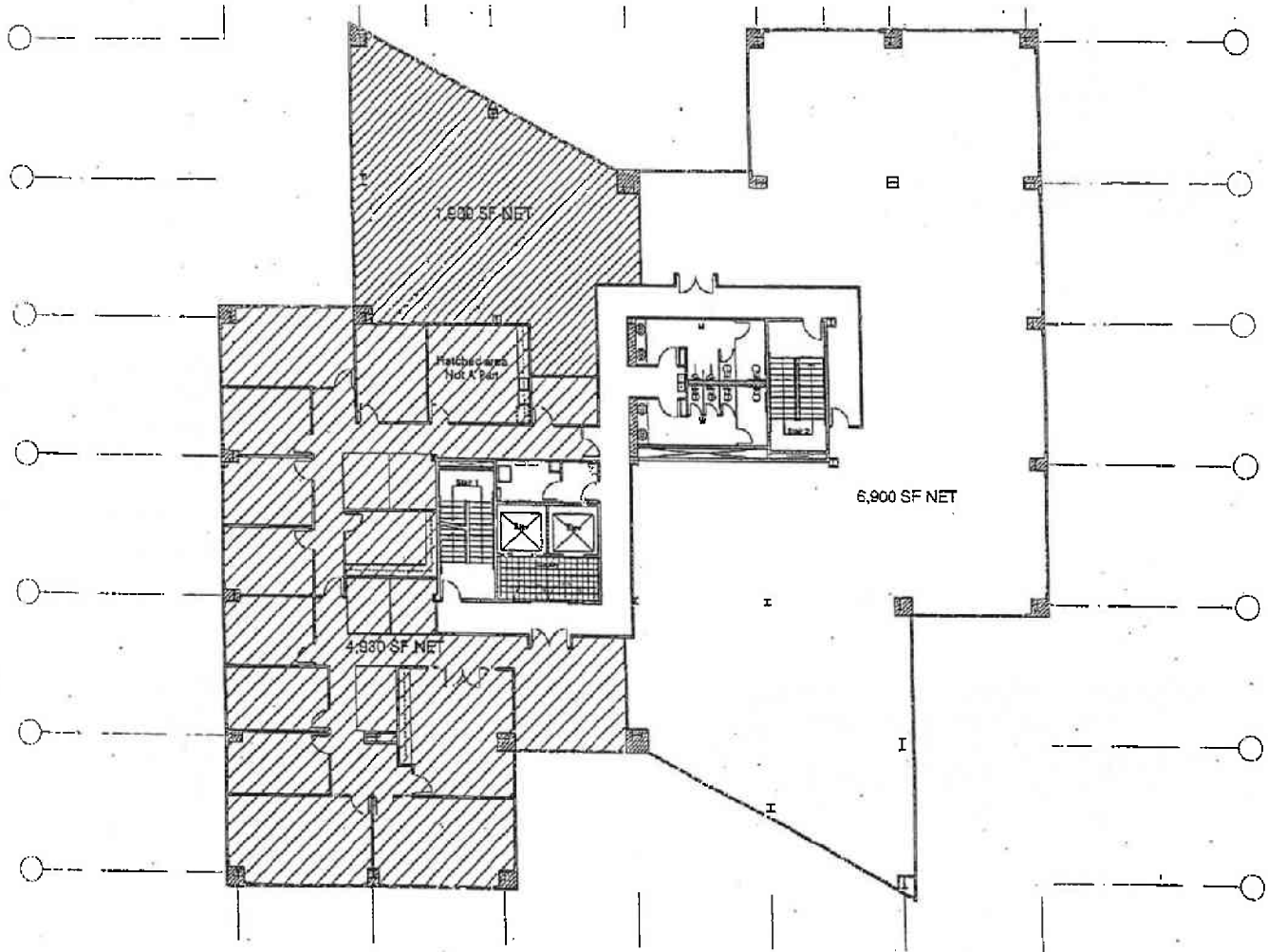
By: Raymond Magnon
Raymond Magnon, Manager/
President and Chief Executive Officer

ATTEST:
Nancy Romero,

By: Manuel Deputy
Clerk of the Board

Approved as to Form

By: Carla
County Counsel



First Amendment
"ATTACHMENT A"