

FORM APPROVED COUNTY COUNSEL
BY: GREGORY P. PRIAMOS DATE

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

214



SUBMITTAL DATE:
July 13, 2016

FROM: Economic Development Agency

SUBJECT: Revenue Lease Agreement, Gresham Savage Nolan & Tilden, a California Professional Corporation, District 2, 5 Year Term, CEQA Exempt [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15301, Existing Facilities and 15061(b)(3);
2. Approve the attached Revenue Lease Agreement and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk for posting within five days of approval by the Board.

BACKGROUND:

Summary (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A

Budget Adjustment: No
For Fiscal Year: 2016/17

C.E.O. RECOMMENDATION:

APPROVE
BY:
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.:

District: 2

Agenda Number:

3-14

Departmental Concurrence

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

Economic Development Agency

FORM 11: Revenue Lease Agreement, Gresham Savage Nolan & Tilden, a California Professional Corporation, District 2, 5 Year Term, CEQA Exempt [\$0]

DATE: July 13, 2016

PAGE: 2 of 2

BACKGROUND:

Summary

The Economic Development Agency's Real Estate Division has negotiated a new revenue lease agreement with Gresham Savage Nolan & Tilden to occupy 9,684 square feet in Riverside Centre, a County owned facility. Riverside Centre is a 157,000 square foot class A office building located at 3403 10th Street, Suite 700, Riverside. The Tenant will complete all tenant improvements at its sole cost and expense.

Pursuant to the California Environmental Quality Act (CEQA), the revenue lease agreement was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities and 15061 (b)(3). The proposed project, the revenue lease, is the letting of property where no negligible expansion of an existing use will occur.

The lease terms are as follows.

Landlord:	County of Riverside 3403 10 th Street, Suite 400 Riverside, California 92501
Tenant:	Gresham Savage Nolan & Tilden
Premises:	Riverside Centre 3403 10 th Street, Suite 700 Riverside, California 92501
Term:	Five years, commencing on completion of tenant improvements
Size:	9,684 square feet
Rent:	\$2.00 per sq. ft. \$19,368.00 per month \$232,416.00 per year
Annual Adjustment:	Two and one half percent
Utilities:	Tenant to pay for telephone and data, Landlord to pay all others
Maintenance:	Provided by Landlord
Improvements:	At the sole cost and expense of tenant, modifications to space will include addition of walls, doors, doorframes, paint, carpet, electrical, lighting, fire sprinkler modifications and hardware.

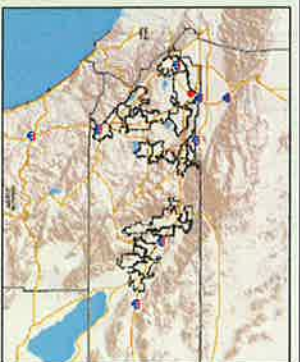
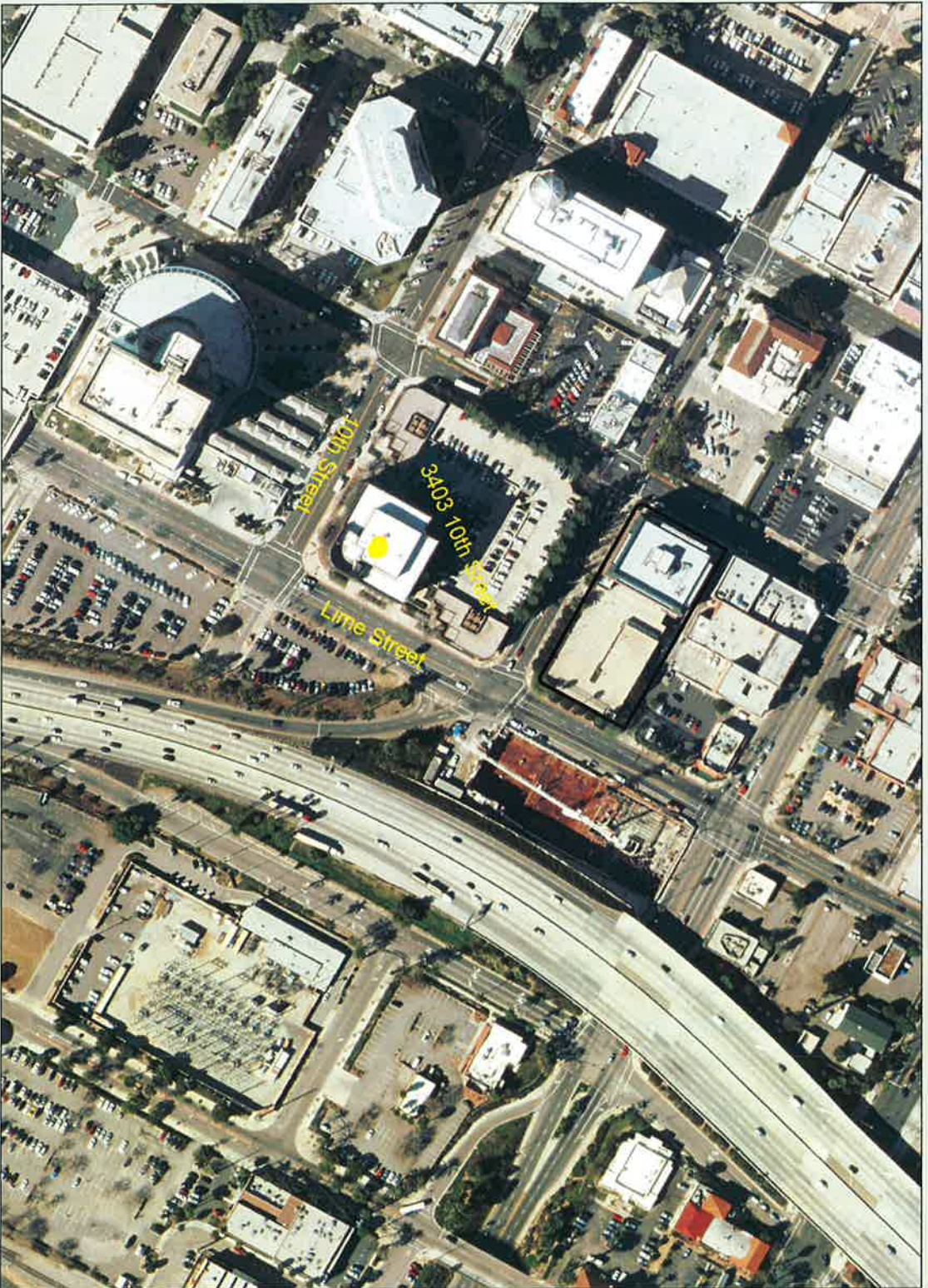
Impact on Citizens and Businesses

This Lease and occupancy by Gresham Savage Nolan and Tilden at Riverside Centre will provide an Economic impact and benefit in the Downtown area for both citizens and businesses. Downtown businesses will benefit from the professional jobs that will be located within this facility. These employees will frequent area businesses and provide legal services to the community and clients/citizens they serve.

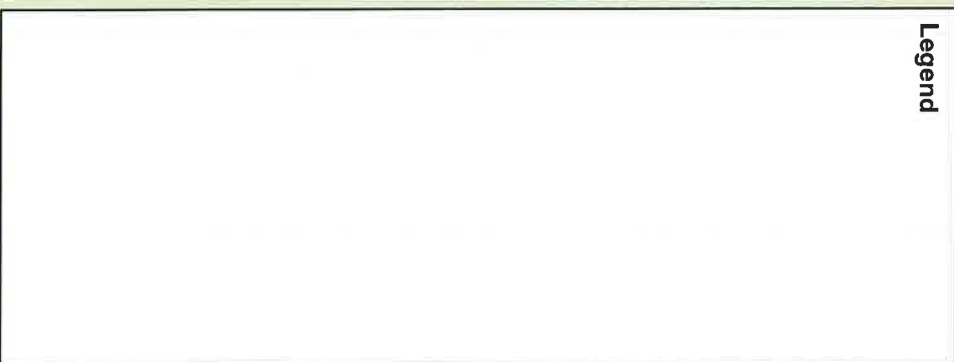
Attachments: Aerial Image, Revenue Lease Agreement, Notice of Exemption

Riverside Centre

3403 10th Street, Riverside



Legend



IMPORTANT Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.



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Notes

Lease Agreement

REVENUE LEASE AGREEMENT

BETWEEN

COUNTY OF RIVERSIDE
A political subdivision of the State of California

LANDLORD

and

GRESHAM SAVAGE NOLAN & TILDEN
a Professional Corporation

TENANT

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EXHIBITS

Exhibit "A"	Floor Plan of the Leased Premises
Exhibit "B"	Work Letter Agreement
Exhibit "C"	Confirmation of Lease Information Certificate
Exhibit "D"	Rules and Regulations
Exhibit "E"	Parking Structure Regulations
Exhibit "F"	Custodial Services Requirements
Exhibit "G"	Services and Utilities

REVENUE LEASE AGREEMENT

1. Parties: This REVENUE LEASE AGREEMENT ("Lease"), dated as of _____ (the "Effective Date"), is made by and between COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("Landlord"), and GRESHAM SAVAGE NOLAN & TILDEN, a Professional Corporation, ("Tenant"). Landlord and Tenant are hereinafter sometimes collectively referred to as the "Parties" or individually as a "Party."

2. Summary of Basic Terms. As used in this Lease, the following terms shall have the meanings set forth below, subject to the qualifications, adjustments and exceptions set forth elsewhere in this Lease. If any of the following definitions conflicts or is inconsistent with any subsequent provision of this Lease, the latter shall control.

2.1 Leased Premises. The Leased Premises consists of approximately 9,684 square feet of rentable space on the seventh (7th) floor of the office building designated as Riverside Centre (the "Building"), located at 3403 10th Street, Suite 700, in the City of Riverside, County of Riverside, State of California 92501, as shown on the floor plan attached hereto as Exhibit "A", attached hereto and by this reference incorporated herein, and all appurtenances and easements thereto and the non-exclusive right of ingress and egress to and from the public streets and highways for Tenant, its employees and invitees.

2.2 Lease Term. Five (5) years.

2.3 Option to Extend. Tenant shall have one (1) five (5) year option to extend the lease. Option shall be exercised by providing Landlord with one hundred and twenty (120) day advance written notice.

2.4 Expiration Date. At midnight on the last day of the sixtieth (60th) month of the Lease Term.

2.5 Rent. Tenant shall pay the sum of Nineteen Thousand Three Hundred Sixty Eight Dollars (\$19,368.00) per month to Landlord as rent for the Leased Premises, payable, in advance, on or before the first day of each and every calendar month.

2.6 Annual Adjustment. Notwithstanding the provisions of Section 2.5 herein, the monthly rent shall be increased on each anniversary of this Lease by an amount equal to two and one half percent (2.5%) of such monthly rental.

2.7 Security Deposit. Tenant shall pay a security deposit in the amount of Nineteen Thousand Three Hundred Sixty Eight Dollars (\$19,368.00).

2.8 Permitted Use. General use for law offices and other business related to said law offices consistent with first class office buildings in the City of Riverside.

2.9 Tenant's Parking. Tenant shall have the option to occupy a total of up to (but not exceeding) 27 unreserved parking spaces, all at prevailing parking rates established from time to time by Landlord or its parking facilities operator (which rate is presently \$65.00 per unreserved space per month). Tenant may also purchase books of stickers for hourly parking purposes for its customers and invitees at prevailing parking prices established from time to time by Landlord, (which prices are presently \$200.00 for a book of 100 one-hour stickers; \$400.00 for a book of 100 two-hour stickers.)

2.10 Notices:

Landlord's Address for Notices:

County of Riverside
Real Estate Division
3403 Tenth Street, Suite 400
Riverside, CA 92501
Phone: (951) 955-4820

Tenant's Address for Notices:

Gresham Savage Nolan & Tilden, PC
Attn: Mark A. Ostoich, CEO
550 Hospitality Lane, Suite 300
San Bernardino, California 92408

2.11 Attachments, Exhibits and Addenda. The following Attachments, Exhibits and Addenda are attached to this Lease and are incorporated herein by this reference.

Exhibit "A"	Floor Plan of the Leased Premises
Exhibit "B"	Work Letter Agreement
Exhibit "C"	Confirmation of Lease Information Certificate
Exhibit "D"	Rules and Regulations
Exhibit "E"	Parking Structure Regulations
Exhibit "F"	Custodial Services Requirements
Exhibit "G"	Services and Utilities

2.12 Payment Due on Execution of Lease. Tenant shall pay the sum amount of Thirty Eight Thousand Seven Hundred Thirty Six Dollars (\$38,736.00) comprised of the first full month's Rent and the Security Deposit on execution of the Lease by the Tenant.

3. Demise of Premises. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord, subject to all of the terms, covenants and conditions in this Lease. Except as otherwise expressly provided, Tenant's obligations under this Lease shall commence and be effective as of the Effective Date.

4. Lease Term and Possession.

4.1 Lease Term. The Lease shall be effective upon the date of its full execution by

the Parties hereto. Unless terminated sooner pursuant to the terms of this Lease, the Lease Term shall be for the period of five (5) years ("Original Term"), commencing upon the earlier of (a) the date the certificate of occupancy is issued ("Scheduled Commencement Date") or (b) the date upon which Tenant shall be obligated to commence the payment of rent as described in Section 4.2.

4.2 Rent Commencement Date. The term "Rent Commencement Date" shall mean the earlier of (a) the Scheduled Commencement Date or (b) six (6) months from the Delivery Date as otherwise provided in Section 4.4..

4.3 Confirmation of Lease Information. At such time as the Tenant takes possession of the Leased Premises, the Parties shall execute a Confirmation of Lease Information Certificate in the form set forth in Exhibit "C", attached hereto and by this reference incorporated herein, within thirty (30) days after said date.

4.4 Delay in Delivery of Possession. It is anticipated that Landlord will deliver possession of the Premises to Tenant on the date the Lease is fully executed by the Riverside County Board of Supervisors (the "Delivery Date"). If Landlord cannot deliver possession of the Leased Premise to Tenant on July 1, 2016, for any reason not the fault of Landlord, this Lease shall not be void or voidable nor shall Landlord be liable to Tenant for any Liabilities resulting therefrom, and Tenant waives the provisions of any Laws to the contrary. In this case, the Delivery Date shall be the date Landlord actually tenders delivery of possession of the Leased Premises to Tenant. Notwithstanding anything to the contrary in this Section 4.4 (i) if Landlord's failure to deliver possession of the Leased Premises to Tenant on the Scheduled Commencement Date results from Tenant's or its Affiliates' acts or omissions, the Rent payable by Tenant shall commence on the Scheduled Commencement Date.

4.5 Acceptance of Leased Premises. By accepting possession of the Leased Premises, Tenant shall be deemed to have acknowledged that the Leased Premises are suitable for its purposes and in good condition and repair. Tenant acknowledges and agrees that it has inspected, the Leased Premises and that Tenant is not relying on any representations or warranties made by Landlord regarding the Leased Premises or the Project, except as may be expressly set forth herein and the Tenant shall, upon substantial completion of the Tenant Improvements as provided in the Work Letter Agreement, execute and deliver to Landlord a certificate substantially in the form of Exhibit "B", attached hereto and by this reference incorporated herein, indicating thereon any exceptions which Tenant claims to exist at that time.

5. Rent

5.1 Rent. Upon execution of this Lease, Tenant shall pay to Landlord Rent for the first full calendar month beginning with the Rent Commencement Date. Commencing on the first day of the month following the Rent Commencement Date (or such earlier or later time as is otherwise provided in this Lease) and continuing thereafter on the first day of each calendar month during the Lease Term. Tenant shall pay to Landlord Rent in advance. Rent due for any period which is for less than one (1) month shall be prorated based on a thirty (30) day

month. Base Rent and all Additional Rent hereunder shall be paid without prior notice or demand, without deduction or offset, in lawful money of the United States of America which shall be legal tender at the time of payment, at the office of the Building or to another person or at another place as Landlord may from time to time designate in writing.

5.2 Adjustment of Rent. Rent shall be increased as provided in Section 2.6 of the Lease.

6. Other Taxes. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed against Tenant's personal property or trade fixtures and any leasehold improvements in the Premises which were made for Tenant or at its request to the extent they are above the standard of the Building. Tenant shall be responsible for Possessory Interest Taxes.

7. Surrender; Holding Over.

7.1 Surrender. Upon the expiration or sooner termination of this Lease, Tenant shall peaceably surrender the Premises broom clean and in a state of first-class order, condition and repair, except for ordinary wear and tear which Tenant was not otherwise obligated to repair or remedy under any provision of this Lease. However, Tenant shall not be obligated to repair any damage which Landlord is required to repair under Section 16 (Damage or Destruction). In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) prior to the expiration of the Lease Term and to restore the Property to the condition required above, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the expiration or termination of this Lease, except that Tenant may remove any of Tenant's equipment and personal property which can be removed without material damage to the Premises or Project. Tenant shall repair, at Tenant's expense, any damage to the Premises or Project caused by the removal of such equipment and personal property. In no event, however, shall Tenant remove any of the following (which shall be deemed Landlord's property) without Landlord's prior written consent: any power wiring or power panels; lighting or lighting fixtures; wall coverings, drapes, blinds or other window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air conditioning equipment or other similar building operating equipment and decorations.

7.2 Failure to Surrender. Tenant shall not hold over in the Premises after the expiration or sooner termination of the Lease Term without the express prior written consent of Landlord. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against, any and all Liabilities arising out of or in connection with any delay by Tenant in surrendering and vacating the Premises as required in Section 7.1, including, without limitation, any claims made by any succeeding tenant based on any delay, and any Liabilities arising out of or in connection with these claims. If possession of the Premises is not surrendered to Landlord on the expiration or sooner termination of the Lease Term, in addition to any other rights and remedies of Landlord hereunder, at law or in equity, Tenant

shall pay to Landlord for each month or portion thereof following the expiration or sooner termination of the Lease Term during which Tenant retains possession of the Premises a sum equal to one and one-half (1.5) times the then-current Base Rent, in addition to all other Rent payable under this Lease. Landlord's acceptance of any such payment shall not constitute Landlord's consent to any holding over (which consent may only be granted expressly in writing) nor Landlord's waiver of any of its rights or remedies. If any tenancy is created by Tenant's possession of the Premises following the expiration or sooner termination of the Lease Term, the tenancy shall be on all of the terms and conditions of this Lease, except that Base Rent shall be increased as set forth above and the tenancy shall be a month-to-month tenancy, and not a renewal hereof or an extension for any further term. Nothing in this Section 7 shall be deemed to permit Tenant to retain possession of the Premises after the expiration or sooner termination of the Lease Term.

8. Security Deposit. Upon the execution of this Lease, as stated in Section 2.12, Tenant shall deposit the Security Deposit with Landlord. The Security Deposit shall be held by Landlord as security for the performance of all of Tenant's obligations during the Lease Term. If the annual Base Rent is increased during the Lease Term, then within fifteen (15) days after each increase, without further notice, Tenant shall pay to Landlord an additional amount to be held as a part of the Security Deposit so that the total Security Deposit held by Landlord is in the same proportion to the increased annual Base Rent as the original Security Deposit bears to the original annual Base Rent. Upon any default by Tenant under this Lease, Landlord may, but shall not be obligated to, use, apply or retain all or any part of the Security Deposit for the payment of any Rent in default, or any other Liabilities which Landlord may incur as a result of or in connection with Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the full amount required. Tenant's failure to do so shall constitute a material default hereunder. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to receive interest on the Security Deposit. If Tenant complies with all of the provisions of this Lease, the unused portion of the Security Deposit shall be returned to Tenant (or, at Tenant's option, to the last assignee of Tenant's interest hereunder) within thirty (30) days after the expiration or sooner termination of the Lease Term and the surrender of possession of the Premises to Landlord in the condition required hereby. If Landlord transfers or mortgages its interest in the Premises during the Lease Term and transfers or assigns any unapplied portion of the Security Deposit to the transferee or mortgagee, Landlord shall have no further liability to Tenant (or any assignee of Tenant's interest hereunder) with respect to the Security Deposit and Tenant shall look solely to such transferee or mortgagee for the return of the Security Deposit.

9. Use of Premises.

9.1 Permitted Use. Tenant shall use and occupy the Premises only for the purpose of providing office space for use by the Tenant in conducting its legal business operations and shall not use or permit the Premises to be used for any other purpose.

9.2 Restrictions on Use. Tenant shall not do or permit anything to be done in or about the Premises or Project nor bring or keep anything therein which will: (a) increase the existing rate of, cause the cancellation of or otherwise adversely affect any casualty or other insurance for the Project or any part thereof or any of its contents; (b) impair or interfere with the proper and economic maintenance, operation and repair of the Project or any portion thereof; (c) obstruct or interfere with the rights of other tenants or occupants of the Project or injure or annoy them; (d) cause any nuisance in or about the Premises or the Project; (e) commit or allow to be committed any waste to the Premises or the Project; or (f) violate any exclusive use provisions granted to other tenants of the Project. Tenant shall not use or allow any part of the Premises to be used for the storage, manufacturing or sale of food or beverages or for the manufacture, retail sale or auction of merchandise, goods or property of any kind, or as a school or classroom, or for any unlawful or objectionable purpose.

9.3 Restrictions on Load Vibration and Noise. Tenant shall not place a load upon the Premises exceeding the average pounds of live load per square foot of floor area specified for the Building by Landlord's architect, with the partitions to be considered a part of the live load. Landlord reserves the right to reasonably prescribe the weight and positions of all safes, files and heavy equipment which Tenant desires to place in the Premises so as to distribute properly the weight thereof. Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be installed, maintained and used by Tenant, at Tenant's sole cost and expense, so as to eliminate or minimize the vibration or noise. Except for standard office equipment (such as copiers) of ordinary size and capacity, Tenant shall be responsible for, and shall pay all associated costs and expenses with respect to all structural engineering required to determine structural load and to eliminate or minimize the vibration and noise.

9.4 Rules and Regulations. Tenant shall comply with the Rules and Regulations attached hereto as Exhibit "D" and all reasonable modifications or additions thereto and shall use its best efforts to cause Tenant's Affiliates and others who use or access any portion of the Project with Tenant's express or implied permission to also comply with the Rules and Regulations. Any additions or modifications to the Rules and Regulations shall be binding on Tenant when delivered to Tenant. Landlord shall not incur any Liabilities to Tenant or Tenant's Affiliates arising from or in connection with the nonperformance of any of the Rules and Regulations by any other tenants or occupants of the Project.

9.5 Compliance with Laws. Tenant shall not use or occupy the Premises or permit anything to be done in or about the Premises or the Project which will in any way conflict with or constitute a violation of any Law. Tenant shall, at its expense, promptly comply with all Laws and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to or affecting the condition, use or occupancy of the Premises. Tenant shall not make structural changes to the Premises without Landlord's prior written consent unless they are required because of or in connection with Tenant's specific use of the Premises, the type of business conducted by Tenant in the Premises. Tenant shall obtain and maintain in effect during the Lease Term, licenses and permits required for the proper and lawful conduct of Tenant's business in the Premises, and shall at

all times comply with such licenses and permits. The judgment of any court of competent jurisdiction or the admission of Tenant in any action or proceeding (whether Landlord is a party or not) that Tenant has violated any Laws shall be conclusive of that fact as between Landlord and Tenant.

9.6 Hazardous Materials.

(a) Except for ordinary and general office supplies typically used in the ordinary course of business within office buildings such as copier toner, liquid paper, glue, ink, and common household cleaning materials (some of which may constitute Hazardous Materials pursuant to the terms of this Lease), Tenant shall not cause or permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released into the environment or disposed of on, in, under or about the Premises or any other portion of the Project ("Hazardous Activity"), whether by Tenant or Tenant's Affiliates, without the prior written consent of Landlord, which consent Landlord may grant or withhold in its sole and absolute discretion. Upon the expiration or sooner termination of this Lease, Tenant shall remove from the Premises and the Project, at its sole cost and expense, any and all Hazardous Materials which are or have been brought upon, stored, used, handled, generated, released or disposed of in, on, under or about the Premises or any portion of the Project by Tenant or Tenant's Affiliates (regardless of whether Landlord granted its consent thereto). In accordance with California Health and Safety Code Section 25359.7, Tenant shall promptly notify Landlord of any release of Hazardous Materials in the Premises or any portion of the Project which Tenant becomes aware of during the Lease Term, whether caused by Tenant or any other persons or entities.

(b) Tenant shall indemnify, protect, defend and hold harmless Landlord from and against any and all loss, cost, damage, liability and expense (including without limitation attorneys' fees and costs) incurred in connection with any Hazardous Activity of Tenant, including without limitation any clean-up, removal, remediation or restoration, which arise during or after the Lease Term from any Hazardous Activity of Tenant or Tenant's Affiliates, whether or not Landlord granted its consent thereto. Tenant shall immediately take all action Landlord deems necessary or appropriate to remediate the Hazardous Activity of Tenant or Tenant's Affiliates and to prevent any similar future Hazardous Activity to the satisfaction of Landlord and its Lender.

(c) As used in this Lease, the term "Hazardous Materials" shall mean any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including without limitation any substances included in the definition of "Hazardous Substances," "Hazardous Wastes," "Hazardous Materials," or "Toxic Substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCB's and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. The provisions of this Section 9.6 shall survive the expiration

or earlier termination of this Lease.

10. Common Areas. Tenant shall have the non-exclusive right (in common with Landlord, other tenants of the Project, and all others to whom Landlord has granted or may grant such rights) to use the Common Areas for the purposes intended, subject to Section 9.4. Any time, Landlord may do any of the following, as long as Landlord does not interfere in an unreasonable manner with Tenant's use of and access to the Premises and Parking to be provided to Tenant under this Lease: (i) to use or close temporarily portions of the Project in order to improve, repair or alter same; (ii) to make changes to the design and layout of the Project, including without limitation, changes in the location, size, shape and number of buildings, driveways, entrances, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and parking areas; and (iii) to perform any acts which in Landlord's judgment are desirable to improve the Project. As used in this Lease, the term "Common Areas" shall mean all areas within the Project which are available for the common use of tenants of the Project and which are not leased or held for the exclusive use of Tenant or any other tenant. Common Areas include without limitation parking areas and driveways, sidewalks, loading areas, access road, corridors, landscaped and planted areas.

11. Alterations.

11.1 Landlord's Consent.

(a) Tenant shall not make or permit to be made any alterations, additions or improvements (singularly and collectively "Alterations") to or of the Premises or the Project or any part thereof without the prior written consent of Landlord in each instance. However, Landlord's consent shall not be required for minor decorations of the Premises such as wall coverings and wall hangings and movable partitions, which cost less than Ten Thousand Dollars (\$10,000), provided that: (i) Tenant and such minor Alterations satisfy and comply with all terms and conditions of this Section 11; and (ii) Tenant delivers to Landlord, at least ten (10) business days prior to commencing any work, written notice and a copy of any final plans, specifications and working drawings for the minor Alterations.

(b) Landlord will not unreasonably withhold its consent to any Alterations provided that all of the following conditions shall be satisfied. If any of the following conditions is not satisfied, Landlord shall have the right to withhold its consent to the Alterations in Landlord's sole and absolute discretion:

(i) The Alterations do not affect the outside appearance or character of the Project, or in the reasonable opinion of Landlord, lessen the value of the Project;

(ii) The Alterations are nonstructural and do not impair the strength of the Building or any part thereof;

(iii) The Alterations are to the interior of the Premises and do not affect and are not visible from any part of the Building outside of the Premises;

(iv) The Alterations do not affect the proper functioning of the heating, ventilating and air conditioning ("HVAC"), mechanical, electrical, sanitary or other utilities, systems and services of the Building, or increase the usage thereof by Tenant;

(v) Landlord shall have approved the final plans and specifications for the Alterations and all contractors who will perform them, which approval shall not be unreasonably withheld, delayed or conditioned;

(vi) Tenant pays to Landlord the reasonable costs and expenses actually incurred by Landlord in reviewing Tenant's plans and specifications and inspecting the Alterations to determine whether they are being performed in accordance with the approved plans and specifications and in compliance with all Laws, including without limitation, the fees of any architect or engineer employed by Landlord for such purpose;

(vii) Before proceeding with any Alteration which will cost more than \$10,000 (exclusive of the costs of items constituting Tenant's Property, as defined in Section 11.3), Tenant obtains and delivers to Landlord, at Landlord's option, either a performance bond and a labor and materials payment bond for the benefit of Landlord, issued by a corporate surety licensed to do business in California, each in an amount equal to 125% of the estimated cost of the Alterations and in form satisfactory to Landlord, or such other security as shall be reasonably satisfactory to Landlord.

(c) Not less than fifteen (15) days nor more than twenty (20) days prior to commencement of any Alterations, Tenant shall notify Landlord of the work commencement date so that Landlord may post notices of nonresponsibility about the Premises. All Alterations must comply with all Laws, the other terms of this Lease, and the final plans and specifications approved by Landlord, and Tenant shall fully and promptly comply with and observe the rules and regulations of Landlord then in force with respect to the making of Alterations. Landlord's review and approval of Tenant's plans and specifications are solely for Landlord's benefit. Landlord shall have no duty to Tenant, nor shall Landlord be deemed to have made any representation or warranty to Tenant (whether or not Landlord grants its consent to any Alterations), with respect to the safety, adequacy, correctness, efficiency or compliance with Laws of the design of the Alterations, the plans and specifications therefor, or any other matter regarding the Alterations. Tenant shall indemnify, protect, defend and hold harmless Landlord from any amount and any and all liabilities incurred by Landlord as a result of any defects in design, materials or workmanship resulting from alterations, except to the extent such defects are caused by Landlord. At Landlord's request, Tenant shall provide Landlord with copies of all contracts, receipts, paid vouchers and any other documentation in connection with the construction of Alterations.

(d) Notwithstanding anything in this Section 11.1 to the contrary, this Section 11.1 shall not apply to Tenant's initial improvement of the Premises set forth in the plans and specifications delivered to and approved by Landlord in accordance with the provisions of the Work Letter Agreement attached hereto as Exhibit "B".

11.2 Additional Requirements. All Alterations and all work performed in connection

with the Alterations shall comply with all Laws and all applicable requirements of insurance carriers. Tenant, at its expense, shall obtain all necessary permits and certificates for the commencement and performance of Alterations and for final approval thereof upon completion, and shall cause the Alterations to be performed in compliance therewith and with all applicable insurance requirements, and in a good, first-class and workmanlike manner in advance by contractors approved by Landlord. Tenant, at its expense, shall diligently cause the cancellation or discharge of all notices of violation arising from or otherwise connected with Alterations, or any other work, labor, services or materials done for or supplied to Tenant or Tenant's Affiliates, or by any person claiming through or under Tenant or Tenant's Affiliates. Alterations shall be performed so as not to interfere with any other tenant in the Building, cause labor disharmony therein, or delay or impose any additional expense on Landlord in the construction, maintenance, repair or operation of the Project. Tenant shall not use materials in connection with the alterations that are subject to any Liens, as defined in Section 27. Throughout the performance of the Alterations, Tenant, at its expense, shall carry, or cause to be carried, in addition to the insurance described in Section 15, Workers' Compensation insurance in statutory limits and such other insurance as Landlord may reasonably require, with insurers reasonably satisfactory to Landlord and who satisfy the requirements of Section 15.2. Tenant shall furnish Landlord with satisfactory evidence that such insurance is in effect at or before the commencement of the Alterations and, upon request, at reasonable intervals thereafter until completion of the Alterations. Any increase in any taxes, assessments or changes levied or assessed as a result of any Alterations shall be paid by Tenant in accordance with Section 6.

11.3 Ownership and Surrender of Alterations. Upon their installation, all Alterations, including without limitation wall covering, paneling and built-in cabinetry, but excluding movable furniture trade fixtures and office equipment ("Tenant's Property"), shall become a part of the realty and belong to Landlord and shall be surrendered with the Premises. However, upon the expiration or sooner termination of the Lease Term, Tenant shall, upon written demand by Landlord at least thirty (30) days prior to the end of the Lease Term, at Tenant's sole cost and expense and to the satisfaction of Landlord, immediately remove any Alterations made by Tenant without Landlord's consent or which as an express condition to Landlord's consent were agreed by Tenant to be removed or subject to Landlord's option to require removal; and Tenant shall repair any damage to the Premises, the Building and any other part of the Project caused by such removal.

12. Repairs.

12.1 Tenant's Obligations. Tenant shall keep, maintain and preserve the Premises in first class condition and repair consistent with the condition of the Premises at the time of completion of the Tenant Improvements to the Premises and commencement of Tenant's business operations from the Premises. Tenant shall, when and if needed, at Tenant's sole cost and expense, make all repairs to the Premises and every part thereof, including without limitation all exterior entrances, interior glass, window casements, window moldings, partitions, doors, door jams, door closers, hardware fixtures, equipment, electrical lighting and systems, plumbing and plumbing fixtures, ducts, pipes and wiring conduits. Any such

maintenance and repairs shall be performed by Landlord's contractor, or at Landlord's option, by such contractor or contractors as Tenant may choose from an approved list to be submitted by Landlord. All costs and expenses incurred in such maintenance and repair shall be paid by Tenant within thirty (30) days after billing by Landlord or such contractor or contractors. Tenant shall cause any Liens arising as a result of work performed by Tenant or at Tenant's direction to be removed as provided in Section 27 below. Except as provided in Section 12.2 below, Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof. If Tenant fails to repair and maintain the Premises pursuant to this Section 12.1, Landlord may deliver to Tenant a written demand for Tenant to affect such repairs and maintenance. If Tenant fails to do so within ten (10) days thereafter, Landlord may enter upon the Premises and make such repairs and/or maintenance without liability to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures or other property or to Tenant's business by reason thereof. Upon completion thereof, Tenant shall pay to Landlord as additional rent, Landlord's costs and expenses with respect to such repairs and maintenance, plus an amount equal to ten percent (10%) of the costs and expenses incurred by Landlord.

12.2 Landlord's Obligation to Repair. Subject to Section 16, Landlord shall repair and maintain the Common Areas and the structural portions of the Building, including, but not limited to, the structural portions of the roof, the foundations, load-bearing walls, the elevators and the basic HVAC, mechanical, electrical and plumbing systems initially installed by Landlord in the Building. However, if the repair or maintenance is caused in whole or in part by the act, neglect, fault or omission of Tenant or Tenant's Affiliates, including without limitation by Tenant's Alterations or repairs, Tenant shall pay for such repair or maintenance upon demand from Landlord and shall indemnify Landlord from and against all other Liabilities incurred by Landlord in connection therewith. Landlord shall have a reasonable time after written notice from Tenant to perform necessary repairs or maintenance. Tenant waives all rights granted under Law to make repairs at Landlord's expense, and Tenant waives and releases the right to terminate this Lease under Sections 1932 and 1942 of the California Civil Code or any similar or successor statute.

13. Services and Utilities.

13.1 Landlord's Services. Subject to the Rules and Regulations so long as the Premises are occupied, Landlord shall furnish or cause to be furnished to the Premises the Services and Utilities described in Exhibit "G" attached hereto and by this reference incorporated herein. Tenant shall pay for the cost of providing any services and utilities in excess of the services and utilities described in Exhibit "G" or which are required or consumed by Tenant in excess of the amounts normally required or consumed by office tenants.

13.2 Restrictions on Use. Without the prior written consent of Landlord in each instance, Tenant shall not use or install any apparatus, device or equipment in the Premises (including without limitation electronic data processing machines, and computer servers), which will require a dedicated circuit or which will in any way increase the amount of water, electricity or HVAC normally furnished for similar space in the Building nor connect any

apparatus or device with wires, conduits or pipes or any other means by which any utilities are supplied. Landlord may condition its consent on, among other things, the installation of additional risers, feeders and other appropriate equipment as well as meters in the Premises to measure the amount of water and electricity consumed. Tenant shall pay to Landlord on demand the cost of: (a) purchasing, installing, maintaining and repairing such equipment and/or meters and units; (b) all water and electricity consumed as shown by said meters, at the rates charged by the total utility company; and (c) any additional expense incurred in connection with the foregoing. If a separate meter is not installed, the cost for any excess water and electricity will be determined by Landlord on a reasonable basis. If Landlord obtains an estimate of such cost from a utility company or an electrical engineer, such estimate shall be conclusive. Tenant shall not connect any apparatus, device or equipment except through existing electrical outlets in the Premises.

14. Entry by Landlord. Upon reasonable notice to Tenant (which may be oral or in writing and will in any event be deemed reasonable if given at least 24 hours prior to entry), Landlord and its agents and representatives shall at all reasonable times have the right to enter the Premises in order to: inspect the Premises; post notices of no responsibility; protect the interest of Landlord in the Premises; show the Premises to prospective purchasers, lenders or tenants; perform its obligations and exercise its rights hereunder; and make repairs, improvements, alterations or additions to the Premises or the Building or any portion thereof as Landlord deems necessary or desirable and to do all things necessary in connection therewith, including, but not limited to, erecting scaffolding and other necessary structures. In connection with any such entry, Landlord shall endeavor to minimize, to the extent reasonably practicable, the interference with Tenant's business. Landlord shall retain (or be given by Tenant) keys to unlock all of the doors to or within the Premises, excluding doors to Tenant's vaults and files. Landlord shall have the right to use any and all means necessary to obtain entry to the Premises at any time in an emergency. Landlord's entry to the Premises shall not, under any circumstances, be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof and Tenant hereby waives any claim against Landlord or its agents or representatives for damages for any injury or inconvenience to or interference with Tenant's business or quiet enjoyment of the Premises, except to the extent that such injury is caused by the gross negligence or intentional misconduct of Landlord, its agents or contractors.

15. Insurance

15.1 Without limiting or diminishing Tenant's obligation to indemnify or hold the Landlord harmless, Tenant shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement. As respects to the Insurance section only, Tenant herein refers to Gresham Savage Nolen & Tilden, their respective directors, officers, employees, agents or representatives as Additional Insureds.

(a) Workers' Compensation:

If the Tenant has employees as defined by the State of California the Tenant shall

maintain statutory 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 Landlord.

(b) Commercial General Liability:

Commercial General Liability Insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of Tenant's performance of its obligations hereunder. Policy shall name Landlord as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

(c) Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, the Tenant shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the Landlord as Additional Insureds.

(d) General Insurance Provisions – All lines:

Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the Landlord's Risk Management. If the Landlord's Risk Management waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term. The Tenant must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the Landlord's Risk Management, Tenants' carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the Landlord, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) Tenant shall cause Tenant's insurance carrier(s) to furnish the Landlord with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the Landlord's Risk Management, provide original Certified copies of policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to the Landlord prior to any material modification,

cancellation, expiration or reduction in coverage of such insurance. If Tenant's insurance carrier(s) policies does not meet the minimum notice requirement found herein, Tenant shall cause Tenant's insurance carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.

4) In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the Landlord 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's set forth herein and the insurance required herein is in full force and effect. Tenant shall not commence operations until Landlord has been furnished original Certificates of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

5) It is understood and agreed to by the parties hereto that the Tenant's insurance shall be construed as primary insurance, and the Landlord's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6) If, during the term of this agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of the Agreement, including any extensions thereof, exceeds five (5) years; the Landlord reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the Landlord's Risk Management's reasonable judgment, the amount or type of insurance carried by the Tenant has become inadequate.

7) Tenant shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

8) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the Landlord.

9) Tenant agrees to notify Landlord of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

15.3 Tenant's Notice and Compliance. Tenant shall immediately report to Landlord, and then promptly confirm in writing, the occurrence of any injury, loss or damage incurred by Tenant, or Tenant's receipt of notice of knowledge of any claim by a third party or any occurrence that might give rise to such claims. It shall be the responsibility of Tenant not to violate nor knowingly permit to be violated any condition of the policies required by this

Lease.

15.4 Landlord's Insurance. During the Term of this Lease, Landlord shall insure the Building and the Project (excluding any property which Tenant is obligated to insure under this Section 15) against damage with "All Risks" property insurance and public liability insurance, all in such commercially reasonable amounts and with such reasonable deductibles as Landlord deems are appropriate for a prudent owner of a similar first-class office building located in the area in which the Project is located. At Landlord's option, such insurance may be carried under any blanket or umbrella policies which Landlord has in force for other buildings and projects. Landlord may, but shall not be obligated to, obtain and carry any other form or forms of insurance including, without limitation, rental abatement insurance, as Landlord may determine to be advisable.

15.5 Tenant's Use. Tenant will not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by any insurance policy periodically in force covering the Building or the Project. If Tenant's occupancy or business in or on the Premises is other than the law offices contemplated as the original use hereunder, whether or not Landlord has consented to the same, results in any increase in premiums for the insurance periodically carried by Landlord with respect to the Building or the Project, Tenant shall pay any such increase in premiums as additional rent within ten (10) days after being billed therefor by Landlord. In determining whether increased premiums are a result of Tenant's use of the Premises, a schedule issued by the organization computing the insurance rate on the Building, the Project, or the tenant improvements showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up such rate. Tenant shall promptly comply with all reasonable requirements of the insurance authority or any present or future insurer relating to the Premises or the Project.

15.6 Cancellation of Landlord's Policies. If any of Landlord's insurance policies shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced in any way because of the use of the Premises or any part thereof for any purposes, other than the law offices contemplated as the original uses hereunder, by Tenant or any assignee or subtenant of Tenant or by anyone Tenant permits on the Premises and, if Tenant fails to remedy the condition giving rise to such cancellation, threatened cancellation, reduction in coverage, threatened reduction of coverage, increase in premiums, or threatened increase in premiums, within forty-eight (48) hours after notice thereof, Landlord may, at its option, either terminate this Lease or enter upon the Premises and attempt to remedy such condition, and Tenant shall promptly pay the cost thereof to Landlord as additional rent. If Landlord is unable, or elects not to remedy such condition, then Landlord shall have all of the remedies provided for in this Lease in the event of a default by Tenant. Nothing in this Section shall obligate Landlord to remedy such default.

15.7 Waiver of Subrogation. Each policy of All Risk Coverage which Tenant obtains for the Premises, and which Landlord obtains for the Project, shall include a clause or endorsement denying the insurer any right of subrogation against the other party thereto to the extent that rights have been waived by the insured party prior to the occurrence of injury or

loss. Landlord and Tenant each waive any rights of recovery against the other for injury or loss due to hazards covered by its own insurance or insurance required to be maintained pursuant to this Lease, to the extent of the injury or loss covered thereby.

16. Damage or Destruction; Eminent Domain. For the purposes of this Section 16, Landlord shall not be deemed to have received notice of any damage to or destruction of the Project or the Premises until the date on which the Landlord has completed its investigation of the nature and extent of the damage or destruction which has occurred and the extent of the repairs or restoration which may be required or recommended but not later than ninety (90) days after Landlord receives actual notice of the occurrence of such damage or destruction.

16.1 Landlord's Restoration. If the Project or the Premises are partially damaged or totally destroyed by fire or other casualty, and if this Lease is not terminated as provided in this Section, Landlord shall commence to repair the damage and restore or rebuild the Project or the Premises (except for Tenant's property and leasehold improvements unless Landlord elects to repair, restore or rebuild same) after Landlord receives notice of the damage or destruction and Landlord receives substantially all of the insurance proceeds receivable on account of the casualty. However, Landlord shall not be required to spend amounts in excess of the insurance proceeds actually received for such repair, restoration or rebuilding. Upon any damage to or destruction of the Premises and Landlord's election to repair and restore same, Tenant shall assign to Landlord (or Landlord's designee) all insurance proceeds payable to Tenant under all property insurance required pursuant to Section 15 if Landlord elects to repair, restore or rebuild Tenant's property and leasehold improvements. Subject to Section 23, Landlord shall attempt to make any required repairs or restoration promptly and so as not to interfere unreasonably with Tenant's use and occupancy of the Premises, but Landlord shall not be obligated to perform such work on an overtime or premium-pay basis.

16.2 Rent Abatement. Subject to Section 16.3, if all or part of the Premises are rendered completely or partially untenable on account of fire or other casualty, or if damage by fire or other casualty to the Project deprives Tenant of access to the Premises for more than five (5) consecutive business days, the Rent shall be abated in the proportion that the Rentable Area of the untenable portion of the Premises bears to the total Rentable Area of the Premises but not in excess of the proceeds received by Landlord from Landlord's rental loss insurance. Such abatement shall commence at the expiration of the five (5) consecutive business day period and shall continue until the Premises have been substantially repaired and Tenant has reasonable access to the Premises. However, if Tenant reoccupies the damaged portion of the Premises and conducts business therefrom prior to the date that the Premises are substantially repaired, the Rent allocable to the reoccupied portion shall be payable by Tenant from the date of such occupancy in the proportion that the Rentable Area of the reoccupied portion of the Premises bears to the total Rentable Area of the Premises. During any such rent abatement period, Tenant shall continue to pay Landlord additional rent for all services and utilities provided to and used by Tenant during such rent abatement period.

16.3 Exception to Abatement. Rent shall not be abated or reduced if: (a) the Premises or a portion thereof are rendered untenable due to damage or loss of access for a

period of five (5) consecutive business days or less; or (b) Landlord provides other space in the Project reasonably suited for the temporary conduct of Tenant's business and pays the cost of Tenant's temporary move to such other space (but Landlord shall have no obligation to provide such other space); or (c) because of acts or omissions of Tenant or Tenant's Affiliates either (i) Landlord (or Landlord's Lender) is unable to collect all of the insurance proceeds (including, without limitation, rent insurance proceeds) in connection with the damage or destruction of the Premises or the Project, or (ii) the Premises or the Project was damaged or destroyed or rendered completely or partially untenable. The collection of rent by Landlord under the circumstances described in clause (c) above shall not preclude Landlord from seeking damages from Tenant or exercising any other rights and remedies it may have under this Lease, at law or in equity.

16.4 Election to Terminate. Landlord may, at Landlord's option, terminate this Lease upon written notice to Tenant if: (a) more than twenty-five percent (25%) of the Project's Rentable Area is damaged or destroyed; (b) the Project or the Premises is substantially or totally destroyed or rendered untenable by fire or other casualty or any other cause; or (c) the Project is damaged or rendered untenable (whether or not the Premises are damaged or destroyed or rendered untenable) so that its repair or restoration requires the expenditure (as estimated by a reputable contractor or architect designated by Landlord) of more than twenty percent (20%) of the replacement cost of the Project; or (d) Landlord would be required under Section 16.2 to abate or reduce the Rent for a period in excess of twelve (12) months if repairs or restoration were undertaken. Tenant may, at Tenant's option, terminate this Lease upon written notice to Landlord if (i) by reason of fire or other casualty the Premises or access thereto are substantially or totally destroyed or rendered untenable and (ii) the Premises cannot be repaired and restored within six (6) months of the occurrence. Any such notice by Tenant shall be given not later than sixty (60) days after the occurrence of the casualty.

16.5 Damage near End of Term. Landlord or Tenant shall have the right to terminate this Lease if any damage to or destruction of the Premises occurs during the last twelve (12) months of the Lease Term (as extended from time to time) and Landlord's contractor estimates in a writing delivered to Landlord and Tenant that the repair or restoration of such damage or destruction cannot be completed within the earlier of (i) the scheduled expiration date of the Lease Term, or (ii) ninety (90) days after the date of such damage or destruction. However, Landlord shall not have the right to terminate this Lease pursuant to this Section 16.5 (but will continue to have the right to terminate this Lease pursuant to Section 16.4 above), if Tenant has an option to extend the Lease Term for at least thirty-six (36) months and either (A) prior to such damage Tenant exercised the option, or (B) the damage or destruction occurred prior to the time Tenant is required to exercise the option and, within five (5) days after Landlord exercises its right of termination pursuant to this Section 16.5, Tenant properly exercises the option.

16.6 Business Interruption. Landlord shall not incur any Liabilities of any type to Tenant or Tenant's Affiliates arising from or in connection with any damage or

destruction of the Premises or the Project, or any taking or appropriation thereof, or any repairs or restoration in connection therewith, nor shall Tenant have any right to terminate this Lease as a result thereof. However, in such event, Rent shall be abated if and to the extent that abatement is allowed pursuant to this Section.

16.7 Waiver. Tenant waives the application of any Laws which are contrary to the provisions of this Section in connection with any damage, destruction, condemnation, taking or appropriation (or sale in lieu thereof) of all or any portion of the Premises or the Project including without limitation California Civil Code Sections 1932 and 1933.

17. Assignment and Subletting.

17.1 Landlord's Consent Required. Tenant shall not directly or indirectly, voluntarily, involuntarily or by operation of any Laws, sell, convey, mortgage, assign, sublet or otherwise transfer or encumber all or any part of Tenant's interest in this Lease (a "Transfer") without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld or delayed. Any attempt by Tenant to make a Transfer without Landlord's consent shall be voidable by Landlord and shall constitute a default by Tenant under this Lease. Under no circumstances whatsoever shall Tenant, directly or indirectly, voluntarily, involuntarily or by operation of any Laws, sell, convey, mortgage, assign, sublet or otherwise transfer or encumber all or any part of Landlord's interest in the Lease, the Building, the real property in which the Building is situated or the Project.

17.2 Submission by Tenant. If Tenant desires to assign its interest in this Lease or to sublease all or any part of the Premises, Tenant shall notify Landlord in a writing specifying (a) the size and location of the space Tenant proposes to Transfer (the "Transfer Space"); (b) the term for which Tenant proposes to Transfer the Transfer Space, and (c) the date on which Tenant proposes that the Transfer be effective, which shall not be less than thirty (30) days after the Transfer Notice. This notice shall be accompanied by: (a) a statement setting forth the name and business of the proposed assignee or subtenant; (b) a copy of the proposed assignment or sublease (and any collateral agreements) setting forth all of the terms and the financial details of the sublease or assignment (including, without limitation, the term, the rent and any security deposit, "key money," and amounts payable for Tenant's property and the common use of any personnel or equipment); (c) financial statements of the proposed assignee or subtenant certified by an independent certified public accountant; and (d) other information requested by Landlord relating to the proposed assignee or subtenant. Tenant shall subsequently deliver to Landlord any other information concerning the proposed assignment or sublease which Landlord may reasonably request and Landlord may withhold its consent until Landlord receives such other information.

17.3 Consent of Landlord. Landlord shall not unreasonably withhold its consent to an assignment or subletting.

If Landlord consents to any Transfer under this Section 17, Tenant may, within ninety (90) days of such consent, enter into such Transfer upon the terms and conditions approved by Landlord. If Tenant does not consummate a Transfer with respect to the Transfer Space within ninety (90)

days after Tenant's notice, Tenant shall, if Tenant continues to contemplate a Transfer, deliver a new Tenant's notice.

17.4 Corporate and Partnership Transactions. If Tenant is a corporation or limited liability company, a dissolution of the corporation or limited liability company or a transfer (by one or more transactions) of a majority of the voting stock or controlling membership interests of Tenant (including the issuance of new voting shares or membership interests, the acquisition by Tenant of outstanding voting shares or membership interests from controlling persons, or the withdrawal of existing limited liability company members having a controlling interest) shall be deemed to be an assignment of this Lease subject to the provisions of this Section. However, these provisions shall not apply to transactions with a corporation or limited liability company into or with which Tenant is merged or consolidated or to which substantially all of Tenant's assets are transferred or which owns and controls Tenant, is owned and controlled by Tenant or is under common ownership and control with Tenant, if: (i) a principal purpose of the merger or transfer is not the assignment of this Lease and Tenant's successor has a net worth not less than the net worth of Tenant on the execution of this Lease or the date of the subject transaction, whichever is greater; and (ii) the surviving entity expressly assumes the obligations of Tenant under this Lease in writing for the benefit of Landlord. Tenant shall cause reasonably satisfactory proof of such net worth to be delivered at least thirty (30) days prior to the effective date of the transaction. If Tenant is a partnership, a dissolution of the partnership (including a "technical" dissolution) or a transfer of the controlling interest in the Partnership (including the admission of new partners or the withdrawal of existing partners having a controlling interest) shall be deemed an assignment of this Lease subject to the provisions of this Section, regardless of whether the transfer is made by one or more transactions, or whether one or more persons hold the controlling interest prior to or after the transfer. Solely with respect to the original Tenant under this Lease, this Section 17.4 shall not apply to any private or public offering of shares of stock by Tenant as from time to time deemed necessary by Tenant.

17.5 No Release of Tenant. Notwithstanding the granting of Landlord's consent, Transfer shall release or alter Tenant's primary liability to pay rent and perform all of its other obligations hereunder. The acceptance of rent by Landlord from any person other than Tenant shall not be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed to be consent to any subsequent assignment or subletting. If any assignee or successor of Tenant defaults in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without proceeding against or exhausting its remedies against the assignee or successor. After any assignment, sublease or other transfer or encumbrance, Landlord may consent to subsequent assignments, subleases, transfers or encumbrances, or amendments to this Lease, without notifying Tenant or any other person, without obtaining consent thereto, and without relieving Tenant of liability under this Lease.

17.6 Additional Terms

(a) A sublease will be null and void unless it complies with the rest of this Lease and provides that: (i) it is subject and subordinate to this Lease and that if there is any conflict or inconsistency between the sublease and this Lease, this Lease will prevail; (ii) the subtenant agrees to be bound by all of the terms of the Lease except as otherwise provided in the

sublease approved by Landlord; (iii) Landlord may enforce all the provisions of the sublease, including the collection of rent; (iv) it may not be modified without Landlord's prior written consent and any modification without this consent shall be null and void; (v) if this Lease is terminated or Landlord re-enters or repossesses the Premises, Landlord may, at its option, take over all of Tenant's right, title and interest as sublessor and, at Landlord's option, the subtenant shall attorn to Landlord, but Landlord shall not be (vi) liable for any previous act or omission of Tenant under the sublease, (vii) subject to any existing defense or offset against Tenant, or (viii) bound by any previous modification of the sublease made without Landlord's prior written consent or by any prepayment of more than one month's rent; and (ix) it is ineffective until Landlord gives its written consent thereto.

(b) An assignment will be null and void unless it complies with the rest of this Lease and provides that: (i) the assignee assumes all of Tenant's obligations under this Lease and agrees to be bound by all of the terms of this Lease in each case for the benefit of Landlord; and (ii) it is ineffective until Landlord gives its written consent thereto.

(c) The sublease or assignment document is subject to Landlord's prior written consent. The sublease or assignment otherwise must exactly match the proposed sublease or assignment initially submitted by Tenant and must incorporate any modifications requested by Landlord. A sublease or assignment will not be effective until a fully executed counterpart is delivered to Landlord and Landlord delivers its written consent thereto.

(d) This Section is binding on and shall apply to any purchaser, mortgagee, pledgee, assignee, subtenant or other transferee or encumbrancer, at every level.

18. Quiet Enjoyment. So long as Tenant pays all rent and performs all of its other obligations as required hereunder, Tenant shall quietly enjoy the Premises without hindrance or molestation by Landlord or any person lawfully claiming through or under Landlord, subject to the terms of this Lease and the terms of any Superior Leases and Mortgages, and all other agreements or matters of record or to which this Lease is subordinate.

19. Estoppel Certificates. Tenant shall from time to time, within thirty (30) days after request by Landlord, execute and deliver to Landlord or any other person designated by Landlord an estoppel certificate, which certifies: (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, describes them); (b) the Expiration Date of the Lease Term and that there are no agreements with Landlord to extend or renew the Lease Term or to permit any holding over (or if there are any such agreements, describes them and specifies the periods of extension or renewal); (c) the date through which the Rent has been paid; (d) that Landlord is not in default in the performance of any of its obligations under Lease and that no event has occurred which with notice, the passage of time, or both, would constitute a default by Landlord (or, if there are any such defaults or events, describes them); (e) that Tenant is not entitled to any credits, offsets, defenses or deductions against payment of the Rent hereunder (or, if they exist, describes them); and (f) such other information concerning this Lease or Tenant as Landlord or any other person designated by Landlord reasonably shall request. An estoppel certificate

issued by Tenant pursuant to this Section shall be a representation and warranty by Tenant which may be relied on by Landlord and by others with whom Landlord may be dealing, regardless of independent investigation. If Tenant fails to execute and deliver an estoppel certificate as required hereunder, such failure shall constitute a material default hereunder and Landlord's representations concerning the factual matters covered by such estoppel certificate, as described above, shall be conclusively presumed to be correct and binding on Tenant.

20. Default. The occurrence of any one or more of the following events shall be a default and breach under this Lease by Tenant:

(a) The vacation or abandonment of the Premises by Tenant.

(b) The failure by Tenant to pay Rent or any other payment required to be made by Tenant hereunder within ten (10) calendar days after the same is due.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease and the Exhibits hereto, including the Rules and Regulations, to be observed or performed by Tenant, other than those described in subparagraphs (b), (d), (e), (t), (g), (h) and (i) of this Section 20, where such failure shall continue for a period of twenty (20) days after written notice thereof by Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 (regarding unlawful detainer) or any successor statute. However, if the nature of these defaults is such that more than twenty (20) days are reasonably required to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within the twenty (20)-day period and thereafter diligently completes the cure within ninety (90) days.

(d) The making by Tenant or any guarantor of this Lease of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant or any guarantor of this Lease of a petition or order for relief under any Laws relating to bankruptcy or insolvency (unless, in the case of a petition filed against Tenant or any guarantor of this Lease, the petition is dismissed within sixty (60) days); or the appointment of a trustee, custodian or receiver to take possession of substantially all of Tenant's assets or the assets of any guarantor of this Lease or of Tenant's interest in this Lease where possession is not restored to Tenant within sixty (60) days; or the attachment, execution or judicial seizure of substantially all of Tenant's assets or of Tenant's interest in this Lease, unless discharged within sixty (60) days.

(e) The service by Landlord of a three-day notice under California Code of Civil Procedure Section 1161 on three or more occasions if the previous service of the three-day notices did not result in the termination of this Lease.

(f) Any Transfer, or any attempt to do so, in violation of Section 18.

(g) Tenant's failure to deliver the estoppel certificate required under Section 21, or any written instrument required under Section 19 within the time required.

(h) A default under or the repudiation of any guaranty of Tenant's obligations under this Lease.

(i) Tenant's failure to maintain the insurance policies required hereunder.

(j) A material default or event of default shall have occurred under a lease by Tenant of other premises in the Building and shall not have been cured or remedied within any applicable notice or cure period under said other lease. The defaults specified in subparagraphs (a), (d), (e), (f), (g), (h) and (i) above shall not be curable by Tenant. Any notice required above shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 (regarding unlawful detainer) or any successor statute.

21. Remedies for Default.

21.1 General. In the event of any default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such case, Landlord may enter into and repossess the Premises by summary proceeding detainer, ejectment or otherwise, and remove all occupants thereof and, at Landlord's option, any property therein without being liable for any damages therefor. In such event Landlord shall be entitled to recover from Tenant all Liabilities incurred by Landlord or Landlord's Affiliates by reason of Tenant's default, including but not limited to: (i) the worth at the time of the award of the unpaid rent which had been earned or was payable at the time of termination; (ii) the worth at the time of the award of the amount by which the unpaid rent which would have been earned or payable after termination until the time of the award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; (iv) any other amount necessary to compensate Landlord for all Liabilities proximately caused by Tenant's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by Landlord in maintaining or preserving the Premises and the Project after such default, refurbishment, repair, the cost of recovering possession of the Premises and making any necessary refurbishment and repairs; the cost of removing (and repairing any damage caused by such removal) and storage or disposal of

Tenant's personal property, equipment, fixtures, Alterations and tenant improvements, and expenses of reletting (including necessary refurbishment, repair, renovation or alteration of the Premises, Landlord's attorneys' fees and costs incurred in connection therewith, and any real estate commissions paid or payable); and (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable Laws. As used in subparts (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest on unpaid amounts at the rate of prime of Bank of America plus two percent (2%) per annum, or such lesser amount as may then be the maximum lawful rate. As used in subparagraph (iii) above, the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%). If Tenant abandons the Premises, Landlord shall have the option of (vi) taking possession of the Premises and recovering from Tenant the amount specified in this subparagraph, or (vii) proceeding under the provisions of subparagraph (b) below.

(b) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign subject only to reasonable limitations).

(c) Re-enter the Premises with or without terminating this Lease and remove all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere or disposed of at the cost of and for the account of Tenant in accordance with the provisions of this Lease or any other procedures permitted by applicable law. No re-entry or taking possession of the Premises by Landlord pursuant to this Section 21.1 (c) shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction.

(d) In the event of the vacation or abandonment of the Premises by Tenant or in the event that Landlord shall elect to re-enter as provided above or shall take possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, then if Landlord does not elect to terminate this Lease as provided above, Landlord may from time to time, without terminating this Lease, either recover all rent as it becomes due or relet the Premises or any part thereof for all or any portion of the Lease Term of this Lease on terms and conditions as Landlord in its sole discretion may deem advisable with the right to make alterations and repairs to the Premises. If Landlord shall elect to so relet, then rents received by Landlord from such reletting shall be applied: first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second to the payment of any cost of such retelling; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder and the balance, if any, shall be held by Landlord and applied to payment of future rent as the same may become due and payable hereunder. Should that portion of such rents received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable during

that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord immediately upon demand therefor by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as ascertained, any costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rents received from such reletting.

(e) Pursue any other right or remedy now or hereafter available to Landlord hereunder or at law or in equity.

21.2 Redemption. Tenant waives any and all rights of redemption granted by or under any Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises by reason of the violation by Tenant of any of the terms, covenants or conditions of this Lease, or otherwise.

21.3 Performance by Landlord. If Tenant defaults under this Lease, Landlord, without waiving or curing the default, may, but shall not be obligated to, perform Tenant's obligations for the account and at the expense of Tenant. Tenant shall pay to Landlord all costs and expenses incurred by Landlord in curing any such default, including without limitation attorneys' fees and costs, and interest shall accrue on such costs from the date incurred at the rate specified in Section 21.5. Notwithstanding Section 14, Landlord need only give such notice as may be reasonable under the circumstances prior to performing Tenant's obligations in an emergency where if such default unreasonably interferes with any other tenant in the Project, or if such default will result in the violation of any Law or the cancellation of any insurance policy maintained by Landlord.

21.4 Late Charges. Tenant acknowledges that late payment of rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. These costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by the terms of any Superior Leases and Mortgages. Accordingly, if any installment of Base Rent or payment of additional rent due from Tenant is not received by Landlord or Landlord's designee within ten (10) days after the amount is due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of the overdue amount. Acceptance of late charges by Landlord shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder or at law or in equity.

21.5 Interest on Past Due Obligations. Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of ten percent (10%) per annum from the due date of such amount. The amount of any judgment obtained by Landlord against Tenant in any legal proceeding arising out of Tenant's default under this Lease shall bear interest until paid at the maximum rate often percent (10%) per annum. Notwithstanding anything to the contrary contained in any Laws, with respect to any damages that are certain or ascertainable by calculation, interest shall accrue from the day that the right to the damages vests in Landlord, and in the case of any unliquidated claim, interest shall accrue from the day the claim arose. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by law, the

interest rate is hereby decreased to the maximum interest rate permitted by law.

21.6 Rights and Remedies Cumulative. All rights and remedies of Landlord provided in this Lease are cumulative and are not exclusive. Landlord may pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease. Nothing in this Section 21 shall limit or otherwise affect the obligation of Tenant to indemnify, defend, protect and hold harmless Landlord pursuant to any provision of this Lease.

21.7 Bankruptcy Prior to Commencement Date. If, at any time prior to the Commencement Date, any of the events described in Section 20(d) occur, then this Lease shall be canceled and terminated and of no further force or effect. In such event, neither Tenant nor any person claiming through or under Tenant or by virtue of any statute or of any order of any court shall be entitled to possession of the Premises or any interest in this Lease and Landlord shall, in addition to any other rights and remedies under this Lease, be entitled to retain any rent, Security Deposit or other monies received by Landlord from Tenant.

21.8 Recapture of Concessions. If during the original Lease Term, Tenant defaults under the Lease and fails to cure such default prior to the expiration of any applicable cure period, and as a result this Lease is terminated, the unamortized amount of all costs and expenses incurred by Landlord in completing the Tenant Improvements and of all commissions paid by Landlord with respect to this Lease (collectively, the "Concessions") shall become immediately due and payable by Tenant.

22. Landlord's Default. Landlord shall not be in default in the performance of any obligation required to be performed by Landlord under this Lease unless Landlord has failed to perform such obligation within thirty (30) days after the receipt of written notice from Tenant specifying in detail Landlord's failure to perform; provided however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed in default if it commences such performance within such thirty (30) day period and thereafter diligently pursues the same to completion. Upon any such default by Landlord, Tenant may exercise any of its rights provided at law or in equity, subject to the limitations on liability set forth in Section 24 of this Lease.

23. Hold Harmless and Indemnification.

Tenant shall indemnify and hold harmless the Landlord, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of Tenant, its officers, employees, subtenants, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Tenant, its officers, employees, subtenants, agents or representatives Indemnitors from this Agreement. Tenant shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defends and

settlements or awards, the Indemnitee in any claim or action based upon such alleged acts or omissions.

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

Tenant's obligation hereunder shall be satisfied when Tenant has provided to landlord the appropriate form of dismissal relieving Landlord from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe Tenant's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2791, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall no relieve the Tenant from indemnifying the Indemnitees to the fullest extent allowed by law.

23.1 Survival of Indemnification. The paragraphs of this Section 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.

24. Liability of Landlord.

24.1 Definition of Landlord. As used in this Lease, the term "Landlord" means only the current owner or owners of the Project. The Landlord is obligated to perform the obligations of the Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer. Landlord may transfer its interest in the Premises without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation by Landlord of any term or condition of this Lease.

24.2 Satisfaction of Remedies. Tenant agrees that in any action in connection with this Lease, Tenant will proceed only against Landlord and not against any partner or member of Landlord (or of any entity to which Landlord may assign this Lease), or any of Landlord's or any such partner's Affiliates. Landlord and Landlord's Affiliates shall not be personally liable for the performance of Landlord's obligations under this Lease. If Tenant or Tenant's Affiliates acquire any rights or remedies against Landlord or Landlord's Affiliates (including, but not limited to, the right to satisfy a judgment), these rights and remedies shall be satisfied solely from Landlord's estate and interest in the Project (or the

proceeds therefrom) and not from any other property or assets of Landlord or Landlord's Affiliates. This Section shall be enforceable by Landlord and Landlord's Affiliates.

25. Development of Other Improvements; Measurement. Landlord reserves the right from time to time, without unreasonable interference with Tenant's use of the Premises, to add such additional improvements ("Other Improvements") to the Land, other than the Building and the parking facilities, as Landlord may deem appropriate in its sole discretion. Landlord shall have the right, but not the obligation, to incorporate the Other Improvements into the Building, the land in which the Building is situated, all landscaping, parking facilities and other improvements and appurtenances ("Project") and to provide for the common management, operation, maintenance and repair of the Project and the Other Improvements. If the Other Improvements are so incorporated into the project, all references to the Project in this Lease shall be construed to include the Other Improvements.

26. Financial Statements. Prior to the execution of this Lease by Landlord and at any time during the Term of this Lease upon ten (10) days prior written notice from Landlord, Tenant shall provide Landlord with a current financial statement for Tenant and any guarantors of Tenant and financial statements and tax returns for the two (2) most recent years for Tenant and any guarantors of Tenant. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant.

27. Liens. Tenant shall pay when due all claims for labor, materials and services furnished by or at the request of Tenant or Tenant's Affiliates. Tenant shall keep the Premises, and the Project free from all liens, security interests and encumbrances (including, without limitation, all mechanic's liens and stop notices) created as a result of or arising in connection with the Alterations or any other labor, services or materials provided for or at the request of Tenant or Tenant's Affiliates, or any other act or omission of Tenant or Tenant's Affiliates, or persons claiming through or under them. (Such liens, security interests and encumbrances singularly and collectively are herein called "Liens.") Tenant shall not use materials in connection with the Alterations that are subject to any Liens. Tenant shall indemnify, defend, protect and hold harmless Landlord and Landlord's Affiliates from and against: (a) all Liens; (b) the removal of all Liens and any actions or proceedings related thereto; and (c) all Liabilities incurred by Landlord or Landlord's Affiliates in connection with the foregoing (without regard to any defense or offset that Tenant may have had against the claimant). If Tenant fails to keep the Premises, the Building and the Land free from Liens, then, in addition to any other rights and remedies available to Landlord, Landlord may take any action necessary to discharge such Liens, including, but not limited to, payment to the claimant on whose behalf the Lien was filed. Neither Landlord's curative action nor the reimbursement of Landlord by Tenant shall cure Tenant's default in failing to keep the Premises and the Project free from Liens.

28. Authority to Enter into Lease. If Tenant is a corporation, each individual executing

this Lease on behalf of the corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation, in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the by-laws of said corporation, and that this Lease is binding on the corporation in accordance with its terms. If Tenant is a partnership, each individual executing this Lease on behalf of the partnership represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the partnership, in accordance with the partnership agreement and any statements of partnership or certificates of limited partnership of the partnership, and that this Lease is binding on the partnership in accordance with its terms. Tenant shall, within thirty (30) days of the execution of this Lease, deliver to Landlord: (a) if Tenant is a corporation, a certified copy of a resolution of the board of directors of the corporation; or (b) if Tenant is a partnership, a copy of the Statement of Partnership or Certificate of Limited Partnership of Tenant; and (c) other evidence reasonably satisfactory to Landlord authorizing or ratifying the execution of this Lease.

29. Certain Definitions.

(a) "Law" means any law, statute, ordinance, code, rule, regulation, requirement, license, permit, certificate, judgment, decree, order or direction of any governmental or quasi-governmental authority, agency, department, board, panel or court and any recorded covenants, conditions and restrictions, reciprocal easement agreements, or similar private contracts which affect the use or operation of the Premises, the Project or any portion thereof.

(b) "Liabilities" means all losses, costs, damages, expenses, claims, injuries, liabilities and judgments, including without limitation attorneys' fees and costs (whether or not suit is commenced or judgment entered).

(c) "Affiliates" means any of a party's agents, employees, partners, officers, directors, shareholders, subtenants, assignees, successors, contractors, customers, licensees and invitees.

30. General Provisions.

30.1 Joint Obligation. Tenant is a single entity. However, if by reason of any voluntary or involuntary assignment of this Lease, the assignee consists of more than one person or entity, the obligations of such persons or entities as Tenant shall be joint and several.

30.2 Marginal Headings. The titles to the Sections of this Lease are not a part of this Lease and shall have no effect on the construction or interpretation.

30.3 Time. Time is of the essence of this Lease.

30.4 Successors and Assigns. Subject to the restrictions contained in Section 14 above, this Lease binds the heirs, executors, administrators, successors and assigns of the parties hereto.

30.5 Recordation. Tenant shall not record this Lease or a short form memorandum thereof without the prior written consent of Landlord.

30.6 Prior Agreements: Amendment, Waiver. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. All waivers hereunder must be in writing and specify the breach, act, omission, term, covenant or condition waived, and acceptance of rent or other acts or omissions by Landlord shall not be deemed to be a waiver. The waiver by Landlord of any breach, act, omission, term, covenant or condition of this Lease shall not be deemed to be a waiver of any other or subsequent breach, act, omission, term, covenant or condition.

30.7 Inability to Perform. Landlord shall not be in default hereunder nor shall Landlord be liable to Tenant or Tenant's Affiliates for any Liabilities if Landlord is unable to fulfill any of its obligations, or is delayed in doing so, due to events beyond Landlord's control. In any such case, the time for Landlord's performance shall be extended by a period of time equal to the duration of such events. Events beyond Landlord's control include, without limitation, war, civil unrest, weather conditions, accidents, breakage, strike, labor troubles, acts of God, government regulations, moratorium or other governmental action or inaction (but only to the extent that such regulations, moratorium or other governmental action or inaction constitute the action or inaction of a governmental entity other than Landlord or an entity controlled by Landlord), and the inability despite the exercise of reasonable diligence to obtain electricity, water or fuel.

30.8 Attorneys' Fees: Legal Proceedings. If Landlord uses the services of attorneys (a) for recovery of possession of the Premises, (b) for recovery of any sum due under this Lease, or (c) to defend any claim by Tenant against Landlord, whether or not suit be filed, then all such costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord shall be paid by Tenant. If any action or proceeding (including any appeal thereof) is brought by Landlord (whether or not such action is prosecuted to judgment) to enforce its rights under this Lease or to enforce a judgment ("Action"), (1) the unsuccessful party therein shall pay all costs incurred by the prevailing party therein, including reasonable attorneys' fees and costs to be fixed by the court, and (2) as a separate right, severable from any other rights set forth in this Lease, the prevailing party therein shall be entitled to recover its reasonable attorneys' fees and costs incurred in enforcing any judgment against the unsuccessful party therein, which right to recover post judgment attorneys' fees and costs shall be included in any such judgment. The right to recover post judgment attorneys' fees and costs shall (i) not be deemed waived if not included in any judgment, (ii) survive the final judgment in any action, and (iii) not be deemed merged into such judgment. The rights and obligations of the parties under this Section 30.8 shall survive the termination of this Lease. Tenant also shall indemnify, defend, protect and hold harmless Landlord and Landlord's Affiliates from and against all Liabilities incurred by Landlord if Landlord becomes or is made a party to any proceeding or action: (a) instituted by Tenant, or by any third party against Tenant, or by or against any person holding any interest

under or using the Premises by license of or agreement with Tenant; (b) otherwise arising out of or resulting from any act or omission of Tenant or such other person; or (c) necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding, or other proceeding under Title 11 of the United States Code, as amended. In any circumstance where Tenant is obligated to indemnify or hold harmless Landlord or Landlord's Affiliates under this Lease, Tenant also shall defend Landlord and Landlord's Affiliates with counsel acceptable to Landlord or, at Landlord's election, Landlord or Landlord's Affiliates may employ their own counsel and Tenant shall pay when due all attorneys' fees and costs therefor.

30.9 Name. Tenant shall not use the name of the Building or of the development in which the Building is situated, if any, for any purpose other than as an address of the business to be conducted by Tenant in the Premises.

30.10 Severability. Any provision of this Lease which shall be held invalid, void or illegal shall in no way affect, impair or invalidate any of the other provisions hereof and such other provisions shall remain in full force and effect.

30.11 Cumulative Remedies. No right, remedy or election hereunder or at law or in equity shall be deemed exclusive but shall, wherever possible, be cumulative with all other rights, remedies or elections.

30.12 Choice of Law. This Lease shall be governed by the laws of the State of California applicable to transactions to be performed wholly therein.

30.13 Sign. Tenant shall not place any sign on the Premises or the Project or which is visible from anywhere outside of the Premises, without Landlord's prior written consent.

30.14 Landlord's Consent. Except where it is expressly provided that Landlord will not unreasonably withhold its consent or approval, Landlord may withhold its consent or approval arbitrarily and in its sole and absolute discretion.

30.15 Presumptions. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party drafting the document. It shall be construed neither for nor against Landlord or Tenant, but shall be given reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties.

30.16 Submission of Lease. The submission of this Lease to Tenant or its broker, agent or attorney for review or signature does not constitute an offer to Tenant to lease the Premises or grant an option to lease the Premises. This document shall not be binding unless and until it is executed and delivered by both Landlord and Tenant.

30.17 Meaning of Terms. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular, and the masculine, feminine and neuter genders shall each include the others, and the word "Person" shall include corporations, partnerships or other entities.

30.18 Notices. All notices, demands or communications required or permitted under this Lease (the "Notices") shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid or by overnight courier service offering proof of delivery. Notices shall be delivered to the address set forth in Section 2.10, except that when Tenant takes possession of the Premises, the address of the Premises always may be used for the purpose of delivering Notices to Tenant. Notices to Landlord shall be delivered to the addresses set forth in Section 2.10, or to such other address as Landlord or Tenant may specify in writing to the other party. Notices shall be effective on the earlier of actual delivery or two (2) days after they are mailed in accordance with this Section.

IN WITNESS WHEREOF, the parties have executed this Lease on the dates specified below next to their respective signatures.

"LANDLORD"

"TENANT"

COUNTY OF RIVERSIDE

GRESHAM SAVAGE NOLAN & TILDEN, PC

By: _____
John J. Benoit, Chairman
Board of Supervisors

By: 
Mark A. Ostoich
President/CEO

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel


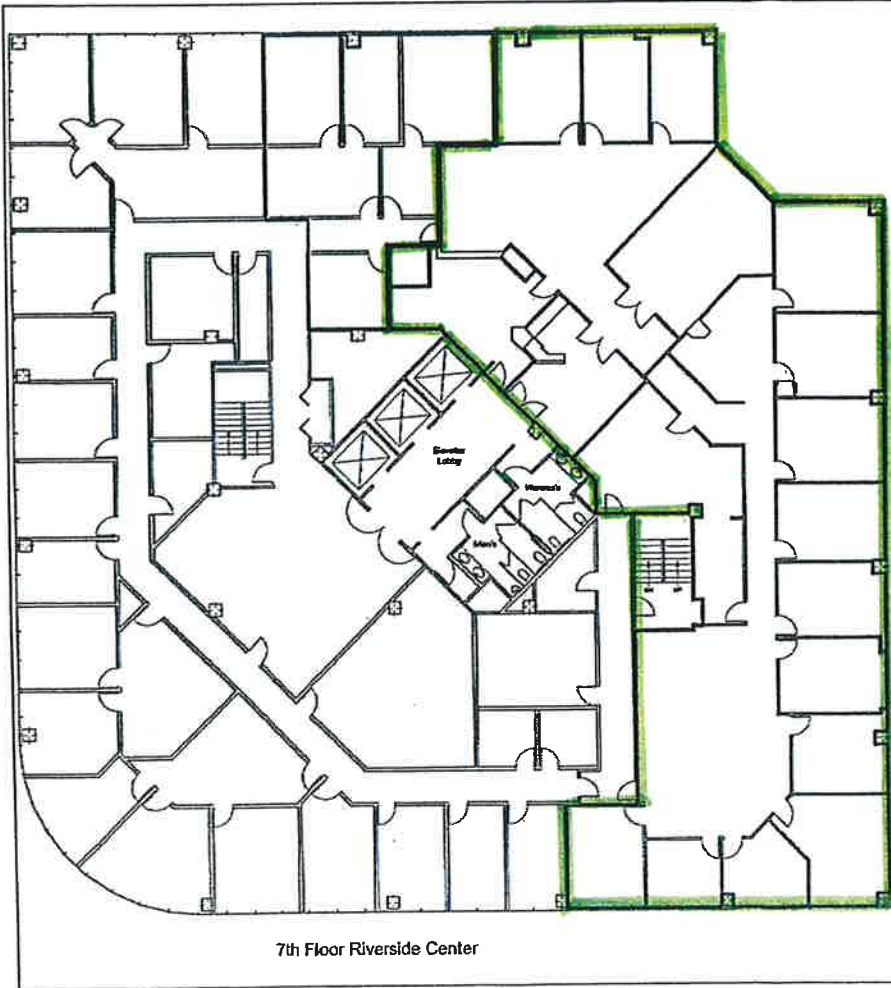
By: 
Todd Frazier
Deputy County Counsel

EXHIBIT "A"

FLOOR PLAN OF THE LEASED PREMISES



DIVISION
SPACE MANAGEMENT
 3801 LINE ST. RIVERSIDE, CA 92507
 Ph: 951-925-0287 Fax: 951-925-2883

Riverside - Riverside Center
3499 10th Street, Riverside CA
 7th Floor
 7th Floor Floor Plan

REVISIONS	

FILE:	RIVERSIDE Floor Plan - Complete Aug
PROJECT NO:	
DATE:	8/20/03
SCALE:	
PAGE NO:	1 OF 1

A1.7

EXHIBIT "B"

WORK LETTER AGREEMENT

This Work Letter Agreement ("Agreement") is being entered into as of _____ by and between COUNTY OF RIVERSIDE, a subsidiary of the State of California ("Landlord"), and Gresham Savage Nolan & Tilden, a Professional Corporation, ("Tenant") in connection with the execution of that certain Riverside Centre Standard Office Lease between Landlord and Tenant dated concurrently herewith (the "Lease"). Landlord and Tenant hereby agree as follows.

1. **General.**

a. The purpose of this Agreement is to set forth how the Tenant Improvements (defined below) in the Premises are to be constructed, who will be responsible for construction of the Tenant Improvements and who will pay the Costs of Construction (defined below) of the Tenant Improvements.

b. Except as defined in this Agreement to the contrary, all terms utilized in this Agreement shall have the same meaning as the defined terms in the Lease. Certain terms used in this Agreement are defined in Sections 4 and 9 below.

c. The provisions of the Lease, except where clearly inconsistent or inapplicable to this Agreement, are incorporated into this Agreement. In the event of any inconsistency or conflict between the provisions of the Lease and this Agreement, the latter shall control.

2. **Conditions of Premises.** Except as set forth in the Lease, Tenant hereby accepts the Premises in their "as is" condition, without any representation, warranty or obligation by Landlord with respect thereto other than as set forth in this Agreement. Tenant hereby acknowledges that it has inspected the Premises and has conducted any and all investigations which Tenant desires to make prior to signing the Lease. Tenant is relying solely on such inspections and investigations in entering into the Lease and this Agreement.

3. **Rent Commencement Date.** The Rent Commencement Date shall be determined in accordance with the terms of the Lease.

4. **Identification of Certain Parties.**

a. **Tenant's Representative.** Tenant's representative shall be Mark A. Ostoich ("Tenant's Representative"), which person shall work with Landlord's representatives throughout the period of construction of the Tenant Improvements and shall have the authority to act on behalf of Tenant with respect to the Tenant Improvements. Tenant's Representative's receipt of any deliveries shall be deemed Tenant's receipt thereof.

b. **Landlord's Representative.** Landlord's representative shall be Trea Womack ("Landlord's Representative"), which persons shall work with Tenant's representative throughout the period of construction of the Tenant Improvements and shall have authority to act on behalf of Landlord with respect to the Tenant Improvements.

Landlord's Representative's receipt of any deliveries shall be deemed Landlord's receipt thereof.

c. Designer and Contractor. Tenant shall select the designer/architect ("Designer") and the contractor ("Contractor") and subcontractors for the construction of the Tenant Improvements. The selection of the Designer and Contractor shall be subject to the approval of the Landlord which shall not be unreasonably withheld or delayed. Tenant shall enter into the respective contracts with the approved Designer and Contractor for the work contemplated by this Agreement, which contracts shall be subject to the approval of the Landlord which shall not be unreasonably withheld or delayed.

5. Construction Documents; Approvals.

a. Space Plan. Promptly upon execution and delivery of the Lease, Tenant shall provide the Designer with sufficient information for preparation of a space plan for the Premises (the "Space Plan"). Tenant shall deliver the Space Plan to Landlord for Landlord's approval, which approval shall not be unreasonably withheld. Landlord shall notify Tenant of any Design Problems (defined below) within three (3) business days after Landlord receives the Space Plan for review. Landlord may only disapprove or condition its approval of any portion of the Space Plan for (i) an adverse or potentially adverse effect on the structural integrity of the Building; (ii) non-compliance with applicable Laws, (iii) an adverse or potentially adverse effect on the systems of the Building; (iv) an adverse or potentially adverse effect on the exterior appearance of the Building; (v) an adverse or potentially adverse effect on the space on the first floor of the Building other than the Premises or on the marketability of such space, or (vi) any other matter which, in the reasonable judgment of the Landlord, has an adverse or potentially adverse effect on the value of the Building or the Project (individually or collectively, a "Design Problem").

b. Preparation of Final Plans. Based upon the approved Space Plan, Tenant shall cause the working drawings, engineering drawings, construction documents or other plans and specifications as may be necessary for the construction of the Tenant Improvements (the "Plans"). Tenant shall submit the Plans to Landlord for Landlord's review and approval, and within ten (10) days after Landlord receives such Plans (or portions thereof), Landlord shall notify Tenant of Landlord's approval thereof or of any comments which Landlord may have. If Tenant fails to respond within such ten-day period, Tenant shall be deemed to have approved Plans or portions thereof, Landlord's written notice of disapproval, if any, shall specify in detail the nature of Landlord's objections, and Landlord and Tenant shall, if necessary, meet promptly (in any event within five (5) business days after Landlord's notice to Tenant of Landlord's objections) with the Designer and/or Contractor to review Landlord's objections. If Landlord timely disapproves, then the Plans will be revised to address Landlord's objections and resubmitted to Landlord for its approval, and Landlord shall have five (5) business days to approve or disapprove the revised Plans. If Landlord continues to disapprove the Plans after the second resubmission, the Tenant shall continue to have the Plans revised and resubmitted to Landlord until approved, in which case the time period commencing on the

date of expiration of the five (5) business day period for Landlord's approval of the second resubmissions of Plans until the date of Landlord's approval shall be deemed to be a Landlord Delay (as hereafter defined) unless Landlord can show that its failure to approve is due to material errors of the Designer or Contractor in reflecting Landlord's reasonable requirements.

c. Materials and Colors. Tenant shall select the materials and colors for the Tenant Improvements which are consistent with a first class office building in the Riverside vicinity and which are of a quality at least equal to Landlord's Building standards.

d. Changes to Plans. Any change which Tenant requests to be made to the Plans after approval by Landlord shall also be subject to the Landlord's prior approval, which approval shall not be unreasonably withheld or delayed.

e. Approvals by Tenant. If, at any time Tenant requests Landlord's approval of any change in approved Plans, or any specification, alteration or revised tenant improvement or other matter pertaining to this Agreement, Landlord shall approve the request or shall notify Tenant in writing of any specific changes Landlord requests within three (3) business days after receipt of the Tenant request. If Landlord fails to so notify Tenant within such three (3) business day period, Landlord shall be deemed to have approved of such matter.

6. Construction.

a. Construction. Tenant at its sole cost and expense shall complete all tenant improvements. Tenant and its Contractor shall cause to be obtained all permits, authorizations and consents required by applicable governmental agencies, City of Riverside, for the construction and installation of the Tenant Improvements as contemplated by the Plans and shall make arrangements for the completion of the Tenant Improvements, as soon as reasonably possible, consistent with industry custom and practice. Landlord shall reasonably cooperate in connection with the permitting and construction and installation of the Tenant Improvements, all of the costs of which shall be borne by Tenant.

b. Notice Prior to Commencement. Tenant shall give or cause to be given to Landlord not less than ten (10) days' prior written notice of the date that the Tenant Improvement work is to commence on or about the Premises, so as to permit Landlord to post and record such notices of nonresponsibility relating to the Tenant Improvements.

c. Substitution of Materials. Whenever possible and practical, Tenant will utilize, for the construction of the Tenant Improvements, the items and materials designated in the Plans, and as selected by Tenant and approved by Landlord. However, if Tenant determines in its judgment that it is not practical or efficient to use such materials, Tenant shall have the right to substitute comparable items and materials which do not adversely affect the value, durability or usability of the Tenant Improvements. Tenant shall give written

notice of such intended substitution to Landlord, and such substitution shall be deemed approved by Landlord if no written notice of objection is given by Landlord to Tenant within two (2) business days receipt of such Tenant notice.

d. Substantial Completion. Upon substantial completion of the Tenant Improvements, the Designer, Contractor, Tenant Representative and Landlord Representative shall together conduct a walk-through and inspection of the Premises and there shall be prepared a punch-list item of all matters observed as requiring touch-up, repair or completion. Tenant shall cause all such punch-list items to be corrected as soon as reasonably possible and practical. Any disputes as to whether the Tenant Improvements have been Substantially Completed and the punch-list items corrected shall be resolved by the Designer, subject, however, to inspection and confirmation by Tenant's and Landlord's representatives.

e. Filing of Notice of Completion. Tenant shall cause to be prepared and filed a timely notice of completion of the work of improvement for the Tenant Improvements.

7. Costs of Construction. Tenant at its sole cost and expense shall contract and pay for all tenant improvement costs associated with this project.

8. No Warranty by Landlord of Leasehold Improvements. Tenant acknowledges that Landlord makes no warranty or representation, express or implied, concerning the Tenant Improvements except only that on the Commencement Date, to the best of the knowledge of Landlord, the Building and its Common Area and the electrical, HVAC and other Building systems serving the Premises substantially comply with applicable Laws and are of sufficient capacity to service the Premises in its existing as-built configuration. If a non-compliance with said warranty exists as of the Commencement Date, Landlord shall, as Landlord's sole obligation with respect to such matters, promptly after receipt of written notice from Tenant setting forth with specificity the nature and extent of such non-compliance, rectify the same at Landlord's expense. Said warranty shall be of no further force or effect unless within one hundred eighty (180) days after the Commencement Date Tenant gives to Landlord written notice of non-compliance. With respect to the work of improvement contemplated by the Plans, Tenant shall cause the Contractor to construct and install the Tenant Improvements in a good a workmanlike manner and in compliance with all applicable Laws. Tenant's construction contract with the Contractor shall include a one-year warranty of the work covered thereby; Landlord shall be deemed a third-party beneficiary of warranties to the extent of its interest under the Lease, and Tenant and Landlord shall reasonably cooperate in the event of any warranty claims arising with respect to the construction and installation of the Tenant Improvements.

9. Certain Definitions. The following terms used in this Agreement have the definitions set forth below.

a. "Costs of Construction" means the costs and expenses incurred in connection with the planning and design and construction of Tenant Improvements or other work as provided hereunder, which shall include payments made to designers,

contractors, subcontractors, material men and laborers performing work or supplying any goods, services, supplies or equipment in connection with the Tenant Improvements; costs of construction materials and equipment; fees and costs for processing and obtaining building permits, licenses, and inspection; costs of supervision of the construction.

b. "Force Majeure Delay" means any delay in the Substantial Completion of the Tenant Improvements which is attributable to any: (i) actual industry wide delay or failure to perform effecting all similar works of construction in the area of the Project, attributable to any strike, lockout or other labor or industrial civil disturbance, act of the public enemy or riot, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary source by reason of regulation or order of any governmental agency; (ii) the inability to secure building permits and approvals within the time period normally required to obtain such permits and approvals, except to the extent that such delay is attributable to the failure of a party to diligently pursue the issuance of such permits and approvals; (iii) delay in completing plans or construction because of changes in applicable laws, or the interpretation thereof, which were not reasonably foreseeable; or (iv) delay attributable to lightning, earthquake, firestorm, hurricane, tornado, flood, explosion or any other similar industry wide cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives.

c. "Landlord Delays" means any delay in the Substantial Completion of the Tenant Improvements resulting from causes which are solely in the control of Landlord or Landlord's employees, agents or contractors. No Landlord Delay shall be deemed to have occurred unless: (i) Tenant notifies Landlord of the action or inaction which Tenant contends constitutes a Landlord Delay and Landlord fails to cure the Landlord Delay within two (2) business days thereafter; and (ii) the action or inaction which constitutes the Landlord Delay actually causes a delay in the Substantial Completion of the Tenant's Work beyond the Scheduled Completion Date (as extended for each day of Force Majeure Delays and Tenant Delays).

d. "Personal Property" means all equipment, furniture, merchandise, supplies, trade fixtures and other personal property in or on the Premises, no matter how installed or affixed, which is customarily removable by tenants at the expiration of their leases.

e. "Scheduled Completion Date" means six (6) months from delivery, plus one day for each day of Tenant Delays and Force Majeure Delays.

f. "Substantial Completion" or "Substantially Complete" shall mean the substantial completion of the Tenant Improvements contemplated by the Plans as reasonably determined by the Designer. The Tenant Improvements shall be deemed Substantially Complete even though certain portions of the Tenant Improvements which do not interfere

with Tenant's efficient conduct of its business (commonly known as "punch-list" items) have not been fully completed, and even though Tenant's furniture, fixtures, telephones, telexes, telecopiers, photocopy machines, computers and other business machines or equipment have not been installed, the purchase and installation of which shall be Tenant's sole responsibility.

g. "Tenant Delay" shall mean any delay in the Substantial Completion of the Tenant Improvements which arises out of any act or omission of any nature by Tenant or its agents, contractors or Affiliates including without limitation any delay: (1) attributable to changes in or additions to the Space Plan or Plans or to the Tenant Improvements not reasonably requested by Tenant; (2) attributable to the postponement of any Tenant Improvements at the request of Tenant; (3) by Tenant in the submission of information or the giving of authorizations or approvals later than the time period set forth in this Agreement, or if not specified within three (3) business days after the request therefor or receipt of the item to be approved; (4) attributable to the failure of Tenant to pay, when due, any amounts required to be paid by Tenant pursuant to this Agreement; and (5) caused by or arising from Tenant's selection of materials not readily available.

h. "Tenant Improvements" means all improvements, additions and improvements to the Premises as shown on the Plans as finally approved by Landlord, excluding all Personal Property, and including Tenant's suite entrance sign in accordance with Landlord's Building standard sign criteria.

10. Tenant's Confirmation of Lease Information Certificate. Within ten (10) days after the Substantial Completion of the Tenant Improvements, Tenant shall complete, execute and deliver to Landlord the certificate in the form of Exhibit "C" to the Lease ("Tenant's Initial Certificate"). If Tenant fails to deliver the Tenants Initial Certificate to Landlord within said ten (10) day time period, Tenant shall be conclusively deemed to have certified that: (i) Landlord has performed all of its obligations pursuant to the Work Letter Agreement; (ii) Tenant previously entered into possession of the Premises on or before May 1, 2016 and has caused to be constructed and has accepted possession of the completed Tenant Improvements; (iii) the Rent Commencement Date shall be the earlier of (1) the Scheduled Commencement Date or (b) six (6) months from the delivery date except as otherwise provided in Section 2.12 of the Lease Agreement and (iv) the Lease is in full force and effect and has not been modified or amended.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

"LANDLORD"
COUNTY OF RIVERSIDE

"TENANT"
GRESHAM SAVAGE NOLAN & TILDEN, PC

By: _____
John J. Benoit, Chairman
Board of Supervisors

By: Mark A. Ostoich
Mark A. Ostoich
President/CEO

EXHIBIT "C"

CONFIRMATION OF LEASE INFORMATION CERTIFICATE

EXHIBIT "C"
CONFIRMATION OF LEASE INFORMATION

1. LEASE REFERENCE DATE: _____
2. PREMISES:
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 _____ per month. Rent is due and payable in advance on the first day of each month during the Lease Term.

AGREED and ACCEPTED

LESSOR:

COUNTY:

Dated: _____

Dated: _____

EXHIBIT "D"
RULES AND REGULATIONS

RULES AND REGULATIONS OF BUILDING
WHICH CONSTITUTE A PART OF THE LEASE

(a) Tenant and Tenant's employees shall not loiter in the entrance or corridors, or in any way obstruct the sidewalks, entry passages, halls or stairways, and shall use the same only as passageways and means of passage to and from their respective offices.

(b) The sash doors, sashes, windows, glass doors, lights and skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed by Tenant and doors leading into the corridors shall not be left open by Tenant. The water closets and urinals shall not be used for any purposes other than those for which they were constructed, and no rubbish, newspapers or other substances of any kind shall be thrown into them. Tenant shall not mark, drive nails, screw or drill into, paint, or in any way deface the walls, ceilings, partitions, floors, wood, stone or iron work. The expense of any breakage, stoppage, or damage resulting from a violation of this rule shall be borne by Tenant.

(c) No awning, shade, sign, advertisement or notice shall be inscribed, painted, or affixed, on or to any part of the outside or inside of the building, except by the prior written consent of the Landlord and unless it be of such color, size and style and in such place upon or in the Building as may be designated by landlord. If Tenant desires window curtains, the same must be of such uniform shape, color, material and make as may be prescribed by Landlord and must be put up in the manner as directed by Landlord and paid for by Tenant.

(d) Electric wiring of every kind shall be introduced and connected by Landlord and no boring or cutting the wires shall be allowed except with the prior written consent of Landlord. All maps or pictures placed upon the walls of any of the rooms must be so attached as to create minimum damage. Tenant shall pay for any damage incurred.

(e) Tenant shall not use or install any machinery in the premises which may cause any noise, jar or tremor the walls, or which by its weight might injure the floors of the Building.

(f) Landlord may limit the weight, size and position of all safes used in the Building and such safes shall in all cases stand on wood or metal of such size as shall be designated by Landlord. All damages done to the Building by putting in, taking out, or maintaining a safe shall be repaired at the expense of Tenant.

(g) Heat and air conditioning will be provided from 6:00 a.m. until 6:00 p.m., Monday through Friday and from 8:00 a.m. until 1:00 p.m. Saturdays (holidays excepted) whenever such heat or air conditioning shall, in Landlord's judgment, be required for the comfortable occupation of said Building, but landlord shall not be liable in any manner to Tenant or to Tenant's agents or employees or licensees for any violation hereof.

(h) Tenant and Tenant's officers, agents, and employees shall neither whistle, sing, nor play musical instruments or radio, nor make nor permit any improper noise in the building or interfere in any way with other Tenants or those having business with them. Nor bring into nor keep within the Building any animal, bird, or bicycle or other vehicle (except in the parking areas specifically designated therefor). Radio music that is audible only within the Premises is permitted.

(i) Tenant must observe strict care not to leave window open when it rains and for any default or carelessness, Tenant shall make good all injuries sustained by other tenants and Landlord.

(j) No machinery of any kind (as opposed to the usual and customary office equipment such as copying machines and personal computers) which is so heavy or noisy that it may result in damage to the Premises, Building or property or to the quiet employment of the same by other tenants, will be allowed in the Building without the prior written consent of Landlord.

(k) Furniture, freight or equipment may only be moved into, within and out of the Building with the prior written consent and under the supervision of Landlord. Any damage to the Building from such moving will be paid by the Tenant, but Landlord shall not be responsible for the loss of, or damage to, such furniture, freight or equipment from any cause.

(l) Employees of Landlord shall not perform any work nor do anything outside of their regular duties unless under special instruction from the Landlord, and no employee of Landlord shall admit any person (tenant or otherwise) to any office without specific instructions from Landlord. Nothing herein or in any of these rules shall create any obligation on the part of Landlord not specifically provided in the foregoing lease.

(m) All keys shall be obtained from Premises and all keys shall be returned to Landlord upon the termination of this Lease. Tenant shall not change the locks or install other locks on the doors.

(n) It is understood and agreed between Landlord and Tenant that no assent or consent to any waiver of any party hereof by Landlord in spirit or letter shall be deemed or taken as made except the same is done in writing and attached to or endorsed hereon by Landlord.

(o) Use of the Premises before 6:00 a.m. or after 6:00 p.m. or at any time during Saturdays, Sundays, and legal holidays, shall be subject to such rules and requirements as landlord may from time to time prescribe.

(p) The bulletin board or directory of the Building will be provided exclusively for the display of the name and location of Tenants only and Landlord reserves the right to exclude all other names therefrom.

(q) No person shall be employed by Tenant to do janitorial work in any part of said Building without the prior written consent of Landlord.

(r) Landlord reserves the right to exclude or expel from the Building any person who, in sole judgment of Landlord is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the rules and regulations of said Building.

(s) Landlord reserves the right to close and keep locked all entrances and exit doors of the Building or doors closing the stairways or elevators thereof; and to regulate access of all persons to the halls and corridors thereof during such after business hours as Landlord may deem to be advisable for the adequate protection of the Building.

(t) Landlord reserves the right at any time to change or rescind any one or more of these rules or regulations or to make such other and further reasonable rules and regulations as in Landlord's sole judgment may from time to time be necessary for the management, safety, care, and cleanliness of the Building and/or Premises, and of the preservation of good order therein as well as for the convenience of other occupants and tenants herein. Landlord shall not be responsible to Tenant herein or to any other person for the non-observance or violation of the rules and/or regulations by any other tenant or other person. Tenant shall be deemed to have read these rules and to have agreed to abide by them as a condition to his occupancy of the space herein leased.

(u) Tenant at all times agrees to abide by any additional rules or regulations which are ordered or requested by any governmental or military authority.

EXHIBIT "E"
PARKING STRUCTURE REGULATIONS



Exhibit E

Parking Structure Regulations

The County of Riverside is pleased to meet the parking needs of employees and visitors in downtown Riverside. The following parking structure regulations have been developed to guide the use of the parking facility by monthly card holders and to effectively manage the resources to maximize the use of the facility.

1. Parking access cards are issued to an individual. ACCESS CARDS ARE NOT TRANSFERABLE. Allowing another individual to use your card SHALL result in the immediate loss of your parking privileges.
2. Your access card allows you to park one vehicle at a time in any unreserved parking space in the assigned parking garage.
3. A \$10.00 fee for the parking access card is required.
4. Lost, stolen or damaged cards will require a \$10.00 replacement fee.
5. Current unreserved monthly parking fees are \$65.00 per space per month. Reserved parking fees are \$65.00 per space per month, in addition to \$500.00 annually. Fees are past due by the third working day of the month. We do not prorate; full payment for the month is required for each month. Parking fees are subject to change.
6. Monthly payments can be made in person at the Parking Services office or by mail. Cash, checks and credit cards will be accepted for payment. Checks must be made out to COUNTY OF RIVERSIDE. Please indicate your access card number on your check. Do not send cash through the mail. Office hours are Monday thru Friday, 6:00 AM to 7:00 PM (excluding holidays).
7. If payment for Monthly parking is not received by the 3rd working day of the month, the access card may be deactivated. Card holders will then have five working days to bring their account current or their card will be removed from the system. Cards removed from the system will not be reactivated. Failure to pay will result in your forfeiture of parking access. You may re-apply for access but will be placed at the back of the any waiting list. _____ Initial
8. Always lock and secure your car and personal belongings. The County of Riverside is not responsible for damage or theft while parking in County facilities.

(Continued)

Parking Structure Regulations
Page 2

9. Card holders who forget their card or cannot find their card at the time of exit will be subject to pay the hourly fee or a lost ticket fee.
10. A Parking attendant is on duty Monday thru Friday, 6:00 AM to 7:00 PM (excluding holidays).
11. Access to the garage before or after the hours listed in item 10 is available only by use of your access card.
12. It is your responsibility to notify the Parking Office is you are no longer parking in the garage. Monthly parking fees will be incurred until notification is in writing or email that you are terminating your account. You will be responsible for any charges to your account whether you have accessed the garage or not. Initial
13. Please be aware that County of Riverside parking ordinance number 626 is strictly enforced in all County of Riverside parking structures and lots.

We appreciate your business and your cooperation in observing these rules and procedures. Please contact the Parking Services Division staff if you have any questions or concerns about the garage at 951-955-5129.

Parking Access Card #

Parker Printed Name

Parker Signature

Date

EXHIBIT "F"

CUSTODIAL SERVICES REQUIREMENT

EXHIBIT F

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 five days a week during the hours of 5:00 pm to 1:00 am only.
4. 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.
5. **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 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 and 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, and sanitize.

E. Semi – Annually – All Areas:

1. All Areas:
 - a. Clean and polish all baseboards.

- b. Damp clean lobby and reception chairs.
- c. Clean carpeted surfaces-use a water extraction method.

F. Annually – All Areas:

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

EXHIBIT "G"
SERVICES AND UTILITIES

SERVICES AND UTILITIES

Subject to the terms and conditions of the Lease and provided Tenant remains in occupancy of the Premises, Landlord shall furnish, or cause to be furnished the following services and utilities. Landlord reserves the right to adopt nondiscriminatory modifications and additions hereto.

1. Provide non-attended automatic elevator facilities Monday through Friday, except holidays, from 8:00am to 6:00pm, and have one elevator available for Tenant's use at all other times.

2. On Monday through Friday, from 6:00am to 6:00pm and on Saturday from 8:00am to 1:00pm, except holidays, (which hours and days of operation shall be referred to as "Building Hours"), ventilate the Premises and furnish air conditioning or heating on such days and hours, when in the reasonable judgment of Landlord it may be required for the comfortable occupancy of the Premises. The air conditioning system achieves maximum cooling when the window coverings are extended to the full length of the window opening. Landlord shall not be responsible for room temperatures if Tenant does not keep all window coverings extended to the full length of the window opening whenever the system is in operation. Tenant agrees to cooperate fully at all times with Landlord, and to abide by all reasonable regulations and requirements which Landlord may prescribe for the proper function and protection of said air conditioning system. Tenant agrees not to connect any apparatus, device, conduit or pipe to the Building chilled and hot water air conditioning supply lines. Tenant further agrees that neither Tenant nor its servants, employees, agents, visitors, licenses or contractors shall at any time enter, adjust, tamper with, touch or otherwise in any manner affect, the mechanical installations or facilities of the Building or the Project. The cost of maintenance and service calls to adjust and regulate the air conditioning system shall be charged to Tenant if the need for maintenance work results from either Tenant's adjustment of room thermostats or Tenant's failure to comply with its obligations hereunder, including keeping window coverings extended to the full length of the window opening. Such work shall be charged at hourly rates equal to then-current journeyman's wages for air conditioning mechanics. Requests for air conditioning during Non-Building Hours will be billed at \$100.00 per hour. Requests should be made 24 hours in advance.

3. Landlord shall make available to the Premises, 24 hours per day, seven days a week, electric current as required for the Building standard office lighting and fractional horsepower office machines (such as copiers, personal computers and printers). All lighting has been installed pursuant to County Specifications and OSHA Standards. Floor heaters are prohibited, coffee pots, microwaves, toasters, etc., shall be placed in designated break rooms only. Landlord may separately meter the Premises, and the cost therefore shall be paid by Tenant. If a separate meter is not installed, the cost for any excess consumption will be determined by Landlord on a reasonable basis. If Landlord obtains an estimate of such cost from a utility company or an electrical engineer, such estimate shall be conclusive.

4. Water will be available in public areas for drinking and lavatory purposes only. If Tenant requires uses or consumes water for any purpose other than ordinary drinking and lavatory purposes, of

which fact Tenant constitutes Landlord to be the sole judge, Landlord may install a water meter and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Landlord for the cost of the meter and the cost of the installation thereof and throughout the duration of Tenant's occupancy Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's sole cost and expense. Tenant shall pay for water consumed, as shown on said meter, as and when bills are rendered.

5. Landlord shall provide janitorial service to the Premises as described in Exhibit "F", provided the same are used exclusively as offices and are kept reasonably in order by Tenant. Tenant shall pay to Landlord the cost of removal of any of Tenant's refuse and rubbish not normally generated by office tenants.

6. Freight and passenger elevator services, heating, ventilating and air conditioning, electricity, and access to and use of the loading area will be available twenty-four (24) hours a day, subject to the provisions of this Exhibit "G". Landlord may impose a reasonable charge and establish reasonable rules and regulations for any of the following: (a) the use of any heating, ventilating or air conditioning by Tenant at any time other than during Building Hours; (b) the usage of any services provided to Tenant (including without limitation passenger or freight elevator service, at any time other than during Building Hours; (c) additional or unusual janitorial services required because of any non-building standard improvements in the Premises, the carelessness of Tenant, the nature of Tenant's business (including the operation of Tenant's business other than during Building Hours); and (d) the removal of any refuse and rubbish from the Premises except for discarded material placed in wastepaper baskets and left for emptying as an incident to Landlord's normal cleaning of the Premises. The foregoing direct charges shall be payable by Tenant after submission of an invoice therefor by Landlord. Landlord shall have the right, at its option, to meter and charge all tenants in the Building, including Tenant, directly for their use of HVAC within their respective premises. In such event, Tenant shall pay such charges within five (5) days after invoice therefor, and all such charges shall be excluded from Operating Expenses under Section

**ADDENDUM TO
RIVERSIDE CENTRE
OFFICE BUILDING LEASE
DATED AS OF _____**

This Addendum to Riverside Centre Office Building Lease ("Addendum") is attached to and made part of that certain Riverside Centre Office Building Lease dated as of _____, 2016, (the "Lease") between Riverside County ("Landlord") and Gresham Savage Noland & Tilden ("Tenant"), covering premises commonly known as Suite(s) 700, 3403 Tenth Street, Riverside, California, 92501. Capitalized terms used in this Addendum but not defined shall have the definitions set forth in the Lease. The provisions of this Addendum shall prevail over any inconsistent or conflicting provisions of the Lease and shall supplement the remaining provisions thereof.

1. **Surrender.** Notwithstanding the third sentence of Section 7.1 of the Lease, Tenant's obligation to remove tenant improvements and restore the Premises (i) shall only apply to any alterations and improvements with respect to which consent to the construction or installation was not obtained by Tenant and (ii) will not apply to the initial Tenant Improvements being installed pursuant to the Lease or any Work Letter Agreement or to any additional alterations or improvements consented to by Landlord, unless Landlord's consent to the alterations or improvements was conditioned upon the Tenant's agreement to remove the same upon expiration or earlier termination of the Lease.

2. **Repairs.** Notwithstanding the provisions of Section 12.1 and 12.2 of the Lease, the following shall amend and supplement the respective repair and maintenance obligations of Tenant and Landlord:

(a) In addition to the matters provided for in Section 12.2, Landlord shall be responsible for:

- (1) Exterior window replacement, as needed;
- (2) Interior window washing once a year;
- (3) Partition window washing twice a year;
- (4) Replacement of Building standard tubes and ballasts, as needed;
- (5) Replacement of HVAC equipment (VAV boxes, thermostats, repair of existing ducting), as needed; and
- (6) Reglue/recaulk window moldings, as needed.

(b) Without limitation of the Tenant's obligations under Section 12.1 (as modified by the preceding Paragraph (a)), Tenant is responsible for:

- (1) Premises entry doors and interior doors (including door frames, doors, door jams, door closures);
- (2) Replacement of partition glass (if any);
- (3) Kitchen appliance repair (garbage disposal, dishwasher, etc.); and

(4) Locks and hardware (rekeying, extra keys, lock replacement).

3. **Supplemental Tenant Insurance Requirements.** Notwithstanding the first sentence of Section 15.2(f), Tenant's policies under Sections 15.1(b) (business interruption), 15.1(d) (automobile liability) and 15.1(e) (workers' compensation) need not name Landlord as an additional insured.

4. **Directory and Signage; Passcards.** Landlord shall provide up to two (2) lines of identification on the Building directory and the multi-tenant Building standard signage. Landlord shall furnish, at its expense, up to 35 passkey cards for access to the Building subject to Tenants' compliance with applicable administrative requirements. Keys to the Premises shall be at Tenant's cost.

5. **Option to Extend.** With reference to Section 2.3 of the Lease, the following new Section 31 is added to the Lease:

"31. Option to Extend Lease Term.

31.1 Subject to the provisions hereof, Tenant shall be entitled to one (1) option (the "Extension Option") to extend the Term for an additional term of five (5) years (the "Option Term"). The Extension Option shall be exercised only by written notice delivered to Landlord ("Tenant's Notice of Exercise of Option") not less than one hundred eighty (180) days prior to the expiration of the Lease Term. If Tenant fails to deliver Landlord written notice of the exercise of the Extension Option within the prescribed time period, the Extension Option shall lapse, and there shall be no further right to extend the term of the Lease.

31.2 The Extension Option may be exercised by Tenant, and Tenant's exercise of the Extension Option shall be effective, on the express condition that no uncured default or breach of the Lease exists as defined in Section 20 of the Lease.

31.3 All terms and conditions of the Lease (other than the provisions of this Section 31) shall apply to and during the Option Term.

31.4 The Extension Option granted to Tenant in this Lease is personal to the original Tenant and may be exercised only by the Tenant while occupying the Premises who does so without the intent of thereafter assigning this Lease or subletting the Premises or any portion thereof, and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than Tenant. The Extension Option herein granted to Tenant is not assignable separate and apart from this Lease, nor may the Extension Option be separated from this Lease in any manner, either by reservation or otherwise. If Tenant subleases substantially all of the Premises or assigns or otherwise transfers its interest under the Lease prior to the exercise of the Extension Option (whether with or without Landlord's consent), the Extension Option shall lapse. If

Tenant subleases substantially all of the Premises or otherwise transfers its interest under the Lease after the exercise of the Extension Option but prior to the commencement of the Option Term, then at the election of Landlord the Extension Option shall lapse and the term of the Lease shall expire as if such Extension Option were not exercised.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first written above.

"LANDLORD"
COUNTY OF RIVERSIDE

"TENANT"
GRESHAM SAVAGE NOLAN & TILDEN

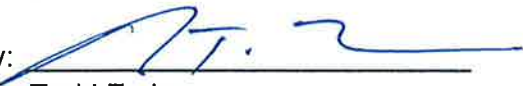
By: _____
John J. Benoit, Chairman
Board of Supervisors

By: _____
Mark A. Ostoich, President/CEO

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

By: 
Todd Frahm
Deputy County Counsel



NOTICE OF EXEMPTION

April 19, 2016

Project Name: County of Riverside, Economic Development Agency (EDA) Gresham Savage Nolan & Tilden Lease Agreement, Riverside Centre

Project Number: FM047611057900

Project Location: 3403 10th Street, west of Lime Street, Riverside, California 92501; APN 215-120-005; (See Attached Exhibit)

Description of Project: The County of Riverside (County) Economic Development Agency Real Estate Division has negotiated a revenue lease agreement with Gresham Savage Nolan & Tilden to occupy 9,684 square feet of office space in Suite 700 of the Riverside Centre, located at 3403 10th Street, Riverside, California. The Riverside Centre is a County-owned 157,000 square-foot, Class A Office Building. The Lease Agreement is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Lease Agreement consists of a five-year term, starting at a rate of \$232,416.00, with a 2.5 percent annual increase. The Lease Agreement will commence on completion of tenant improvements, which are to be completed under sole cost and expense of the tenant and would be limited to interior alterations within the Riverside Centre. The use of the facility by Gresham Savage Nolan & Tilden would continue, consistent with the existing land use. The operation of the facility will continue to provide professional services and will not result in an expansion of existing use. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency, and Gresham Savage Nolan & Tilden

Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

Reasons Why Project is Exempt: The proposed Project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause an impact to an environmental resource of hazardous or critical concern nor does the Project have unusual circumstances that could possibly have a significant effect on the environment. The Project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the Lease Agreement.

- Section 15301 – Class 1 Existing Facilities Exemption:** This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site’s use. The Project, as proposed, is limited to a Lease Agreement of an existing office space, in which changes are limited to interior alterations. The use of the office space by Gresham Savage Nolan & Tilden would be consistent with the office-related land use, and would not require any expansion of public services and facilities; therefore, the Project is exempt as the Project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid.* This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed Lease Agreement is limited a contractual transaction and indirect effects would be limited to existing use of an office building. The Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the office space will be substantially similar to the existing uses within the Riverside Centre and will not create any new environmental impacts to the surrounding area. No impacts beyond the minor interior alterations and continued use of the office building would occur. Therefore, in no way, would the Project as proposed have the potential to cause a significant environmental impact and the Project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the Project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed:  Date: 3/17/16

Mike Sullivan, Senior Environmental Planner
 County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Gresham Savage Nolan & Tilden Lease Agreement, Riverside Centre

Accounting String: 524830-47220-7200400000- FM047611057900

DATE: March 17, 2016

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: Mike Sullivan, Senior Environmental Planner, Economic Development Agency

Signature:  _____

PRESENTED BY: Trea Womack, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -