

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



ITEM: 3.4
(ID # 10107)

MEETING DATE:

Tuesday, November 19, 2019

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of Sublease with Sunquitz EMC, LLC, Riverside University Health System – RUHS Care Clinics, Palm Springs, 30 Year Lease, District 4, CEQA Exempt, [\$73,070,212 - FQHC Enterprise Fund 92%; General Fund 8%] (Clerk to File Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA State Guidelines Section 15061 (b)(3), "Common Sense" exemption;
2. Approve the Sublease with Sunquitz EMC, LLC, 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 within five days of approval by Board.

ACTION:

Robert Field, Assistant County Executive Officer/ECD

10/8/2019

Jennifer Cruikshank, Chief Executive Officer – Health System

10/9/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: November 19, 2019
xc: EDA

Kecia R. Harper
Clerk of the Board
By:
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST		\$1,229,106	\$73,070,212	0
NET COUNTY COST	0	\$2,325,000	\$5,915,000	0
SOURCE OF FUNDS: FQHC Enterprise Fund 92%; General Fund 8%			Budget Adjustment: No	
			For Fiscal Year: 2020/21-2050/51	

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

The Riverside University Health System (RUHS) contacted the Real Estate Division of the Economic Development Agency (EDA) requesting real estate services to locate suitable medical office space for a new RUHS Family Care Clinic. In order to improve client care and provide adequate staff space, RUHS is seeking to replace and relocate the current Palm Springs Community Health Center, located at 1515 N. Sunrise Way, to a new location in Palm Springs. The existing clinic was recently sold to the Desert Aids Project (DAP) for expansion of their programs.

On May 22, 2018 (M.O. #3.27), the Board of Supervisors authorized EDA to locate suitable medical office space for lease for RUHS in the Palm Springs area to facilitate relocation of their existing Palm Springs Community Health Center. The existing clinic is under lease which expires in May of 2021. The clinic must be relocated on or before the expiration date due to the DAP's need to utilize the space.

Based on this, EDA issued a request for proposal and received submittals from area developers. Of the proposals submitted and analyzed, the proposal from the Boureston Companies ("Developer") was selected, which provides for a new Community Health Center ("CHC") to be constructed on the northwest corner of E. Tahquitz Canyon Way and N. Sunrise Way, in the City of Palm Springs ("Property"). The Property is owned by Mildred Browne, held in trust by the United States, and situated within the Agua Caliente Band of Cahuilla Indians Reservation.

The Developer will design, plan, entitle, permit, construct, and provide property management services for the new CHC facility, which will be approximately 35,000 square feet. This new CHC will provide the following services: Outpatient, Behavioral Health, Pharmacy, Imaging, Lab, Quick Sick, Women, Infants, and Children (WIC), and Administration and Building support. The project design will include two clinical pods, one specialty pod, consisting of exam rooms, clean and soil rooms, intake, medications, storage and offices. The proposed new location will provide

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more efficient workspace and improved efficiency within the clinic while providing adequate space for future growth.

The new CHC facility will be delivered to the County through a Public-Private Partnership ("P3") deal structure, specifically through a sublease between the County, as sublessee, and Sunquitz EMC, LLC ("Sublease"), a company managed by the Developer, as sublessor. Sunquitz will design, plan, entitle, permit, construct, operate, and maintain the CHC facility and complete all onsite and offsite improvements and will be responsible for all environmental aspects. The term of the Sublease will be for a period of thirty (30) years and will provide the County the opportunity to purchase the CHC facility and all improvements after the fifteenth year of the Sublease term. The County will pay rent on the CHC facility as set forth below. The Sublease is contingent upon the execution of a Master Lease between Sunquitz and Mildred Browne ("Master Lessor"), which is currently being reviewed by the United States Department of the Interior, Bureau of Indian Affairs ("BIA"). Upon execution of the Master Lease and approval of the same by the BIA, the Sublease will go into effect, and Sunquitz will commence the project with a targeted completion date in March 2021. After completion, the new CHC will have an updated facility with adequate staff space and improved efficiencies.

The Sublease will be subject to the Master Lease, which will have a term of sixty-five (65) years. If the County chooses to exercise its option to purchase the CHC facility and all improvements, then it shall assume the role as lessee under the Master Lease and pay rent to the Master Lessor, as set forth in the Master Lease, which is attached to the Sublease in draft form as Exhibit "I".

Pursuant to the California Environmental Quality Act (CEQA), the execution of the Sublease was reviewed and determined to be categorically exempt from CEQA pursuant to State CEQA Guidelines, Section 15061(b)(3) – "Common Sense" exemption, as it will not result in direct impacts to the physical environment or reasonably foreseeable indirect effects. The direct effects of the Sublease are limited to the execution of agreement which entails administrative, contractual obligations between parties. The indirect effects of the Sublease, provided all conditions and contingencies in the agreement are satisfied, would result in the development of a medical office building but are not included as part of the current action as the potential effects are not reasonably foreseeable. Specific details regarding project descriptions, footprints and site plans are unknown and will be further defined during the design process. When considering the indirect effects from the Sublease, at this point in the process, the design of the project is not substantive enough to provide a meaningful analysis of environmental effects. Any attempt at assessing the potential impacts at this time would be wholly speculative and, therefore, the indirect effects of the proposed action are not considered as part of the project under CEQA. The future indirect effects of the proposed action will undergo separate environmental review once a conceptual design is completed that will allow for a meaningful evaluation of potential impacts. The approval of the Sublease will enable the County and Sunquitz to develop the conceptual design of the Project along with the specific details regarding Project descriptions,

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footprints, and site plans that will allow Sunquitz to undertake the environmental review required under CEQA. At the appropriate time, the requisite environmental review will be completed by Sunquitz before any actual development will move forward, and the environmental documentation under CEQA would be presented to the governing jurisdiction(s) for approval.

A summary of the proposed Sublease is as follows.

Premises Location:	Northwest corner of E. Tahquitz Canyon Way and N. Sunrise Way Assessor's Parcel Number 508-070-042
Lessor:	Sunquitz EMC, LLC, a California limited liability company 10655 Park Run Drive, Suite 160 Las Vegas, Nevada 89144
Size:	Approximately 35,000 square feet
Term:	Thirty years, estimated to commence on March 1, 2021 and terminate February 28, 2051
Base Rent:	\$82,250 monthly, \$2.35 per square foot
Rent Adjustments:	2.5% annual increases
Operating Expenses (est.)	\$20,940 per month (\$0.60 per square feet) for Custodial, Day Porter, Maintenance, and all other building operating expenses.
Improvements:	Not to exceed \$7,727,873, or \$220.00 per square foot. It includes \$630,898 contingency if needed. The total cost shall be amortized at an interest rate not to exceed 6.25% interest over the term of the Sublease at a monthly payment not to exceed \$47,581.84 per month.
Maintenance:	Lessor responsible, included in the operating expenses
Custodial:	Lessor responsible, included in the operating expenses
Utilities:	County shall pay for telephone, electric, natural gas, water, and sewer services.
RCIT:	\$583,668
Parking:	175 parking spaces

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Option to Purchase: County may exercise its option to purchase the building and improvements and assume the Master Lease by giving notice to Lessor no later than 365 days prior to the purchase date at the purchase prices designated in Exhibit "J" of the Sublease. If County exercises this option in the last year of the Sublease, County shall open escrow to purchase the building and improvements and lessor's leasehold interest in the land for \$1.00.

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

Impact on Residents and Businesses

This project will provide a positive overall economic impact to the community. In addition, the construction phase will provide temporary construction jobs throughout the period of construction. The long term occupancy by the RUHS – Community Health Center in this region will benefit the business community as a whole by providing an important and positive economic impact through short term construction jobs and long term employment. The project will also provide an appropriately located facility that serves the family medicine and primary health care needs of the residents of Riverside County. The facility will be conveniently located close to public transportation for ease of access.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C

In 2015, this property was released from the 2005A Certificate of Participation Bonds to allow for the sale of the property to the Desert Aids Project. Due to this action the general fund became responsible for the debt service that still remains until 2037. The proceeds of the sale, completed in 2017 in the amount of \$5.2 million, will be used to pay down a portion of the bonds associated with the clinic. Due to current interest rates, there is a projected shortfall of \$2 million to pay the full portion of the bonds.

Also, RUHS – FQHC clinics requests additional general fund support for operating costs for four years to bridge the gap until the rate setting process is able to capture the increased costs of the new facility. Few triggering events allow clinics the opportunity to reset rates; opening a new site and integrating behavioral healthcare provide such resetting opportunities. The infrequency of these opportunities requires strategic planning and precise implementation to maximize the rate-setting event and secure reimbursement rates more reflective of current labor and operating costs. This process does not allow a quick fix; but a multi-phased plan to optimize operations, trigger rate resetting, and maximize new

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rates is underway. Optimization requires adherence to strict provider productivity requirements and staffing standardization of important support positions. A multi-year plan will ultimately improve care and operating results, but the timing of revenue receipts and cash flow will continue to remain a challenge due to the length of the process and delays in settlement payments by the state.

The projected shortfall of \$2 million to pay down a portion of the bonds and operating costs of \$3.9 million, totaling \$5.9 million, will need to be funded through the general fund.

The breakdown of general fund needs are:

General Fund Needs		<u>FY 20/21</u>	<u>FY 21/22</u>	<u>FY 22/23</u>	<u>FY 23/24</u>	
	<u>Total Cost</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>Year 5 to 30</u>
Debt service outstanding in 2026	\$7,700,000					
Minus existing proceeds	-\$5,200,000					
Estimated Interest Earnings	-\$500,000					
Total shortfall	\$2,000,000	\$2,000,000				
+ Base rent & O&M for 4 yrs	\$3,915,000	<u>\$325,000</u>	<u>\$1,600,000</u>	<u>\$1,600,000</u>	<u>\$390,000</u>	
Total General Fund Needs	\$5,915,000	\$2,325,000	\$1,600,000	\$1,600,000	\$390,000	\$0

The current long range estimate for RUHS – FQHC clinic general fund support from FY 18-19 through FY 23-24 totals \$36.4 million. This action will bring the total estimate to \$40.3 million.

RUHS will reimburse EDA for all associated sublease costs on a monthly basis.

Contract History and Price Reasonableness

This is a new thirty year Sublease. The Sublease rate is deemed competitive based upon current market rate.

Attachments:

- Exhibits A, B, & C

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

- Aerial Image
- Sublease
- Notice of Exemption

RF:HM:VC:VY:SG:MH:jb 006MC 20.613
Minute Traq ID: 10107


Alex Gann 11/13/2019



Gregory V. Priamos, Director County Counsel 11/6/2019

Exhibit A

FY 2020/21

RUHS Palm Springs Clinic

Palm Springs - 508-070-042 (no address; has not been built yet)

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	35,000 SQFT	
Approximate Cost per SQFT (Mar-Jun)	\$ 2.35	
Lease Cost per Month (Mar-Jun)	\$ 82,250.00	
Total Lease Cost (Mar-Jun)		\$ 329,000.00
Total Estimated Lease Cost for FY 2020/21		\$ 329,000.00

Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 4,200.00	
Total Estimated Utility Cost (Mar-Jun)		\$ 16,800.00
Total Estimated Utility Cost for FY 2020/21		\$ 16,800.00
Operating Expense per Month	\$ 20,940.00	
Total Operating Expense (Mar-Jun)		\$ 83,760.00
Total Operating Expense for FY 2020/21		\$ 83,760.00
RCIT		\$ 583,668.00
Tenant Improvement (includes 6.25% interest)		\$ 190,327.37
EDA Lease Management Fee as of 03/01/2021	4.92%	\$ 25,550.91
TOTAL COST FOR FY 2020/21		\$ 1,229,106.28
TOTAL COUNTY COST	0%	\$ -

Exhibit B

FY 2021/22

RUHS Palm Springs Clinic

Palm Springs - 508-070-042 (no address; has not been built yet)

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	35,000	SQFT	
Approximate Cost per SQFT (Jul-Feb)	\$ 2.35		
Approximate Cost per SQFT (Mar-Jun)	\$ 2.41		
Lease Cost per Month (Jul-Feb)		\$ 82,250.00	
Lease Cost per Month (Mar-Jun)		\$ 84,306.25	
Total Lease Cost (Jul-Feb)		\$ 658,000.00	
Total Lease Cost (Mar-Jun)		\$ 337,225.00	
Total Estimated Lease Cost for FY 2021/22		\$ 995,225.00	

Additional Costs:

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month		\$ 4,200.00	
Total Estimated Utility Cost (Jul-Jun)			\$ 50,400.00
Operating Expense per Month		\$ 20,940.00	
Total Operating Expense (Jul-Feb)		\$ 167,520.00	
Total Operating Expense (Mar-Jun)		\$ 83,760.00	
Total Operating Expense for FY 2021/22		\$ 251,280.00	
Tenant Improvement (includes 6.25% interest)		\$ 570,982.12	
EDA Lease Management Fee as of 03/01/2021	4.92%	\$ 77,057.39	
TOTAL COST FOR FY 2021/22		\$ 1,944,944.51	
TOTAL COUNTY COST	0%	\$	-

Exhibit C

FY 2022/23 to 2050/51
RUHS Palm Springs Clinic
Palm Springs - 508-070-042 (no address; has not been built yet)

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 35,000 SQFT

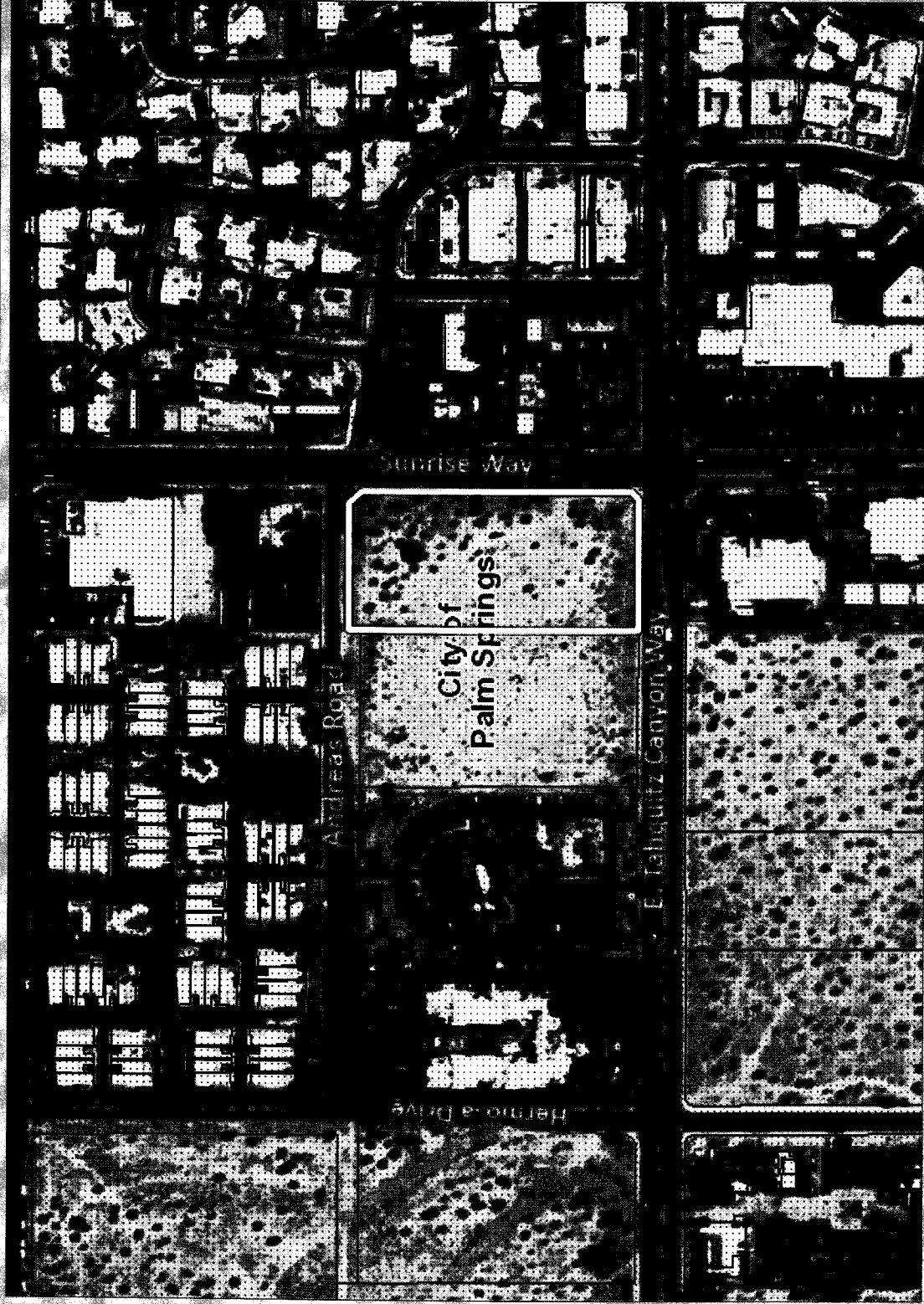
	FY 2022/23	FY 2023/24	Total FY 2023/24 to 2050/51
Approximate Cost per SQFT (Jul-Feb)	\$ 2.41	\$ 2.47	
Approximate Cost per SQFT (Mar-Jun)	\$ 2.47	\$ 2.53	
Lease Cost per Month (Jul-Feb)	\$ 84,306.25	\$ 86,413.91	
Lease Cost per Month (Mar-Jun)	\$ 86,413.91	\$ 88,574.26	
Total Lease Cost (Jul-Feb)	\$ 674,450.00	\$ 691,311.28	\$ 26,864,223.44
Total Lease Cost (Mar-Jun)	\$ 345,655.64	\$ 354,297.04	\$ 13,077,814.68
Total Estimated Lease Cost for FY 2022/23 to 2050/51	\$ 1,020,105.64	\$ 1,045,608.32	\$ 39,942,038.12

Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 3.24
Estimated Utility Costs per Month	\$ 4,200.00	\$ 4,200.00	\$ 113,400.00
Total Estimated Utility Cost	\$ 50,400.00	\$ 50,400.00	\$ 1,344,000.00
Operating Expense (Jul-Feb)	\$ 167,520.00	\$ 167,520.00	\$ 4,523,040.00
Operating Expense (Mar-Jun)	\$ 83,760.00	\$ 83,760.00	\$ 2,177,760.00
Total Operating Expense for FY 2022/23 to 2050/51	\$ 251,280.00	\$ 251,280.00	\$ 6,700,800.00
Tenant Improvement (includes 6.25% interest)	\$ 570,982.12	\$ 570,982.12	\$ 15,226,189.85
EDA Lease Management Fee as of 03/01/2021 4.92%	\$ 78,281.52	\$ 79,536.25	\$ 2,714,276.82
TOTAL COST FOR FY 2022/23 to 2050/51	\$ 1,971,049.28	\$ 1,997,806.69	\$ 65,927,304.79

F11 Total Cost \$ 73,070,211.54
F11 Total County Cost 0% \$ -

RUHS Palm Springs MOB **E. Tahquitz Canyon Way and N. Sunrise Way**



Notes
 Assessor's Parcel Number 508-070-042

"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.





Original Negative Declaration/Notice of
Determination was routed to County
Clerks for posting on.

11/19/19
Date

kb
Initial

NOTICE OF EXEMPTION

October 7, 2019

Project Name: Riverside County Riverside University Health System (RUHS) Care Clinic Medical Office Building (MOB) 30 Year Sublease, Palm Springs, County of Riverside, California

Project Number: FM0414300006

Project Location: Northwest corner of East. Tahquitz Canyon Way and North Sunrise Way, Palm Springs, California; Assessor's Parcel Number (APN) 508-070-042 (See attached exhibit)

Description of Project: The County of Riverside (County) RUHS desires to locate suitable medical office space for the purpose of establishing a new RUHS Community Health Clinic in Palm Springs. In order to improve client care and provide adequate staff space, medical office space for Community Health Centers is being sought to relocate the existing Palm Springs Clinic. The structure of the transaction will be a real estate public private partnership. On May 22, 2018, Agenda item 3.27 was approved by the Board of Supervisors authorizing EDA to locate suitable medical office space for (RUHS) in the Palm Springs area to facilitate relocation of their existing Community Health Clinic located at 1515 North Sunrise Way, Palm Springs. The existing clinic is under lease which expires in May of 2021. The clinic must be relocated on or before the expiration date due to the property owner's need to utilize their space.

Based on this, the County Economic Development Agency (EDA) issued a request for proposal and selected a Developer to provide for a new Community Health Clinic to be constructed on the northwest corner of East Tahquitz Canyon Way and North Sunrise Way, in the City of Palm Springs. The Developer will design, plan, entitle, permit, construct, and provide property management services for a new Community Health Clinic facility of approximately 35,000 square feet. This new Community Health Clinic will provide Out Patient Services, Behavioral Health, Pharmacy, Imaging, Lab, Quick Sick, Women, Infants, and Children (WIC), Administration and Building support. In order to facilitate the future development of the facility, the County is seeking to enter into a Sublease agreement with the developer to assign contractual responsibilities and provide a mechanism for the financing. The Sublease Agreement with Sunquitz EMC, LLC, A California limited liability company (Lessor) will consist of a 30-year term and is defined as the proposed project under the California Environmental Quality Act (CEQA). Construction of the facility would commence after certain contingencies are met and the requisite permits have been obtained by the Lessor. Upon completion of construction, the County will sublease the office building and associated improvements from the Lessor. Additionally, the Sublease Agreement which is for a term of 30 years, specifically delineates full responsibility on the Lessor to comply with and provide full CEQA review on the building once the actual construction parameters of the facility are established, and to submit the necessary CEQA documentation to the lead agency overseeing the approval process.

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; Sunquitz EMC, LLC, A California limited liability company

NOV 19 2019

3.4

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

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Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

Exempt Status: State CEQA Guidelines Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

Reasons Why Project is Exempt: The discretionary action to sublease the property is exempt from the requirements of CEQA as it would not result in direct impacts to the physical environment or reasonably foreseeable indirect effects. The sublease of property itself would have no direct physical effect on the environment as the Sublease Agreement consists only of administrative and contractual responsibilities to facilitate the future development of the site and does not include any changes to the existing land use or a physical disruption of the property.

- **Section 15061 (b) (3) – "Common Sense" Exemption:** Even if a determination is made that the project is defined as a Project under CEQA, the agreement to provide a funding commitment and eventual sublease of the RUHS facility is exempt pursuant to State CEQA Guidelines Section 15061(b)(3). 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 Sublease Agreement itself may have a significant physical effect on the environment. The direct effects of the Sublease Agreement would be limited to the contractual responsibilities and funding mechanism and would not result in any physical direct or reasonably foreseeable indirect impacts to the environment.

The potential indirect effects from this Sublease Agreement would occur through series of discretionary actions that define a broader project, e.g., the construction and operation of the MOB. The Sublease Agreement between the County and Lessor is not deemed to be an approval pursuant to CEQA for any specific development and does not commit any public agency, including the County or City of Palm Spring, to a definite course of action regarding a project that may lead to an adverse effect on the environment or limit any choice of alternatives or mitigation measures prior to CEQA compliance. In addressing indirect effects of the Sublease Agreement, CEQA Guidelines 15004(b) identifies the necessity of balance in determining the timing of CEQA compliance, citing the need to enable environmental considerations to have influence on programming and design, while at the same time having enough detailed information for meaningful environmental assessment. When considering future indirect effects from the Sublease Agreement, at this point in the process, the design of the project is not substantive enough to provide a meaningful analysis of environmental effects. Future development of the site by the Lessor provides the appropriate opportunity for environmental considerations to influence design and the characterization of effects would be more meaningful as there are more specific associated with the development of the medical office building. The County has incorporated conditions which require future environmental review, as terms of the Sublease Agreement, to be conducted by the Lessor to ensure that the appropriate level of analysis is conducted and that mitigation or alternatives be incorporated to minimize the proposed indirect effects of a future development to the greatest extent feasible. The potential indirect effects of the project are not reasonably foreseeable and not considered as part of the proposed discretionary action, which is limited to the Sublease Agreement. Therefore, the County of Riverside EDA 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: _____

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: RUHS Care Clinic Medical Office Building, Palm Springs

Accounting String: 524830-47220-7200400000 - FM0414300006

DATE: October 3, 2019

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: Maribel Hyer, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: October 3, 2019

To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM0414300006**
RUHS Care Clinic Medical Office Building 30 Year Lease

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to:

Mail Stop #1330

Attention: Mike Sullivan, Senior Environmental Planner,

Economic Development Agency,

3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009 or email at msullivan@rivco.org.

Attachment

cc: file

MEDICAL OFFICE BUILDING SUBLEASE UNDER PSL-510

County of Riverside – Riverside University Health System

Northwest Corner of E. Tahquitz Canyon Way and N. Sunrise Way, Palm Springs, California

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EXHIBITS

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

Legal Description of Master Lease Property	Exhibit A-1
Legal Description of Land	Exhibit A-2
Site Plan	Exhibit A-3
Property Development and Leasehold Improvement Agreement	Exhibit B
Final Space Plan	Exhibit B-1
Final Building Concepts	Exhibit B-2
Final Working Drawings	Exhibit B-3
Construction Schedule	Exhibit B-4
Leasehold Improvement Payment Schedule	Exhibit B-5
Revised Leasehold Improvement Payment Schedule	Exhibit B-6
Estimated Interior Leasehold Improvement Costs	Addendum 1
Confirmation of Commencement Date and Lease Information	Exhibit C
Annual Operating Budget	Exhibit D
Custodial Services Agreement	Exhibit E
General Construction Specifications for Leased Facilities	Exhibit F
Estoppel Certificate	Exhibit G
Subordination, Non-Disturbance & Attornment Agreement	Exhibit H
Master Lease	Exhibit I
Purchase Option and Assumption of Master Lease Schedule	Exhibit J
Dispute Resolution Procedure	Exhibit K

MEDICAL OFFICE BUILDING SUBLEASE UNDER PSL-510
COUNTY OF RIVERSIDE

RIVERSIDE UNIVERSITY HEALTH SYSTEM

1. Parties.

This Medical Office Building Sublease Under PSL-510 ("**Lease**") is made on _____, 2019 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, hereinafter referred to as "**County**", and **SUNQUITZ EMC, LLC**, a California limited liability company, hereinafter referred to as "**Lessor**." County and Lessor are hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**."

2. Agreement to Lease (Sublease); Lease Subject to Master Lease; Description of Leased Premises.

2.1 Agreement to Lease; Lease Subject to Master Lease. Lessor hereby leases to County, and County hereby leases from Lessor, the Leased Premises (defined in Section 2.2 below), for the term, at the rental, and upon all terms, covenants and conditions set forth in this Lease.

Lessor will be the owner of a leasehold estate under Business Lease No. PSL-510 (the "**Master Lease**") between Mildred L. Browne (PS-22B) as lessor ("**Master Lessor**") and Lessor (Sunquitz EMC, LLC) as lessee upon execution and delivery of the Master Lease, which has been approved by the U.S. Department of the Interior, Bureau of Indian Affairs ("**BIA**") on the same date that this Lease is approved by the BIA. The Master Lease covers the real property which is described in Exhibit "A-1" and which is incorporated herein by this reference ("**Master Lease Property**"). This Lease is contingent upon BIA approval and full execution of the Master Lease, which Master Lease shall be substantially in the form attached hereto as Exhibit "I", with any material changes from Exhibit "I", as reasonably determined by the County, being approved in writing by the County (the "**Master Lease Contingency**").

2.1.1 Lease Subject to Master Lease. The Land defined in Section 2.2 below comprises the Master Lease Property, and this Lease is a sublease under the Master Lease, and is subject to the terms and conditions of the Master Lease. Accordingly, this Lease and the interest of the Parties hereto, and any encumbrancer hereof (if any), and any sub-sublessee (if any) of any portion of the Leased Premises, are subject to all of the terms, covenants, conditions and restrictions set forth in the Master Lease (including amendments thereto entered into from time to time), and to the rights

and interests of the Master Lessor. Reference is made to the Master Lease for particulars, and the same is incorporated as a part of this Lease as if set forth herein in full, although initial capitalized (defined) terms used in this Lease shall have the meanings ascribed to such terms in this Lease.

Notwithstanding the Master Lessor's consent to this Lease, in the event of any conflict between this Lease and the Master Lease, the terms and conditions of the Master Lease shall control. Other than terms and conditions of the Master Lease related to (i) the initial design, planning and construction of the Improvements and (ii) the payment of rent under the Master Lease, the County, as the sublessee of the Master Lease Property, shall comply with, and perform, all obligations of Lessor under the Master Lease in accordance with the terms expressly set forth therein without duplication of the same type of obligations that are separately imposed on County and Lessor as obligations under this Lease; provided that, so long as County has paid all Rent, Operating Costs and other amounts due from County to Lessor in accordance with the terms herein, County shall not be obligated to satisfy maintenance, repair, replacement, and operation obligations under the Master Lease with respect to the Master Lease Property. The Master Lease is not being modified in any manner whatsoever by this Lease. All terms and provisions of the Master Lease shall remain in full force and effect. Lessor, as the lessee under the Master Lease, is not being released from any of its obligations, covenants or liabilities under the Master Lease, which shall include without limitation its liability for acts or omissions of the County which constitute or result in a violation of the Master Lease. County shall not do any act that constitutes a violation or breach of the terms of the Master Lease. If Master Lessor asserts that there is any breach or default by Lessor under the Master Lease (other than those relating to (i) the initial design, planning and construction of the Improvements, (ii) payment of rent thereunder, and (iii) obligations under the Master Lease that are not required to be performed by County as set forth above), then County will, at its own expense and risk, take all action to cure any such alleged breach or default and take all such actions as necessary to dispute such alleged default and to forestall any termination of the Master Lease unless such default relates to repair, maintenance, replacement, and operation of the Improvements following the Commencement Date and County has paid all Rent, Operating Costs and other amounts due from County to Lessor to date in accordance with the terms herein. Further, Master Lessor shall have no obligations whatsoever to the County other than (a) to allow the County to take possession of the subleased Leased Premises subject to the County's compliance with this Lease and the Master Lease, and (b) Master Lessor's consent to the County's purchase option for the improvements and option to assume this Lease, as

more particularly described in the Master Lease (in which event County, as the successor-in-interest lessee under the Master Lease, shall assume and comply with all obligations of the lessee under the Master Lease, including without limitation the payment of rent and all obligations regarding improvements). Master Lessor is a third-party beneficiary of both the County's and Lessor's covenants and obligations under this Lease.

2.1.2 Termination of Master Lease. In the event of the termination of the Master Lease, by cancellation or otherwise, after the Improvements have been constructed by Lessor and while this Lease is in full force and effect, it shall not serve to cancel this Lease, and the County shall attorn to the Master Lessor as its lessor under this Lease, and shall comply with all provisions of the Master Lease (the terms of which are incorporated into this Lease by this reference) which apply to the Leased Premises, including without limitation the payment of taxes and insurance on the Leased Premises and the maintenance and repair of the Leased Premises, and excepting that the amount of rent payable to Master Lessor by the County (which shall be paid to the BIA for the benefit of Master Lessor) shall be the higher of the amount of rent that is payable by the County under this Lease or the amount of rent that is payable by the lessee to the Master Lessor under the Master Lease. In the event of termination of the Master Lease prior to completion of the Improvements, County shall have the right to immediately terminate this Lease if mortgagee or another party acceptable to mortgagee has not agreed to cause completion of the Improvements.

2.2 Description of Leased Premises. The "**Leased Premises**" shall consist of that certain real property ("**Land**"), including all improvements thereon to be constructed by Lessor under the terms of this Lease, located on the northwest corner of E. Tahquitz Canyon Way and N. Sunrise Way, in the city of Palm Springs, County of Riverside, State of California, on approximately 137,214 ft.², which Land comprises a portion of Assessor's Parcel Number 508-070-042, and which Land is described with more particularity in **Exhibit "A-2"** attached hereto and incorporated herein by this reference.

2.3 Improvements. Lessor shall plan, design, and construct a medical office building on the Land ("**Building**"), which will become a part of the Leased Premises, and which shall consist of approximately 35,000 square feet with 175 parking spaces allocated as unreserved parking spaces, as set forth on the site plan attached hereto as **Exhibit "A-3"**. The Leased Premises shall include all on-site improvements, including the Building, parking areas, driveways, drive aisles, and landscaping, appurtenances and easements thereto and the non-exclusive right of ingress and egress

at all times to and from the public streets and highways, for County, its employees and invitees. Lessor shall also complete and construct any offsite improvements necessary to complete the Project (defined below) as required by local jurisdictions. Said on-site and offsite improvements are collectively referred to herein as the **"Improvements."** Lessor shall be responsible for the completion of the **"Project,"** which is defined as the planning, entitlement, design, and construction of said Building and Improvements, at Lessor's sole cost and expense (the **"Project Costs"**).

The rights and obligations of the Parties regarding the Project before the commencement of the Lease Term (as defined in Section 4.2 below) are stated in the Property Development and Leasehold Improvement Agreement attached hereto as **Exhibit "B"** and incorporated herein by reference (**"Leasehold Improvement Agreement"**). If this Lease conflicts with the Leasehold Improvement Agreement, the Leasehold Improvement Agreement shall prevail at all times prior to the Commencement Date (as defined in Section 4.2 below) and thereafter this Lease shall prevail.

2.3.1 Condition of Leased Premises and Improvements. Lessor shall deliver the Leased Premises to County in a fully clean and safe condition, free of hazards and debris, entirely permitted and inspected by local authorities, on the date of Substantial Completion (as set forth in the Leasehold Improvement Agreement) (the **"Substantial Completion Date"**). Lessor warrants that on the Substantial Completion Date, all systems and equipment, including, but not limited to, electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system, security systems, lighting, heating, ventilating and air conditioning systems (**"HVAC"**), loading doors, if any, that serve the Leased Premises (herein defined as the **"Base Building Systems"**), other than those installed or constructed by County, and excepting damage caused by County, shall be in safe, hazard free, good operating condition, and the roof, bearing walls, structure, and foundation of the Building and any other structure on the Land constructed by Lessor under this Lease shall be free of material defect. Subject to reimbursement through Operating Expenses (defined below), Lessor agrees to comply with the obligations set forth in this Section during the Lease Term.

2.3.2 Ownership and Surrender of Improvements. During the Term of this Lease, Lessor will be the owner of the Building and Improvements to be constructed on the Land. Upon the expiration or earlier termination of this Lease, County shall vacate and surrender possession of the Building and all Improvements to Lessor (subject to the provisions of Section 7 below regarding County's Option to purchase the Building and Improvements and Lessor's master leasehold interest).

3. Purpose of Lease; Unlawful Use/Compliance With Laws.

3.1 Purpose of Lease. County shall use and occupy the Leased Premises for the purpose of providing medical office space for use by the Riverside University Health System – as a Public Health Clinic, Women’s, Infants, Children’s Center, Behavioral Health Services, Dental Facility, Pharmacy, Urgent Care, Community Room and General Office Space, but the Leased Premises may be used for any official business of County government or any other legal use which is reasonably comparable thereto. Nothing contained in this Lease shall be construed to require County to occupy the Leased Premises continuously.

3.2. Unlawful Use/ Compliance With Laws. There must not be any unlawful conduct, creation of a nuisance, illegal activity, or negligent use or waste of any of the Master Lease Property, including the Leased Premises. The County and Lessor must comply with all applicable laws, ordinances, rules, regulations, and other legal requirements under 25 CFR § 162.014, including applicable Tribal laws if any.

4. Term.

4.1 Effective Date. This Lease shall be effective, and legally binding on both Parties, upon the date that (i) this Lease has been fully executed by the Parties hereto, (ii) consented to in writing by the Master Lessor and approved by the BIA and (iii) the Master Lease Contingency is satisfied (herein the **“Effective Date”**).

4.2. Commencement Date; Term. The Term of this Lease shall be for a period of thirty (30) years (**“Term”** or **“Lease Term”**) commencing on the date (the **“Commencement Date”**) which is the earlier to occur of (i) the expected rent commencement date set forth in the final project schedule mutually approved by the Parties, (ii) the Substantial Completion Date, or (iii) the date which County accepts the Leased Premises for occupancy, which acceptance shall not be unreasonably withheld, conditioned, or delayed and which acceptance shall occur only after the date on which Lessor (a) delivers to County a copy of the Certificate of Occupancy issued by the City of Palm Springs relating to the Leased Premises, or temporary Certificate of Occupancy with right to occupy and operate (provided, Lessor continues to diligently pursue a permanent Certificate of Occupancy to issuance) and (b) has complied with all of the provisions of Section 5 of the Leasehold Improvement Agreement, attached to this Lease as Exhibit “B”. The Term shall expire at midnight on the last day of the twelfth month in the thirtieth (30th) year (**“Expiration Date”**).

4.2.1 Confirmation of Commencement Date and Lease Information.

At such time as the Commencement Date of this Lease has been determined, either Party may deliver to the other Party a notice in the form set forth in the attached **Exhibit "C"**, which the receiving Party shall execute, after making any corrections necessary to conform the information to the provisions of this Lease, and return to the forwarding Party within thirty (30) days after receipt. Each Party will use reasonable efforts to deliver the notice to the other Party within thirty (30) days after the Commencement Date. Anything to the contrary notwithstanding, failure to forward or execute said notice shall not invalidate or nullify the provisions of this Lease. The Parties shall also cause a copy of the executed notice to be delivered to the BIA and Master Lessor.

4.3 Delay in Delivery of Leased Premises. If the Term of this Lease has not commenced by one (1) year from the date of issuance of the grading permit issued by City of Palm Springs (Lessor using all commercially reasonable diligence to obtain the grading permit), County will provide to Lessor an additional ninety (90) days to allow Lessor to continue to complete any action necessary to achieve Substantial Completion, and Lessor shall use commercially reasonable efforts and all due diligence to achieve Substantial Completion. In the event that Substantial Completion has not occurred at the end of said ninety (90) day period, and provided that Lessor has used commercially reasonable efforts and all due diligence to achieve Substantial Completion, the Parties agree that Lessor shall have a second ninety (90) day period to achieve Substantial Completion ("**Outside Completion Date**"). In the event that by the Outside Completion Date, Lessor is unable to achieve Substantial Completion ("**Construction Failure**"), County's sole and exclusive remedies under this Lease in connection with a Construction Failure are set forth in Section 6.3 of the Leasehold Improvement Agreement. Notwithstanding the foregoing, Lessor's time for performance will be tolled day for day in connection with any County delay, County initiated change orders, or Force Majeure Delay.

5. Rent; Leasehold Improvement Reimbursement.

5.1 Monthly Rent. The anniversary dates shall be deemed to fall on the first day of the first full month of each lease year following commencement of the Term. Commencing on the Commencement Date, and subject to annual increase as specified in Section 5.2 below, and continuing for the duration of the Term, unless terminated sooner per the terms of this Lease, County shall pay the sum of \$82,250 per month to Lessor as rent ("**Rent**") during the Term, payable in advance, on the first day of the month or as soon thereafter as a warrant can be issued in the normal course of

County's business; provided, however, in the event Rent for any period during the Term is owing which is for less than one (1) full calendar month said Rent shall be prorated based upon the actual number of days of said month. The Parties acknowledge and agree that the initial Rent is based on \$2.35 per square foot of Building area.

5.2 Annual Escalation in Monthly Rent. Notwithstanding the provisions of Section 5.1 herein, the monthly Rent (but not including the monthly payments for reimbursement for the interior leasehold improvements, as set forth in the attached Leasehold Improvement Agreement, see Section 5.3 below), shall be increased each anniversary of the Commencement Date by an amount equal to two and one-half percent (2.5%) over the previous year's monthly Rent.

5.3 Interior Leasehold Improvement Reimbursement. Notwithstanding the provisions of Sections 5.1 and 5.2 above, County shall reimburse Lessor for the interior leasehold improvements upon completion and County's acceptance thereof as provided for in Section 8 of **Exhibit "B"** to this Lease. Monthly payments of the interior leasehold improvement reimbursement shall commence on the Commencement Date and shall be payable in the same manner as Rent.

6. Additional Rent: Payment of Operating Costs by County

6.1 Operating Costs. In addition to any amounts separately set forth for Rent, County shall pay amounts sufficient to pay or reimburse Lessor for all operating costs incurred by Lessor, including funding of a capital reserve account, pursuant to a County approved Annual Operating Budget pursuant to Section 6.3(a) of this Lease (the "**Operating Costs**"). In consideration of County's payment of the Operating Costs, Lessor shall be responsible for all operations and all property management for the Leased Premises as set forth in this Section; provided, however, that County shall have the right to procure Services (as defined in Section 6.1(c)) at its sole discretion ("**County-Procured Services**") subject to the terms and conditions set forth in Section 6.1(c). Lessor shall at all times use its commercially reasonable efforts to operate the Leased Premises in an economically reasonable manner and control such Operating Costs in accordance with reasonable commercial standards prevailing in the market place for comparable premises. Operating Costs means any and all costs and expenses directly related to ownership, operation, repair, and

maintenance of the Leased Premises in connection with the following, in each case excluding costs described in Section 6.1.1 below:

(a) the repair (including capital improvements), replacement (including capital replacement), operation, and maintenance of the Leased Premises, including, without limitation, interior and exterior repair, operation, maintenance, and replacement of all exterior doors and windows, sidewalks, driveways, dock, interior perimeter and interior partition walls and finishes (including periodic painting thereof), exterior wall finishes, broken glass in exterior and interior doors and windows, roof, floor covering, window frames, gutters and downspouts, HVAC system, electrical system, plumbing system, pest control, landscaping and all other areas used in connection with the Leased Premises;

(b) the commercially reasonable property management fees paid to the entity managing the Leased Premises under any property management contract entered into;

(c) all costs of services provided by third parties (i.e., service providers other than Lessor) and benefitting the Leased Premises ("**Services**"); provided, however, that said costs shall not include the costs of County-Procured Services and Lessor shall be required to obtain services at rates generally competitive in the marketplace. Such Services shall include janitorial, custodial, security, maintenance, gardening, parking lot sweeping, repair, and landscaping, together with related costs and expenses, licenses, permits, and inspection fees, and the cost of supplies, materials, equipment, and tools used in connection therewith. Upon notification from County that County has procured County-Procured Services, Lessor shall terminate, as soon as possible, any contract or agreement with a third-party provider providing those same services. County shall be responsible for Lessor's costs under said contract or agreement for up to thirty (30) days after said notification by County or until the termination of said contract or agreement, whichever is earlier. Lessor hereby agrees not to utilize the services of a third-party provider in which it has a financial interest;

(d) utilities, unless the account(s) for any such utility is established in the name of County with County's concurrence, and security/fire alarm monitoring fees and related costs;

(e) Taxes as defined in Section 6.2 below;

(f) any damage to the Leased Premises (but not to County's personal property) caused by breaking and entering or other criminal act or any other event not covered by insurance;

(g) all costs of compliance with governmental laws or the board of fire underwriters (or similar organization) now or hereafter constituted as applicable to the Leased Premises;

(h) all insurance premiums for insurance required to be carried under this Lease (including earthquake and loss of rent insurance);

(i) amounts necessary to fund or restore any operating, replacement, or other operating reserve in an amount as may be agreed by Lessor and County;

(j) the amount of any deductible payable under any insurance policy described herein as a result of repairs or replacements attributable to fire or other casualty;

(k) all other costs reasonably incurred by Lessor in connection with the ownership, maintenance, and upkeep of the Leased Premises in order to prevent any dangerous or unsafe condition on the Leased Premises that could result in liability to Lessor or County, or its officers, Board of Supervisors, employees, directors, or other agents;

(l) all costs to comply with Federal, state, or local laws, regulations or permits pertaining to storm water pollution prevention plans ("SWPP") and all National Pollution Discharge Elimination System ("NPDES") laws or regulations adopted or to be adopted by the United States Environmental Protection Agency.

(m) the costs for a day porter and security guard for the Leased Premises, five (5) days per week, or such additional time as County may request.

6.1.1 Exclusions from Operating Costs. Operating Costs shall exclude:

- (a) Project Costs;
- (b) Utilities, prior to the Substantial Completion Date;
- (c) political or charitable contributions made by Lessor;

(d) fines, penalties, and interest penalties incurred as a result of Lessor's negligence, willful misconduct, or unwillingness to make payments when due or take such other actions as may be required;

(e) legal fees, accountant's fees, and other expenses incurred in connection with (i) disputes with County or associated with the interpretation of the terms of this Lease (unless County is otherwise required to pay such fees and expenses pursuant to Section 20.6 of this Lease) or (ii) legal proceedings arising out of Lessor's violation of the terms of this Lease;

(f) costs of any service provided to County for which Lessor is reimbursed, or any other expense for which Lessor is or will be reimbursed by another source (i.e., expenses covered by insurance or warranties or the proceeds of any condemnation.);

(g) fees to Lessor for goods or services in excess of the fees that would typically be charged by unrelated, independent persons or entities for similar goods and services;

(h) repairs or replacements made to rectify or correct any latent defect(s) in the original design, materials, or Project workmanship, as originally constructed, to the extent of and in the amount that the cost of such repairs or replacements are paid to Lessor (i) from the Project contingency or (ii) by reimbursement or other recovery from Lessor, general contractor, any other contractor, or any other party who may be obligated to Lessor to pay or reimburse for such repairs, including, but not limited to, warranty claims; provided, however, that Lessor uses commercially reasonable efforts to obtain said reimbursement or other recovery, including suit, court action, mediation, or arbitration.

(i) repairs, replacements, or any other costs associated with the operation of the Leased Premises that are necessitated by the negligence or willful misconduct of Lessor or Lessor's employees, contractors, or agents;

(j) repairs or replacements attributable to fire or other casualty to the extent covered by the proceeds of insurance required by Section 14;

(k) any cost of repair, replacement, operation, and/or maintenance of the Leased Premises incurred as a result of the final completion of the Project

following Substantial Completion of the Project, all of which shall be payable as part of the Project Costs;

- (l) debt service on loans;
- (m) damages recoverable by County due to violation by Lessor of any of the terms and conditions of this Lease (which violation is not caused by County);
- (n) Lessor's general corporate overhead and general administrative expenses not related to the operation of the Leased Premises and all compensation to executives, officers or partners of Lessor; and
- (o) Costs associated with the operation of the business of Lessor as the same are distinguished from the costs of operation of the Leased Premises, including accounting and legal matters, and costs of defending any lawsuits with any lender or any employee or vendor of Lessor that do not properly arise from Lessor's operation of the Leased Premises.

6.2 Payment of Taxes by Lessor. Subject to reimbursement as an Operating Cost, Lessor shall pay all Taxes that accrue from and after the Commencement Date. Lessor shall pay all Taxes directly to the applicable governmental agency prior to delinquency and shall provide proof of such payment promptly to County. The term "**Taxes**" shall include all real estate taxes and assessments (including without limitation all possessory interest taxes) whether special or general and including any road improvement districts, water improvement district, and any other utility installation hookup, tie in or similar charges or assessments that are levied upon and/or assessed against the Leased Premises. If any governmental authority or unit under any present or future law effective at any time during the Term shall in any manner levy a tax on rents payable under this Lease or rents accruing from use of the Leased Premises (as distinct from an income tax), Lessor shall pay said tax, subject to reimbursement by the County as an Operating Cost; provided, however, that said tax cannot be, and is not, claimed by Lessor as a business expense deduction for income tax purposes. To the extent Taxes or other charges can be paid in installments, Lessor may pay such Taxes in installments. With respect to any general or special assessments which may be levied against or upon the Leased Premises, or which under the laws then in force may be evidenced by improvement or other bonds or may be paid in annual installments, only the amount of such annual installment, and interest due

thereon, shall be included within the computation of Taxes. Lessor and County agree to work together to mitigate or eliminate the amount of Taxes at no expense to Lessor. "Taxes" shall not include any additional taxes, assessments, fines, or penalties resulting from Lessor's failure to timely and properly pay Taxes, which shall be paid by Lessor at its sole expense.

(a) **Real Property Tax Statements.** Lessor shall make appropriate arrangements to receive directly from the applicable governmental agency assessment notices and real property tax statements for the current year and shall provide a copy thereof promptly to County.

(b) **Right to Contest Taxes.** If Lessor receives prior notice that an appraisal of the Leased Premises, or any portion thereof, will be conducted for real property tax purposes, Lessor shall so notify County and permit County to be present during such appraisal if County so elects. County shall have the right in Lessor's name and stead, and at County's sole expense, to contest the validity or amount of any real property taxes provided all such taxes are paid when and as due. Lessor shall cooperate with County and provide reasonable assistance with respect to any such contest, including, without limitation, such information and supporting documents as may be reasonably requested by County. Notwithstanding any provision of this Lease to the contrary, County shall not be required, nor shall Lessor have the right, to pay, discharge or remove any such real property tax so long as no event of default has occurred and County is contesting the existence, amount, applicability or validity thereof by appropriate proceedings conducted in good faith with due diligence. In the event Lessor shall obtain a tax refund as a result of any such tax appeal or other proceedings, County shall be entitled to, and Lessor shall promptly pay to County, all such tax refunds.

6.3 Payment of Operating Costs by County. From and after Substantial Completion, County shall pay the Operating Costs to Lessor in the following manner:

(a) **Annual Operating Budget.** Lessor shall develop an annual operating budget ("**Annual Operating Budget**") for the Leased Premises and shall submit a copy to County no later than ninety (90) days prior to the anticipated date of Substantial Completion ("**Substantial Completion Date**"). The Annual Operating Budget shall be automatically incorporated into this Lease by reference as **Exhibit "D"**. An Annual Operating Budget shall be submitted by Lessor to County no later than ninety (90) days prior to the commencement of each fiscal year (July 1 to June

30) thereafter, for review and written approval by County for the purpose of determining the amount of estimated Operating Costs expected to be incurred in connection with the Leased Premises for the upcoming fiscal year. Lessor shall provide a copy of each approved Annual Operating Budget to the Master Lessor and BIA pursuant to the requirements of the Master Lease. If County does not approve the proposed Annual Operating Budget and County and Lessor are unable to agree upon an Annual Operating Budget by the thirtieth (30th) day prior to the commencement of the following fiscal year, Lessor and County will resolve the dispute in accordance with **Exhibit "K"** attached hereto and incorporated herein by reference. Until such time as such dispute is resolved, County shall continue to pay Operating Costs in accordance with the previously approved Annual Operating Budget.

(b) **Payment of Operating Expenses.** Following Substantial Completion, in addition to Rent, County shall pay monthly, on the same day of each month during the Lease Term as monthly Rent is due, an amount equal to one-twelfth (1/12) of the Operating Costs for each fiscal year as reasonably estimated by Lessor and set forth in the Annual Operating Budget.

(c) **County Review.** Operating Costs shall be subject to County's review, and County shall have the right to object to (i) any cost or expense which exceeds the prevailing price for such goods or services in the market; (ii) any cost or expense which has been improperly included under Section 6.1; or (iii) the failure of Lessor to exclude costs or expenses for goods or services which Lessor is obligated to provide under this Lease at its sole cost and expense.

(d) **Reconciliation.** Within ninety (90) days after the end of each fiscal year occurring during the Lease Term (or, if applicable, the Expiration Date), Lessor shall furnish County a reconciliation statement of the actual Operating Costs for the preceding fiscal year and County's actual payment of Operating Costs based upon the Parties' approved Annual Operating Budget. The reconciliation statement shall be prepared, signed, and certified to be correct by Lessor. If the actual Operating Costs for that fiscal year exceed the monthly payments of estimated Operating Costs made by County, County shall pay Lessor the deficiency within sixty (60) days after receipt of the reconciliation statement. If County's payments of estimated Operating Costs under Section 6.3(b) made during that fiscal year exceed the actual Operating Costs, the excess shall be credited by Lessor to the next installment(s) of Operating Costs coming due and payable; provided,

however, that such excess sum which is more than three (3) months of the then estimated Operating Costs, or any excess remaining and owed to County at the end of the Lease Term, shall be paid to County in cash via Lessor's electronic check within thirty (30) days after the date of the reconciliation statement. Lessor shall provide a copy of each reconciliation statement to the Master Lessor and BIA pursuant to the requirements of the Master Lease.

6.4 Warranties. During the Lease Term, Lessor shall use commercially reasonable efforts to enforce all applicable warranties in connection with defects which may arise in the original design, materials, or workmanship of the Leased Premises as originally constructed. Lessor shall assess maintenance, repairs, and replacements for potential warranty coverage and comply with warranty requirements, including but not limited to notices to the warrantor and requests for warranty service. Prior to Substantial Completion, costs incurred by Lessor in enforcing any such warranties shall be deemed a Project Cost and not payable by County. Thereafter, costs incurred by Lessor to enforce any warranties shall be subject to reimbursement as an Operating Cost. Notwithstanding the foregoing, following Substantial Completion, County may require Lessor to assign any such warranties to County, and County shall thereafter be responsible for enforcement of such warranties. To the extent any such warranties were not otherwise assigned prior to the Purchase Option transfer date, Lessor shall assign any remaining warranties to County on or prior to the Purchase Option transfer date.

If Lessor fails to take actions reasonably requested by County to enforce or otherwise obtain the benefit of any such warranty, County shall have the right, but not the obligation, to perform required work to correct any defects that may arise in the original design, materials, or workmanship of the Leased Premises as originally constructed. If such required work occurs prior to Substantial Completion, then Lessor shall reimburse County for the sum that County actually expends in the performance of such work. If Lessor does not reimburse County within thirty (30) days after demand from County for such work, County shall have the right to pursue any and all remedies available at law or equity against the relevant warranty provider, and County shall have the right to offset against the Rent payable under this Lease. If such work occurs after Substantial Completion, then the cost thereof shall be deemed an estimated Operating Cost already paid to Lessor by County

as described in Section 6.3(d) of this Lease.

6.5 Proration of Operating Costs. Operating Costs for any partial month during the Lease Term shall be prorated on a daily basis at the rate of one-thirtieth (1/30) of the Operating Costs for that month.

6.6 County's Right to Audit Operating Costs. Within that period expiring ninety (90) days after County's receipt of the reconciliation statement provided under Section 6.3(d), but not more than once per fiscal year, County shall have the right to audit Lessor's books and records pertaining to the accuracy of the computation of Operating Costs. Copies of such audit shall be delivered to Lessor and to the Master Lessor and BIA. If, after consultation with Lessor to determine such accuracy, any such audit, conducted in accordance with generally accepted accounting principles, reveals a discrepancy between Lessor's statement of the actual Operating Costs for the preceding fiscal year and the amount determined by such audit, then Lessor shall reimburse County the excess amount paid by County (or County shall pay to Lessor the deficiency), if any; and, if such discrepancy exceeds five percent (5%) or more, Lessor shall pay for the cost of such audit not to exceed \$5,000. In no event shall Lessor be responsible for an audit fee based on contingency. Similarly, County shall have the right to cause Lessor to undertake an audit of the books and records of the property manager for the Project in accordance with the provisions of the agreement entered into between Lessor and such property manager. If no such provisions exist, then County shall determine the method of the audit, which shall be conducted in accordance with generally accepted accounting principles. Costs incurred by Lessor in connection with any such audit shall be shared equally between Lessor and County. In the event County does not avail itself of its right to audit hereunder, the then preceding fiscal year shall be deemed conclusively accepted and not subject to further review.

7. Assignment and Assumption of Lessor's Master Leasehold Interest (County's Option to Purchase Building and Improvements and Assume Master Lease)

7.1 Grant of Option. Lessor hereby grants County an option to purchase the Building and Improvements and acquire and assume Lessor's interest as the lessee under the Master Lease ("**Purchase Option**"). Lessor represents and warrants that it will be the owner of the Building

and Improvements to be constructed on the Land. In addition, Lessor represents that it is the lessee under the Master Lease. The Master Lease, in draft form, is attached hereto as **Exhibit "I."**

County shall have the exclusive right and option, which shall be irrevocable during the Lease Term, to (a) purchase Lessor's right, title, and interest in and to the Building and Improvements, at the price, herein called the **"Option Price,"** as set forth in **Exhibit "J"** attached hereto and incorporated herein by reference, and (b) assume the Master Lease (which Lessor shall assign to County). County may exercise its option to purchase the Building and Improvements and assume the Master Lease by giving notice thereof to Lessor not later than three hundred sixty-five (365) days prior to the date on which it desires to purchase the Building and Improvements, herein called the **"Purchase Date,"** based upon the price and conditions on the schedule set forth in **Exhibit "J"** and incorporated herein by reference. The Purchase Date shall be the date upon which escrow is closed and a Bill of Sale, Deed and Assignment and Assumption of Lease are all recorded.

In the event County exercises the Purchase Option prior to or at the end of the Lease Term, the County shall open escrow to purchase the Building and Improvements and Lessor's leasehold interest in the Land for the purchase price set forth in **Exhibit "J"**.

7.2 Option Escrow. In the event County exercises the Purchase Option,

(a) County shall open an escrow and shall commence and proceed diligently to close escrow in a timely and reasonable manner based upon similar purchase transactions of comparable buildings in the area;

(b) County shall be responsible for all costs in connection with the sale and transfer of the Building, Improvements, and Lessor's leasehold interest in the Land, including without limitation, the cost of a CLTA policy in favor of County, insuring County's interest in and title to the Building, Improvements, and Lessor's leasehold interest in the Land; and

(c) The escrow holder will be instructed to retire any debt then remaining out of Lessor's proceeds. If Lessor's proceeds are insufficient to retire said debt, Lessor shall deposit funds into escrow sufficient to retire said debt. County will pay any pre-payment penalties which may be due lender. Any such pre-payment penalties shall not reduce nor diminish Lessor's proceeds. At the close of escrow, this Lease shall terminate.

7.3 Master Lease Provisions. Reference is made to the provisions of the Master Lease, to which this Lease is subject, pertaining to the assignment and assumption of the Master Lease by the County.

8. Compliance Requirements.

8.1 Compliance With Applicable Requirements. Lessor warrants that upon the Commencement Date, the Leased Premises shall comply with all applicable local, state, federal laws, covenants or restrictions of record, building codes, regulations and ordinances ("**Applicable Requirements**") in effect on the Commencement Date of this Lease. If the Leased Premises do not comply with said warranty, Lessor shall, promptly after receipt of written notice from County or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Lessor's expense. If the Applicable Requirements are hereinafter changed so as to require during the Lease Term, unless same is the result of the use to which County puts the Leased Premises, the construction of an addition to or an alteration of the Leased Premises, the remediation of any Hazardous Materials as hereinafter defined, or the reinforcement or other physical modification of the Leased Premises, Lessor shall, promptly after receipt of written notice from County or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Lessor's expense, subject to County reimbursement as an Operating Cost.

8.2 California Environmental Quality Act. Lessor warrants, on the Substantial Completion Date, the Leased Premises will have been developed in full compliance with all pertinent California Environmental Quality Act ("**CEQA**") requirements for new construction in the jurisdiction. This Lease is contingent on Lessor obtaining all required environmental and land use permits, including CEQA compliance with any applicable public agencies. This Lease is not deemed to be an approval pursuant to CEQA for any specific development or project and does not commit any public agency, including the City of Palm Springs, to a definite course of action regarding the Project that may lead to an adverse effect on the environment or limit any choice of alternatives or mitigation measures prior to full CEQA compliance. Further, Lessor shall indemnify, defend, and hold harmless County, its agencies, districts, special districts, divisions, and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents, and representatives, at its sole cost and expense, including but not limited to, attorney fees, cost of investigation, defense and settlements or awards, from any liability whatsoever, based upon, arising

out of, or in any way related to any claim, challenge, complaint, or action challenging the legality of such CEQA compliance related to any of the proposed uses of the Leased Premises.

8.3 Americans with Disabilities Act. Lessor warrants and represents the Leased Premises shall, upon Substantial Completion, be readily accessible to and usable by individuals with disabilities in compliance with Title III of the Americans with Disabilities Act of 1990 and Title 24 of the California Code of Regulations, as amended from time to time, and regulations issued pursuant thereto and in effect from time to time as of the Commencement Date. Subject to reimbursement as an Operating Cost, Lessor will pay all costs incurred to cause the Leased Premises to comply with the Act throughout the Lease Term.

8.4 Asbestos and Lead Based Paint. Lessor warrants and represents the Leased Premises shall be constructed free of hazard from asbestos and lead based paint.

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

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

Lessor warrants and represents to County that Lessor has not used, discharged, dumped, spilled or stored any Hazardous Materials on or about the Leased Premises, whether accidentally or intentionally, legally or illegally, and has received no notice of such occurrence and has no knowledge that any such condition exists at the Leased Premises. If any claim is ever made against County relating to Hazardous Materials present at or around the Leased Premises, whether or not such substances are present as of the date hereof, or any such Hazardous Materials are hereafter discovered at the Leased Premises (unless introduced by County, its agents or employees), all costs of removal incurred by, all liability imposed upon, or damages suffered by County because of the same shall be borne by Lessor, and Lessor hereby indemnifies and agrees to be responsible for and defend

and hold County harmless from and against all such costs, losses, liabilities and damages, including, without limitation, all third-party claims (including sums paid in settlement thereof, with or without legal proceedings) for personal injury or property damage and other claims, actions, administrative proceedings, judgments, compensatory and punitive damages, lost profits, penalties, fines, costs, losses, attorneys' fees and expenses (through all levels of proceedings), consultants or experts fees and costs incurred in enforcing this indemnity.

The County and Lessor shall indemnify the United States and the Indian landowners (Master Lessor) against all liabilities or costs relating to the use, handling, treatment, removal, storage, transportation, or disposal of hazardous materials, or the release or discharge of any hazardous material from the Master Lease Property, including the subleased Leased Premises under this Lease, that occurs during the term of this Lease (and, if longer, the Master Lease term), regardless of fault, with the exception that the County and Lessor are not required to indemnify Master Lessor for liability or cost arising from Master Lessor's negligence or willful misconduct.

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

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

9. Custodial Services.

9.1 Custodial Services. Lessor shall provide, or cause to be provided, and pay for all custodial services in connection with the Leased Premises and such services shall be provided as set forth in the attached **Exhibit "E"** and incorporated herein by reference. County shall reimburse Lessor for custodial services as an Operating Cost, as set forth in Section 6.1. The custodial services provider will perform background checks, through LiveScan or in the manner specified by County, of qualified permanent and temporary employees to determine their suitability for employment. The provider will be bonded in the sum of \$10,000.00, and proof of such insurance, as supplied by Lessor, shall be furnished to County prior to occupancy of Leased Premises by County. In addition to bonding as required herein, Lessor shall also receive proof of statutory workers' compensation insurance, commercial general liability and vehicle liability insurance from the provider of any custodial functions performed at the Leased Premises location, and provide same to County. Lessor to provide a day porter during business hours.

9.2 County's Right to Provide Custodial Service and Deduct Cost. If County provides verbal notice by telephone and followed up by e-mail notice to Lessor of an event or circumstance that requires the action of Lessor with respect to the custodial services as set forth in Section 9.1 and **Exhibit "E"** and Lessor fails to provide such action as required by the terms of this Lease within three (3) days of County's notice, County may take the required action to provide custodial services by its staff or those of a custodial contractor if: (1) County delivers to Lessor an additional written notice advising Lessor that County intends to take the required action if Lessor does not begin the required action within forty-eight (48) hours after the written notice; and (2) Lessor fails to begin the required work within this forty-eight (48) hour period. Upon demand by County, Lessor shall promptly reimburse County the actual cost and expenses thereof, provided said costs and expenses are reasonable. Should Lessor fail to promptly pay the cost and expenses, County may deduct and offset that amount from Rent payable under this Lease. For purposes of this Section, notice given by e-mail shall be deemed sufficient. Additionally, any notice provided by County to Lessor under this Section shall also be delivered to Lessor's property manager, provided County has been provided the contact information therefor. Notwithstanding anything contained in this Section 9 to the contrary, under no circumstances will a Lessor failure to provide janitorial services as set forth in this Section be deemed a material default.

10. Utilities.

10.1 Utility Services. Lessor warrants and represents to County that, as of the Substantial Completion Date, that sufficient utility service to provide water, telecommunications, electric power, natural gas and sewers necessary to meet County's requirements exists or is available for use by County within the Leased Premises.

10.2 Payment. County shall pay for all telecommunications, natural gas, electrical services, water and sewer within the leased office space which will be used by County in connection with the Leased Premises. Lessor shall provide, or cause to be provided, and pay for all other utility services, including, but not limited to, landscape water and refuse collection, as may be required in the maintenance, operation and use of the Leased Premises, all subject to County reimbursement as an Operating Cost.

11. Repairs and Maintenance.

11.1 Lessor's Repair and Maintenance Obligations. Lessor shall, at Lessor's expense, subject to reimbursement by County as an Operating Cost as set forth in Section 6.1 and any County-Procured Services, in accordance with the terms of this Lease, repair, replace and maintain in attractive condition, good order and function throughout the Lease Term, in accordance with Exhibit "F" General Construction Specifications for Leased Facilities, and all Working Drawings, plans and specifications for the Leased Premises, (a) the structural portions of the Leased Premises (understood to include the roof, foundation and load bearing walls); (b) the nonstructural portions of the Leased Premises (understood to include the roof covering and membrane) including but not limited to all improvements, alterations, fixtures, but excluding furnishings; (c) all systems and equipment, including but not limited to, Base Building Systems that serve the Leased Premises; and (d) the exterior portions of the Leased Premises, and the Land, including, but not limited to, landscaping, driveways, sidewalks, lighting and parking facilities servicing the Leased Premises. It is the intent of this paragraph that Lessor performs any and all building repairs, replacements and maintenance. Lessor agrees to make all repairs to or alterations of the Leased Premises that may become necessary by reason of industry standard for age, wear and tear, deferred maintenance or defects in any construction thereof by Lessor.

11.2 Lessor's Default. Repairs shall be made to keep the applicable portion of the Leased Premises and other items in the Leased Premises in good condition and repair. Lessor understands certain response time is required to ensure County operations continue with minimal interruption to ensure the safety of employees and delivery of services. Lessor shall commence repairs

within eight (8) hours from written notice on such items including: electrical power, HVAC operations, water leakage, and certain essential daily custodial services (unless the responsibility for same is taken over by County pursuant to Section 9.2). Lessor shall not be in default of its repair and maintenance obligations under this Section 11 if Lessor commences the repairs and maintenance within eight (8) hours of the aforementioned areas and twenty-one (21) days for all others after written notice by County to Lessor of the need for such repairs and maintenance. If, due to the nature of the particular repair or maintenance obligation, more than thirty (30) days are reasonably required to complete it, Lessor shall not be in default under this Section 11 if Lessor begins work within this thirty (30) day period and diligently pursues this work to completion.

11.3 County's Right to Make Repairs and Deduct Cost. If County provides notice by telephone and followed up by email to Lessor of an event or circumstance that requires Lessor's action with respect to the replacement, repair or maintenance to the Leased Premises or Base Building Systems serving the Leased Premises as set forth in Section 11.1 and Lessor fails to provide such action as required by the terms of this Lease within the period specified in Section 11.2, County may (but shall not be obligated to) take the required action if: (1) County delivers to Lessor an additional written notice advising Lessor that County intends to take the required action if Lessor does not begin the required repair or maintenance within one (1) business day after the written notice; and (2) Lessor fails to begin the required work within the one (1) business day period.

11.3.1 Lessor grants to County a license, effective during the Lease Term, to enter upon those portions of the Leased Premises for County to reasonably take such action.

11.3.2 If such action was required under the terms of this Lease to be taken by Lessor, County shall be entitled to prompt reimbursement by Lessor of County's reasonable costs and expenses in taking such action, plus interest at six percent (6%) per annum from the date these costs are incurred until the date of Lessor's repayment. Lessor's obligation to reimburse County shall survive expiration or termination of this Lease. Notwithstanding the foregoing, nothing in this Section shall otherwise change the burden of an expense from one party to another.

11.3.3 If, within thirty (30) days after receipt of County's written demand for payment of County's costs incurred in taking such action on Lessor's behalf, Lessor has not paid the invoice or delivered to County a detailed written objection to it, County may deduct each month from one half of the Rent payable by County under this Lease for that month the amount set forth in the

invoice, plus interest at the interest rate described above from the date these costs are incurred until the date of County's Rent offset, until County is fully reimbursed.

11.4 Emergency Repairs.

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

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

11.4.3 If Lessor fails to commence repairs within twenty-four (24) hours of the aforementioned notice, or if County is unable to contact Lessor or any designated agent within a reasonable time based upon the seriousness of the event or situation, County may, but shall not be so obligated to, cause said repairs or replacements to be made or such maintenance to be performed. Upon demand by County, Lessor shall promptly reimburse County the actual cost and expenses thereof, provided said costs and expenses are reasonable. Should Lessor fail to promptly pay the cost and expenses, County may deduct and offset that amount from Rent payable under this Lease.

11.5 Periodic Services. Lessor shall provide, or cause to be provided, and pay for, subject to County reimbursement as an Operating Cost, the following Periodic Services. "**Periodic Services**" shall mean and refer to interior painting of common areas every three years, if so requested by County; monthly pest control services; quarterly HVAC standard preventative maintenance and changing of air filters; annual fire extinguisher inspections; reset interior and exterior time clocks for time changes; annual roof inspections and maintenance to include roof repairs/replacement; and the cleaning of roof gutters, drains, and down spouts prior to rainy season.

12. Alterations and Improvements.

12.1 Improvements by Lessor.

12.1.1 Lessor recognizes and understands that any improvements requested by County to be completed by Lessor during the Lease Term shall be undertaken according to the

Leasehold Improvement Agreement, and **Exhibit "F"**, General Construction Specifications for Leased Facilities.

12.1.2. Lessor shall require that its contractor ("**Contractor**") shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.

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

12.1.2.2 Lessor shall require that Contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates at which Lessor will post at the job site. All prevailing wages shall be obtained by Lessor/Contractor from:

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

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

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

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

12.1.3 Lessor shall comply and stay current with all applicable local, state and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements in providing County with any requested County improvements. If such County improvements specifically cause ADA or other building and/or site improvements to be made, the cost for these improvements shall be paid for by County.

12.1.4 If any agency, division or department of any governmental entity with appropriate jurisdiction condemns the Leased Premises or any part thereof as unsafe or not in conformity with any of the laws or regulations controlling their construction, occupation or use, or orders or requires any alteration, repair or reconstruction of the Leased Premises, Lessor, subject to reimbursement as an Operating Cost, will undertake all necessary alterations and repairs required to bring the Leased Premises into full and exact compliance. Lessor shall not be entitled to said reimbursement if the work required pursuant to this subsection in any way arises from or is related to Lessor's negligence, willful misconduct, or failure to comply with the terms and conditions of this Lease.

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

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

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

12.1.8 Due to County fiscal year funding and accounting practices, any costs due to Lessor for reimbursement of such post-occupancy Lessee improvements during the Term must be invoiced and received by County prior to May 1st of each fiscal year in which services to County were provided to ensure payment.

12.2 Improvements by County.

12.2.1 Any alterations, improvements, or installation of fixtures to be undertaken by County at the Leased Premises shall require Lessor's prior written consent, which shall not be unreasonably withheld, conditioned nor delayed. County shall complete all alterations, improvements and installation of fixtures at the Leased Premises at its sole cost and expense, lien free, and in compliance with all applicable law and the Master Lease.

12.2.2 All non-permanent alterations and improvements made, and fixtures installed by County at the Leased Premises shall remain County property and may be removed by

County at or prior to the expiration of this Lease; provided, however, that such removal does not cause injury or damage to the Leased Premises beyond normal wear and tear.

12.3 Communications Equipment. County may, from time to time, install maintain, replace and/or remove any satellite dishes, links, duct bank or antennas on the grounds, roof and/or exterior walls or parapet of the Leased Premises as County deems reasonably necessary or desirable, provided County shall obtain Lessor's prior written consent, which shall not be unreasonably withheld, conditioned, nor delayed. County shall repair any damage incurred in the removal or installation of any such satellite dishes, links or antennas. Notwithstanding the foregoing, County shall utilize the services of licensed personnel including a roofer, so as to minimize any risk of building warranties loss, such as the roof warranty.

13. Assignment/Transfer, Sub-Sublease and Encumbrance of this Lease.

13.1 Assignment of Lease. Except as otherwise specifically provided herein, County shall have the right, without Lessor's consent, to assign the Lease to any parent, subsidiary, affiliate or authorized agent of County. In the event of an assignment, County shall provide Lessor, Master Lessor, and BIA with notification thereof within 30 days of the transfer. County shall not be released from its obligations hereunder by way of any assignment.

Further, this Lease may not be assigned without the written consent of Master Lessor and with written approval of the BIA, which shall not be unreasonably withheld, and meeting any additional consent or approval requirements of 25 CFR §162.454. In addition, Lessor must obtain the written consent of mortgagees or sureties, and Lessor must be in full compliance (i.e., no violations or default) under the Master Lease.

If Lessee is: (i) a partnership, then a withdrawal, transfer or change in control, voluntarily or by operation of law, in one transaction or over multiple transactions, of or by the partner or partners owning fifty percent (50%) or more in voting interests of the partnership, or the dissolution of the partnership without reconstitution, shall be deemed an assignment of this Lease; (ii) a limited liability company (excepting publicly traded limited liability companies), then a withdrawal, transfer or change in control, voluntarily or by operation of law, in one transaction or over multiple transactions, of or by the member or members owning fifty percent (50%) or more in voting interests of the limited liability company, or the dissolution of the limited liability company, shall be deemed an assignment of this Lease; (iii) a corporation (excepting publicly traded corporations), then any dissolution, merger, or consolidation of the corporation, or any sale,

conveyance or other transfer of fifty percent (50%) or more of the voting stock of the corporation, or the sale or other transfer of fifty percent (50%) or more of the value of the assets of the corporation, in one transaction or over multiple transactions, shall be deemed an assignment of this Lease; or (iv) a trust or other entity, then any change in control of such entity shall be deemed an assignment of this Lease. The County shall be obligated to notify Lessor and the BIA in writing of any such change in voting interests, voting stock or control, as the case may be.

13.2. Sub-Sublease. Except as otherwise specifically provided herein, County shall have the right, without Lessor's consent, to sublease the Leased Premises to any subsidiary, affiliate or authorized agent of County. In the event of a sub-lease, County shall provide Lessor, Master Lessor, and BIA with notification thereof within 30 days of the sub-lease.

Any sublease of this Lease (i.e., a sub-sublease under the Master Lease) shall require the written consent of Lessor and written approval of the BIA, which shall not be unreasonably withheld, if the subleased premises comprise more than 50% of the square footage of the Building.

13.3. Encumbrance of Lease. Subject to the BIA's written approval, County shall have the right to encumber its leasehold interest in any manner it deems appropriate. Any encumbrance of all or any portion of this Lease shall require the BIA's prior written approval.

14. Insurance and Indemnification

14.1 Insurance. Without limiting or diminishing Lessor's obligation to indemnify and hold County harmless, Lessor shall procure and maintain or cause to be maintained, at its sole cost and expense but subject to reimbursement as an Operating Cost, the following insurance coverages during the Lease Term. As respects to the insurance section only, County herein refers to County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

14.1.1 Property Insurance. From and after the Substantial Completion Date, Lessor shall maintain, or cause to be maintained, Cause of Loss Special Form (a/k/a All-Risk) property insurance coverage ("**Property Insurance**") in an amount equal to the full replacement value of the Leased Premises (including, but not limited to, any building glass, and machinery). Lessor shall maintain, or cause to be maintained insurance coverage for rental interruption for a period not less than one (1) year, earthquake, flood and/or wind damage. The foregoing policy

shall be primary, and the proceeds of same shall be used for the repair and/or reconstruction of the Leased Premises.

14.1.2 Workers' Compensation. If Lessor has employees as defined by the State of California they shall procure and maintain Workers' Compensation Insurance, in full compliance with the workers' Compensation and Occupational Disease Laws of all authorities having jurisdiction over the Master Lease Property. Such policy shall include Employers' Liability (Coverage B) and Occupational Disease coverage, with limits not less than One Million Dollars (\$1,000,000) per person, per occurrence. Policy shall provide a Waiver of Subrogation in favor of County.

14.1.3 Commercial General Liability. Procure and maintain comprehensive general liability insurance coverage that shall protect County from claims for damage for personal injury, including, but not limited to, accidental and wrongful death, as well as from claims for property damage, which may arise from County's use of the Leased Premises or the performance of its obligations hereunder, whether such use or performance be by County, by any subcontractor, or by anyone employed directly or indirectly by either of them. Policy shall also include fire and extended coverage on the improvements, alterations and fixtures to be constructed and installed upon the Leased Premises in an amount not less than the full replacement value of such improvements, alterations and fixtures. Such insurance shall name County as an additional insured with respect to this Lease and the obligations of County hereunder. Such insurance shall provide for limits of not less than One Million Dollars (\$1,000,000) per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Lease or be no less than three (3) times the occurrence limit.

14.1.4 Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Lease, then Lessor 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 three (3) times the occurrence limit. Policy shall name County as Additional Insureds.

14.1.5 General Insurance Provisions – All lines:

(a) 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 County Risk Manager. If County's Risk

Manager waives a requirement for a particular insurer, such waiver is only valid for that specific insurer and only for one policy term.

(b) Reserved.

(c) Lessor shall cause Lessor's insurance carrier(s) to furnish the County with a properly executed Certificate(s) of Insurance and original copies of Endorsements effecting coverage as required herein. Further, said certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice be given to County prior to any material modification or cancellation, expiration or reduction in coverage of such insurance. If Lessor insurance carrier(s) policies does not meet the minimum notice requirement found herein, Lessor shall cause Lessor's insurance carrier(s) to furnish a 30-day Notice of Cancellation Endorsement.

(d) In the event of a material modification, cancellation, expiration, or reduction in coverage, Lessor shall immediately notify County and BIA in writing of such modification, cancellation, expiration, or reduction in coverage, and shall have thirty (30) days from the date of said modification, cancellation, expiration, or reduction in coverage to cure the deficiency associated with the insurance coverage, unless the County received, prior to such effective date, another properly executed Certificate of Insurance and copies of endorsements evidencing coverages set forth herein and the insurance required herein is in full force and effect. County shall not commence operations until County has been furnished Certificate(s) of Insurance and copies of endorsements. 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.

(e) It is understood and agreed to by the parties hereto that Lessor's insurance shall be construed as primary insurance, and County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(f) County reserves the right to require that Lessor adjust the monetary limits of insurance coverage as required in this Paragraph 14 herein every fifth (5th) year during the term of this Lease or any extension thereof, subject to ninety (90) days written notice to County of such adjustment, in the event that County reasonably determines that the then existing monetary limits of insurance coverage are no longer consistent with those monetary limits of insurance coverage generally prevailing in the Riverside County area for facilities comparable to the Leased

Premises; provided, however, that any adjustment shall not increase the monetary limits of insurance coverage for the preceding five (5) years in excess of fifty percent (50%) thereof.

(g) Lessor shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Lease.

(h) Lessor agrees to notify County 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 Lease.

(i) All insurance policies held under this Lease or otherwise on the Leased Premises or any portion thereof shall name the Master Lessor and the United States Department of the Interior, Bureau of Indian Affairs – Palm Springs Agency as additional insureds. Unless stricter requirements are imposed under this Lease, insurance policies shall be furnished by such responsible companies as are rated A Class V or better in the current edition of Best's Insurance Guide and licensed to do business in California, unless otherwise approved by the BIA. A current certificate of insurance or copy of said policy and all renewals shall be furnished to the Bureau of Indian Affairs, Palm Springs Agency. The County and/or Lessor shall notify the BIA without delay if either becomes aware of any occurrence which might precipitate the filing of a claim by or against the insured. The insurance policy or an endorsement shall provide for not less than thirty (30) days' advance written notice to the BIA in the event of cancellation or non-renewal or a material reduction in coverage. A current certificate of insurance or copy of said policy and all renewals shall be furnished to the Bureau of Indian Affairs, Palm Springs Agency and shall make reference to "Lease No. PSL-510."

Neither Master Lessor nor the United States nor their officers, agents, and employees shall be liable for any loss, damage or injury of any kind whatsoever to the person or property of the County, Lessor, sub-sublessees, invitees, or any other person whomsoever, caused by any use or condition of the Master Lease Property or the Leased Premises subleased under this Lease, or by any defect in any structure erected thereon, or arising from any accident, fire, or other casualty on or about the Master Lease Property or the Leased Premises subleased under this Lease, or from any other cause whatsoever, except to the extent it is directly caused by Master Lessor's negligence or willful misconduct.

14.2 Indemnification.

14.2.1 Except as otherwise provided herein, County represents that it has inspected the Leased Premises, accepts the condition and fully assumes any and all risks incidental to

the use thereof. County shall not be liable to Lessor, its agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within the Leased Premises unknown to County, its officers, agents or employees.

14.2.2 Lessor shall indemnify and hold harmless County, its Agencies, Districts, Special Districts, and Departments, their respective directors, its officers, officers, Board of Supervisors, agents, employees, elected or appointed officials, agents or representatives and independent contractors (individually and collectively hereinafter referred to as Indemnitees) free and harmless from any liability whatsoever, based or asserted upon any act or omission of Lessor, its officers, agents, employees, subcontractors and independent contractors for property damage, bodily injury, or death (County's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from its use, occupancy or operation of the Leased Premises, and Lessor, shall defend, at its expense, including attorney fees, Indemnitees in any legal action based upon such alleged acts or omissions. County shall indemnify, hold harmless and defend Lessor, BIA and Master Lessor from and against any and all claims, actions, demands, expenses and liability whatsoever, including reasonable attorneys' fees, on account of any such real or claimed damage or liability and from all liens, claims, demands, expenses and liability whatsoever arising out of the negligence or willful misconduct of County and/or any of County's employees, agents, representatives and/or contractors.

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

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

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

14.3 Indemnification of Master Lessor and BIA. The County and Lessor shall hold the United States and the Indian landowners (Master Lessor) harmless from any loss, liability, or damages resulting from the use or occupation of the Master Lease Property, including the subleased Leased Premises under this Lease. All provisions of this Lease pursuant to which Lessor or the County provides indemnification are hereby supplemented to add Master Lessor, the BIA and the United States and their officers, agents and employees as additional indemnitees. Further, all provisions of this Lease which contain, or are interpreted to contain, any waiver by the County or Lessor, or any exculpation of Lessor by the County or of the County by Lessor shall similarly inure to the benefit of the Master Lessor, the BIA and the United States.

15. Damage and Destruction.

15.1 Repair of Damage. County agrees to notify Lessor in writing promptly of any damage to the Leased Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("**Casualty**"). If the Leased Premises are damaged by a Casualty, Lessor shall promptly and diligently restore Leased Premises, the improvements originally constructed by Lessor pursuant to the Leasehold Improvement Agreement (the "**County Improvements**"), Base Building Systems, and County's parking facilities to substantially the same condition as existed before the Casualty, subject to modifications required by building codes and other laws. Lessor shall utilize the insurance proceeds carried therefor. If County requests that Lessor make any modifications to the County Improvements in connection with the rebuilding, Lessor may condition its consent to those modifications on: (a) confirmation by Lessor's contractor that the modifications shall not increase the time or cost needed to complete the County Improvements; and, if applicable, and (b) an agreement by County that the additional construction period shall not extend the Abatement Period (as defined below).

15.2 Repair Period Notice. Lessor shall, within thirty (30) days after the date of the Casualty, provide written notice to County indicating the anticipated period for repairing the Casualty ("**Repair Period Notice**"). The Repair Period Notice shall be accompanied by a certified statement executed by the Contractor retained by Lessor to complete the repairs or, if Lessor has not retained a Contractor, a licensed Contractor not affiliated with Lessor, certifying the Contractor's opinion about the anticipated period for repairing the Casualty.

15.3 Rent Abatement Due to Casualty. Lessor and County agree that County's Rent, but not Operating Costs, shall be fully abated during the period beginning on the date on which

County ceases to occupy the Leased Premises and ending on the date of substantial completion of Lessor's restoration obligations as provided in this Section 15 ("**Abatement Period**"). If, however, County is able to occupy and does occupy a portion of the Leased Premises, Rent and Operating Costs shall be equitably abated during the Abatement Period only for the portion of the Leased Premises not occupied by County. Notwithstanding the foregoing, subject to reimbursement as an Operating Cost, loss of rent insurance will be obtained.

15.4 Waiver of Statutory Provisions. The provisions of this Lease, including those in this Section 15 constitute an express agreement between Lessor and County that applies in the event of any Casualty to the Leased Premises. Lessor and County, therefore, fully waive the provisions of any statute or regulation, for any rights or obligations concerning a Casualty including California Civil Code Sections 1932(2) and 1933(4).

15.5 Master Lease. Reference is further made to the Master Lease provisions regarding damage and reconstruction.

16. Eminent Domain.

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

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

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

16.4 Temporary Condemnation. In the event that a temporary condemnation renders the Leased Premises temporarily unusable for County's business, as determined in the sole discretion of the County, this Lease will remain in effect, County will not pay Rent and Operating Costs, and County will receive any award made for the condemnation. In the event that a temporary condemnation does not render the Leased Premises unusable for the business of County, as determined in the sole discretion of the County, County will pay Rent, and County will receive any award made for the condemnation. If a temporary condemnation remains in effect at the expiration or earlier termination of this Lease, County will pay cost of performing any obligations required of County with respect to the surrender of the Leased Premises. If a temporary condemnation is for a period that extends beyond the Term, this Lease will terminate as of the date of occupancy by the condemning authority and any award will be distributed in accordance with Section 16.3.

16.5 Master Lease. Reference is further made to the Master Lease provisions regarding eminent domain.

17. Estoppel Certificates; Subordination, Non-Disturbance, and Attornment.

17.1 Estoppel Certificates. Within twenty (20) business days after receipt of a written request by either Party (i.e., County or Lessor), the other Party (Lessor or County) shall execute and deliver to the requesting Party an Estoppel Certificate, in substantially the form of the attached Exhibit "G", indicating in the certificate any exceptions to the statements in the certificate that may exist at that time.

17.2 Subordination, Non-Disturbance, and Attornment Agreement. To carry out the purposes of Sections 17.2.1 and 17.2.3, the Parties agree to execute a Subordination, Non-Disturbance and Attornment Agreement in the form set forth in the attached Exhibit "H" (the "SNDA").

17.2.1 Subordination. County agrees that within forty-five (45) days after Lessor's written request, it shall execute the SNDA that Lessor reasonably considers necessary to

evidence or confirm the subordination or inferiority of this Lease to the lien of any mortgage, deed of trust or other encumbrance of the Leased Premises or any renewal, extension, modification, replacement thereof, provided, however, that such SNDA shall be strictly limited to matters contained in the agreement referred to in Section 17.2 and no such SNDA shall materially increase any of County's obligations or materially decrease any of County's rights under this Lease, nor shall the possession of County be disturbed, by reason of any foreclosure, sale or other action under any such trust deed, mortgage or other encumbrance.

17.2.2 Attornment. If Lessor's interest in the Leased Premises passes to a successor, and provided County has received the SNDA referred to in Section 17.2, County shall, within forty-five (45) business days after Lessor's transferee's request, execute the SNDA referred to in Section 17.2, thereby agreeing to attorn and to recognize the transferee as Lessor under this Lease; provided the transfer of Lessor's interest in the Leased Premises was by sale, lease, foreclosure, deed in lieu of foreclosure, or exercise of any remedy provided in any encumbrance or operation of law.

18. Default

18.1 County's Default. The occurrence of either of the following shall constitute a default by County pursuant to this Lease: (i) County's failure to pay rent when due under this Lease, where such failure continues for thirty (30) days after notice that such payment is due; and (ii) County's failure to observe or perform any covenant, term or condition of this Lease (other than the payment of rent) where such failure continues for thirty (30) days after notice thereof from Lessor to County; provided that if such failure is capable of being cured, but cannot reasonably be cured within such thirty (30) day period, County shall not be in default hereunder so long as County commences such cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion.

18.1.1 In the event of any default by County pursuant to Section 18.1 above, in addition to any other remedies available to Lessor at law or in equity, Lessor shall have the immediate option to terminate this Lease and all rights of County hereunder by giving written notice of such intention to terminate. In the event that Lessor shall elect so to terminate this Lease, then Lessor may recover from County:

(i) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss County proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that County proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Lessor for all the detriment proximately caused by County's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The term "rent" as used in Section 18.1 shall be deemed to mean Rent only. As used in Section 18.1.1 above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

18.1.2 In the event of any default by County pursuant to this Section above and County's abandonment of the Leased Premises, Lessor shall also have the right to reenter the Leased Premises and remove all persons and property therefrom by summary proceedings or otherwise; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of County or disposed of in a reasonable manner by Lessor.

18.1.3 In the event Lessor shall elect to reenter as provided in Section 18.1.2 above, or shall take possession of the Leased Premises pursuant to legal proceedings or pursuant to any notice provided by law, and if Lessor does not elect to terminate this Lease, then Lessor may from time to time, without terminating this Lease, either recover all rental as it becomes due or relet the Leased Premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Lessor in its reasonable discretion may deem advisable. In the event that Lessor shall elect to relet, then rentals received by Lessor from such reletting shall be applied to the payment of any indebtedness owed by County to Lessor and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rentals 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 Lessee hereunder, then Lessee shall pay such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor, as soon as ascertained, any costs and

expenses reasonably incurred by Lessor in such reletting. No reentry or taking possession of the Leased Premises by Lessor pursuant to this Section 18, shall be construed as an election to terminate this Lease unless a written notice of such intention be given by Lessor to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Lessor may at any time after such reletting elect to terminate this Lease for any such default by Lessee.

18.1.4 All rights, options and remedies of Lessor contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Lessor shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease.

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

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

18.4 Rent Setoff. If, within thirty (30) days after receipt of County's written demand for payment of County's costs incurred in taking such action on Lessor's behalf, Lessor has not paid the invoice or delivered to County a detailed written objection to it, County may deduct each month from one half (1/2) of Rent payable by County under this Lease for that month the amount set forth in the invoice, including reasonable transaction costs and reasonable attorneys' fees, plus interest from the date these costs are incurred until the date of County's Rent setoff, until County is fully reimbursed.

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

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

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

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

19.4 Easements. Lessor shall not (a) create, modify or terminate any ingress or egress to or from the Leased Premises, or (b) create any easements in the Leased Premises that would materially, adversely affect County's occupancy or use of the Leased Premises, in each case, without County's prior written approval, which shall not be unreasonably withheld. Lessor shall subdivide, parcel and create a separate parcel on which the Leased Premises are located, and County shall reasonably cooperate with Lessor's implementation of such plans, including, without limitation, execution of commercially reasonable reciprocal easement agreements. Lessor agrees to allocate a minimum of approximately 175 parking spaces to the Leased Premises, and provide reciprocal parking rights to the adjacent parcel over which Lessor has rights. Prior to finalizing the parcel map with the local jurisdiction, Lessor shall provide the parcel map for County's review and approval. After review and approval of the local jurisdiction of the parcel map, Lessor shall provide the approved parcel map to County within one (1) year of said approval. The foregoing time shall be extended for a reasonable time so long as Lessor is diligently processing the parcel map to completion.

20. Miscellaneous.

20.1 Quiet Enjoyment. Lessor covenants that County shall at all times during the Lease Term peaceably and quietly have, hold and enjoy the use of the Leased Premises so long as County shall fully and faithfully perform the terms and conditions that it is required to do under this Lease. Lessor covenants for itself and anyone deriving title from or holding title under Lessor that

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

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

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

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

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

20.6 Attorneys' Fees. In the event of any litigation or arbitration between Lessor and County to enforce any of the provisions of this Lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment rendered in such litigation or arbitration. The Party who is responsible for paying the other Party's attorneys' fees pursuant to this Section 20.6 shall also be responsible for paying Master Lessor's reasonable attorneys' fees if Master Lessor is also involved in such litigation or arbitration (except, with respect to the Master Lessor and Lessor, that Master Lessor is specifically responsible for Lessor's fees under the provisions of the Master Lease).

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

20.8 Agent for Service of Process. It is expressly understood and agreed that in the event Lessor is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such

event, Lessor shall file with County's Assistant County Executive Officer/ECD, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Lessor. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event, Lessor may be personally served with such process out of this county and that such service shall constitute valid service upon Lessor. It is further expressly understood and agreed that Lessor is amenable to the process so served, submits to the jurisdiction of the court so obtained and waives any and all objections and protests thereto.

20.9 Entire Agreement. This Lease, including all exhibits attached hereto, is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Lease may be changed or modified only upon the written consent of the Parties hereto and in compliance with the Master Lease (which requires Master Lessor consent and BIA approval).

20.10 Interpretation. The Parties hereto have negotiated this Lease at arm's length and have been advised by their respective attorneys, or if not represented by an attorney, represent that they had an opportunity to be so represented and no provision contained herein shall be construed against County solely because it prepared this Lease in its executed form.

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

20.12 Recording. Either Lessor or County shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees applicable thereto. This Lease shall not be recorded.

20.13 Consent. Unless otherwise expressly stated herein, whenever Lessor's or County's consent is required under any provision of this Lease, it shall not be unreasonably withheld, conditioned or delayed.

20.14 Title. Lessor covenants that, upon closing escrow as set forth in Section 7 of this Lease, Lessor will be well seized of and will have good title to the Building and Improvements along with good title to Lessor's leasehold interest in the Land, all as set forth hereinabove, and Lessor does warrant title thereto and will defend and indemnify County against any damage and expense which County may suffer by reason of Lessor's breach of the foregoing covenant and warranty. Notwithstanding the foregoing, Lessor shall be in a secondary indemnification position behind the title insurance company as it relates to any title matter.

20.15 Conveyance by Lessor. Should Lessor convey the Leased Premises, all rights and obligations inuring to Lessor by virtue of this Lease shall pass to the grantee named in such conveyance, and the grantor shall be relieved of all obligations or liabilities hereunder, except those theretofore accrued and not discharged. Any assignment of this Lease shall be subject to the provisions of the Master Lease, which requires the consent of the Master Lessor and BIA approval.

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

20.17 Notice. Except as expressly provided elsewhere in this Lease, all notices and other communication required under this Lease shall be in writing and delivered by: (a) Certified Mail, postage prepaid, return receipt requested, in the United States mail; or (b) via an overnight courier that provides written evidence of delivery and addressed to the Party hereto to whom the same is directed at the addresses set forth in Section 20.17 herein. Either Party hereto may from time to time change its mailing address by written notice to the other Party.

County's Notification Address:

County of Riverside
Economic Development Agency – Real Estate Division
3403 Tenth St., Suite 400
Riverside, California 92501
Attention: Deputy Director of Real Estate

Lessor's Notification Address:

Sunquitz EMC, LLC, or its assignee
c/o The Boureston Companies
650 Town Center Drive, Suite 890
Costa Mesa, CA 92626
Attention: Rich Boureston

With a copy to:

Richard S. Gordon, Esq.
10655 Park Run Drive Suite 160
Las Vegas, NV 89144

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

20.19 Force Majeure. If either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including, without limitation, failure, refusal or delay in issuing permits, approvals and/or authorizations), injunction or court order, riots, insurrection, war, terrorism, bioterrorism, fire, earthquake, inclement weather including rain, flood or other natural disaster or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Lease (but excluding delays due to financial inability) (herein, "**Force Majeure Delay(s)**"), then performance of such act shall be excused for the period of such Force Majeure Delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 20.19 shall not apply to nor operate to excuse County from the payment of Rent, Operating Costs, or any other payments strictly in accordance with the terms of this Lease.

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

20.21 Separate Writing and Exhibits. Any exhibits or writings referenced herein this Lease shall constitute a part of this Lease and are incorporated into this Lease by this reference. If any inconsistency exists or arises between a provision of this Lease and a provision of any exhibit, the provisions of this Lease shall control, except as expressly set forth in this Lease.

20.22 Additional Provisions.

20.22.1 The obligations of the County and Lessor and its sureties to the Indian landowners (Master Lessor) are also enforceable by the United States, so long as the land remains in trust or restricted status.

20.22.2 If historic properties, archeological resources, human remains, or other cultural items not previously reported are encountered during the course of any activity associated with this Lease, all activity in the immediate vicinity of the properties, resources, remains, or items will cease and the County or Lessor will contact the Bureau of Indian Affairs and the Agua Caliente Band of Cahuilla Indians to determine how to proceed and appropriate disposition.

20.22.3 The Bureau of Indian Affairs has the right, at any reasonable time during the term of this Lease (and, if longer, the Master Lease term) and upon reasonable notice, in accordance with 25 CFR §162.464, to enter the Master Lease Property, including the subleased Leased Premises under this Lease, for inspection and to ensure compliance.

20.22.4 The Bureau of Indian Affairs may, at its discretion, treat as a Master Lease violation any failure by the County or Lessor to cooperate with a Bureau of Indian Affairs request to make appropriate records, reports, or information available for the Bureau of Indian Affairs inspection and duplication.

20.22.5 The Bureau of Indian Affairs may treat any provision of the Master Lease or this Lease that violates Federal law as a violation of the Master Lease (25 CFR § 162.413(e)).

20.23 Amendment. No statement, action or agreement hereafter made shall be effective to change, amend, waive, modify, discharge, terminate or effect an abandonment of this Lease in whole or in part unless such agreement is in writing and signed by the party against whom such change, amendment, waiver, modification, discharge, termination of abandonment is sought to be enforced. No modification or amendment of this Lease shall be valid without the Master Lessor's written consent and the written approval of the BIA, as specified in the Master Lease, and any mortgagee.

20.24 Headings. The Table of Contents, Article, Section and Paragraph headings in this Lease are inserted herein only for convenience and are no way to be construed as part of this Lease, or as indicative of the meaning of the provisions of this Lease or the intention of the Parties, or as a limitation in the scope of the particular provisions to which they refer.

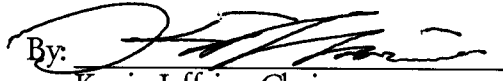
20.25 Master Lease Governing Law. Reference is made to the Master Lease, to which this Lease is subject, and which according to its terms shall be governed exclusively by the provisions hereof and by the laws of the United States and, to the extent applicable, California law and/or Tribal law.

20.26. Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and such counterparts shall constitute but one and the same instrument.

[signatures on following page]

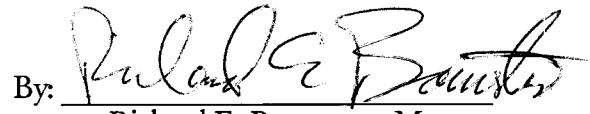
COUNTY:

COUNTY OF RIVERSIDE, a political
liability subdivision of the State of California

By: 
Kevin Jeffries, Chairman
Board of Supervisors

LESSOR:

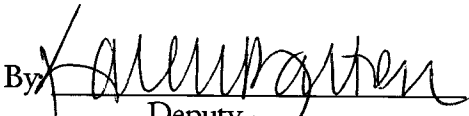
Sunquitz EMC, LLC, a California limited
company

By: 
Richard E. Boureston, Manager

By: 
Hank Gordon, Manager

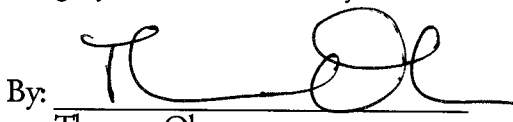
ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos, County Counsel

By: 
Thomas Oh
Deputy County Counsel

LESSOR:

Sunquitz EMC, LLC, a California limited
company

By: Laurich Properties, Inc., a Nevada
corporation, Manager

By:

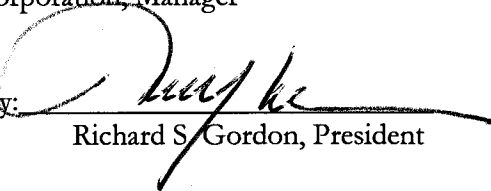

Richard S. Gordon, President

EXHIBIT A-1

LEGAL DESCRIPTION OF MASTER LEASE PROPERTY

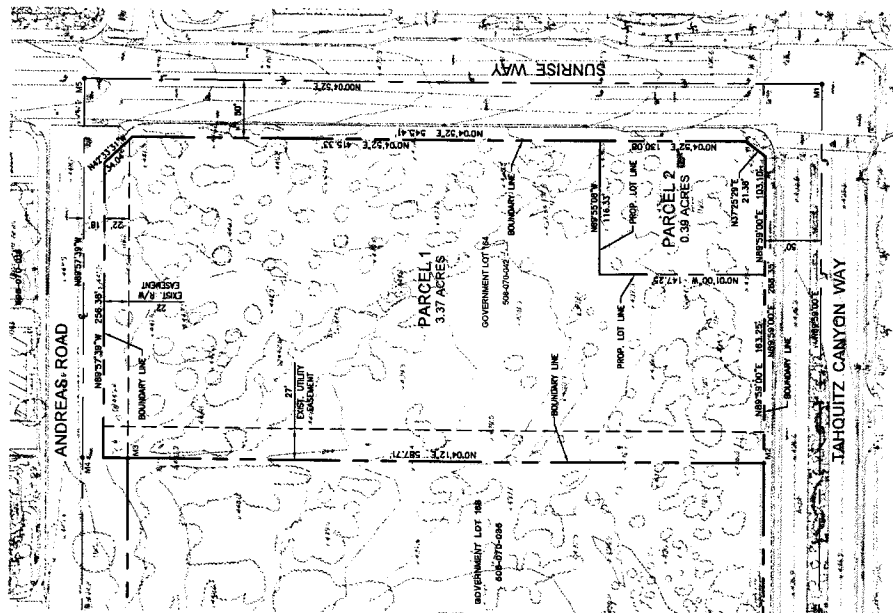
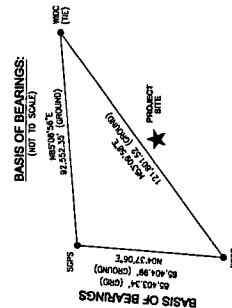
**TENTATIVE PARCEL MAP NO. 37738
IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

THAT PORTION OF THE EAST ONE-HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER SECTION 14, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, ACCORDING TO THE MAP OF AGUA CALIENTE INDIAN RESERVATION ON SCHEDULE 2 BLOCK 225, BEING GOVERNMENT LOT 184 OF SAID MAP AND ALLOTMENT NO. 3522-WINNEPICO PATENT 37C-KINKLE.

THE BENCHMARK FOR THIS PROJECT IS CONTINUOUS OPERATING REFERENCE STATION "SCPS", ELEVATION 1870.12', AS PUBLISHED BY THE CALIFORNIA SPATIAL REFERENCE CENTER (NAVO 88.)

ASSESSORS PARCEL NO.: 508-070--042

THE BOURESTON COMPANIES
50 TOWN CENTER DR. SUITE 890
COSTA MESA, CA 92626
PHONE: (714) 545-2078

[illegible]

COUNTLINE	BOUNDARY LINE	PROPOSED LOT LINE	EXIST. EASEMENT	MONUMENTS FOUND	FOUND 1-1/2" W/ 8" M 8.0" IN MONUMENT W/ 8" IN MONUMENT W/ 8" IN MONUMENT W/ 8" IN MONUMENT W/ 8"	FOUND 3" BRASS ROD IN MONUMENT W/ 8" IN MONUMENT W/ 8" IN MONUMENT W/ 8"	FOUND CHISELED "X" IN MONUMENT W/ 8" IN MONUMENT W/ 8" IN MONUMENT W/ 8"	FOUND 3" BRASS ROD IN MONUMENT W/ 8" IN MONUMENT W/ 8" IN MONUMENT W/ 8"	FOUND 1" P. OPEN AS LOT CORNER PER 103.54/-57	FOUND 1" W/ 8" M IN MONUMENT W/ 8" IN MONUMENT W/ 8" IN MONUMENT W/ 8"	FOUND 1" W/ 8" M IN MONUMENT W/ 8" IN MONUMENT W/ 8" IN MONUMENT W/ 8"
					M1						
					M2						
					M3						
					M4						
					M5						



PARCEL MAP SUMMARY

NUMBERED PARCELS:	2	
TOTAL AREA GROSS:	3.78 ACRES	
EXISTING ZONING:	SECTION 14 SPECIFIC PLAN	
EXISTING LAND USE:	VACANT	
PROPOSED LAND USE:	NEIGHBORHOOD COMMERCIAL	

PURPOSE		PURPOSE	
LOT #			
1		1	MEDICAL OFFICE BUILDING
2		2	RETAIL

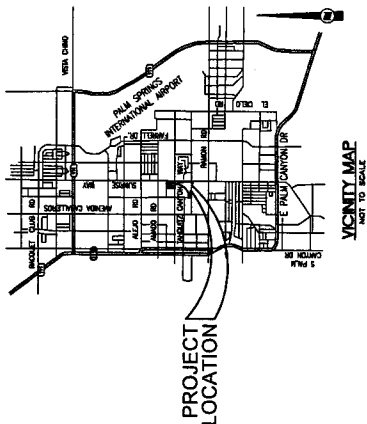
[illegible]

EXHIBIT A-2

LEGAL DESCRIPTION OF LAND

LEGAL DESCRIPTION
PARCEL 1
TENTATIVE PARCEL MAP NO. 37738
CITY OF PALM SPRINGS, RIVERSIDE COUNTY, CA

THAT PORTION OF THE EAST ONE-HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, ACCORDING TO THE MAP OF AGUA CALIENTE INDIAN RESERVATION ON SCHEDULE 2, BLOCK 225, CHANGED BY BLM DEPENDENT RESURVEY DATED JULY 8, 1988 FROM BLOCK 225 TO GOVERNMENT LOT 164, AND A PORTION OF ALLOTMENT NO. PS-22B;

EXCEPTING THEREFROM A PORTION OF SAID LOT 164 DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 164, SAID CORNER BEING ON THE CENTERLINE INTERSECTION OF TAHQUITZ CANYON WAY (FORMERLY MCCALLUM WAY) AND SUNRISE WAY AS SHOWN ON SAID BLM DEPENDENT RESURVEY;

THENCE ALONG THE CENTERLINE OF TAHQUITZ CANYON WAY SOUTH $89^{\circ}48'20''$ WEST 165.99 FEET;

THENCE LEAVING SAID CENTERLINE NORTH $00^{\circ}11'40''$ WEST 197.25 FEET;

THENCE NORTH $89^{\circ}54'00''$ EAST 166.32 FEET TO A POINT IN THE EAST LINE OF SAID GOVERNMENT LOT 164;

THENCE SOUTH $00^{\circ}06'00''$ EAST ALONG SAID EAST LINE 196.97 FEET; TO THE SOUTHEAST CORNER OF SAID LOT 164 AND THE POINT OF BEGINNING.



8/11/19

EXHIBIT "B" PARCEL 1

ANDREAS ROAD

N 89°52'00" E 329.41'

GOV'T LOT 163

GOV'T LOT 164
PARCEL 1

SUNRISE WAY

S 00°06'20" E 655.97'

N 00°06'00" W 458.67'

N 00°06'00" W 655.64'

S 00°06'00" E 196.97'

N 89°54'00" E 166.32'

PARCEL 2

N 00°11'40" W 197.25'

S 89°48'20" W 163.35'

S 89°48'20" W 165.99'

TAHQUITZ CANYON
WAY

S 89°48'20" W 329.34'

P.O.B. - S/E CORNER OF GOV'T LOT 164
INTERSECTION OF TAHQUITZ CANYON WAY
AND SUNRISE WAY



Prepared by HILLWIG-GOODROW, INC.:
31407 Outer Hwy. 10, Redlands, CA 92373 (888) 626-5137

ALAN C. HILLWIG, PLS 5137
LICENSE EXPIRES: 6-30-21

DATE

SCALE: 1" = 100'

FILE NO.: 228-183

DATE: AUGUST 1, 2019

SHEET 1 OF 1

SITE AREAS:

[illegible]

ESSENTIAL SPECIALIZATION

[illegible]

A-1.0

WD PROJ. #	DRAIN BY	CHECKED	DATE
18459	JF	DS	07/15/19

© WEST GROUP DESIGNS, INC.

45

圖書集成

8.

EXHIBIT B

**PROPERTY DEVELOPMENT AND LEASEHOLD IMPROVEMENT
AGREEMENT**

EXHIBIT B

PROPERTY DEVELOPMENT AND LEASEHOLD IMPROVEMENT AGREEMENT

(Northwest Corner of E. Taquitz Canyon Way and N. Sunrise Way, Palm Springs, California)

This Property Development and Leasehold Improvement Agreement shall set forth the terms and conditions relating to the construction of the Project and the leasehold improvements in the Leased Premises. This Agreement is essentially organized chronologically and addresses the issues of the construction of the Project and the interior leasehold improvements, in sequence; as such issues will arise during the actual planning and construction of the Leased Premises. All references in this Agreement to Sections of the "Lease" shall mean the relevant portion of that certain Medical Office Building Sublease Under PSL-510 to which this Agreement is attached as **Exhibit "B"** and of which this Agreement forms a part, and all references in the Lease to Sections of "Property Development and Leasehold Improvement Agreement" shall mean the relevant portion of this Property Development and Leasehold Improvement Agreement.

SECTION 1 - LESSOR'S INITIAL CONSTRUCTION OF THE PROJECT AND THE INTERIOR LEASEHOLD IMPROVEMENTS

1.1 Lessor will cause the construction of Project and the interior leasehold improvements, at its sole cost and expense as described in Section 2.3 of the Lease.

SECTION 2 - WORKING DRAWINGS FOR THE LEASED PREMISES

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

SECTION 3 - WORKING DRAWINGS; PROCESS FOR APPROVAL

3.1 Selection of Architect/Working Drawings. Lessor shall retain an architect (the "**Architect**") to prepare the Working Drawings. Lessor shall retain the engineering consultants (the "**Engineers**") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, life safety, and sprinkler work of the Project and the Leasehold Improvements. The plans and drawings to be prepared by Architect and the Engineers

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

3.2 Final Space Plan. Prior to execution of the Lease by County, Lessor and the Architect shall prepare the **Final Space Plan for Leasehold Improvements in the Leased Premises (collectively, the "Final Space Plan")**, which Final Space Plan shall include a layout and designation of all offices, rooms and other partitioning, and their intended use, and shall deliver the Final Space Plan to County for County's review and approval. The Final Space Plan is attached as **Exhibit "B-1"**.

3.2.1 Final Building Concepts. Prior to execution of the Lease by County, Lessor and the Architect shall prepare the Final Building Concepts for the Project (collectively the **"Final Building Concepts"**), which shall include building exterior concepts and elevations and site plan, and deliver the Final Building Concepts to County for County's review and approval. The Final Building Concepts are attached as **Exhibit "B-2"**.

3.3 Final Working Drawings. Within forty-five (45) working days after execution of the Lease by County, Lessor, the Architect and the Engineers shall complete the Working Drawings, and the architectural and engineering drawings for the Project and the Leasehold Improvements, in a form which is complete to allow subcontractors to bid the project and perform the work and to obtain all applicable permits (collectively, the **"Final Working Drawings"**) and shall submit the same to County for County's review and approval. County shall review the Final Working Drawings and approve the Working Drawings only in County's sole discretion, which approval shall be in writing. Upon completion of the Final Working Drawings, said drawings shall be incorporated into this Lease as **Exhibit "B-3"**.

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

to any change in the Approved Working Drawings if such change would materially directly or indirectly delay the "Substantial Completion" of the Leased Premises as that term is defined in Section 6.1 of this Leasehold Improvement Agreement.

3.5 County shall use its best, good faith efforts and all due diligence to cooperate with the Architect, the Engineers, and Lessor to complete all phases of the Working Drawings and the permitting process and to receive the permits, and approval of the "Construction Costs," as set forth in Section 7.1 below, as soon as possible after the execution of the Lease, and, in that regard, shall meet with Lessor on a scheduled basis, to be determined by County, to discuss Lessor's progress in connection with the same. Upon County's execution of this Lease, Lessor shall provide County with a construction schedule including time projections for planning, entitlement process, related preparation and construction of the Building and Leasehold Improvements, which construction schedule is attached as **Exhibit "B-4"**. For any item hereunder which requires County's approval, County shall provide its written approval or disapproval within ten (10) working days of receipt of the request.

SECTION 4 – LESSOR COVENANTS

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

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

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

4.4 Lessor shall obtain a payment and performance bond for all construction work in connection with the project from a surety acceptable to County and Lessor's lender to ensure lien free completion of Lessor's work.

SECTION 5 - CONSTRUCTION

5.1 Lessor shall diligently pursue the planning, entitlement process, related preparation and construction of the Leasehold Improvements. Lessor shall, at Lessor's cost, secure LEED certification for the project at the certified level using the LEED 2009 – NC standard within 12 months following completion of the Project. Lessor shall provide County with periodic written progress reports, which reports shall contain, without limitation, updated information relative to permit approvals and construction.

5.2 Lessor shall notify County, in writing, forthwith when such planning, entitlement process, related preparation and construction of the Leasehold Improvements have been completed, a Certificate of Occupancy has been issued by the City of Palm Springs, or if no new Certificate of Occupancy is required, then upon acceptance of the improvements by the City of Palm Springs upon

final inspection, all required permits have been obtained and electrical power has been turned on. Within ten (10) days thereafter, County shall schedule and conduct a "job walk" with Lessor for the purpose of accepting the Leased Premises for occupancy. County shall accept the Leased Premises if the improvements are Substantially Complete in accordance with this **Exhibit "B"** and with **Exhibit "F"** attached to this Lease (excepting minor punch list items), which Lessor shall complete with due diligence, and County shall not unreasonably withhold or delay approval of completion of same.

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

SECTION 6 – SUBSTANTIAL COMPLETION OF THE PROJECT AND LEASEHOLD IMPROVEMENTS; LEASE COMMENCEMENT DATE

6.1 For purposes of this Lease, "**Substantial Completion**" of the Leased Premises shall occur upon the completion of construction of the interior Leasehold Improvements in the Leased Premises pursuant to the Approved Working Drawings, with the exception of any punch list items and any County items to be installed by County, and compliance with the requirements of Section 5.2 of this Exhibit; provided, however, that such punch list items do not preclude the Useful Occupancy of the Leased Premises. "**Useful Occupancy**" herein defined as the Leased Premises being safe, free of hazard, free of any risk to the safety of County employees and available in all material respects for the use set forth in the Lease.

6.2 The Commencement Date shall occur as set forth in Section 4.2 of the Lease.

6.3 If Substantial Completion of the Project fails to occur by the Outside Completion Date (as such dates may be extended by County delay, County initiated change orders, or Force Majeure Delay), then commencing on the Outside Completion Date where Substantial Completion has not occurred and continuing until Substantial Completion occurs, as County's sole remedy for such delay, Lessor shall credit \$2,722 per day in favor of County which shall be applied until the date that Substantial Completion has occurred.

SECTION 7 – INTERIOR LEASEHOLD IMPROVEMENT COSTS

7.1 Lessor has provided County with an itemized cost breakdown of the construction costs of the interior leasehold improvements, attached hereto and made a part hereof as Addendum 1. The costs of the interior Leasehold Improvements subject to reimbursement, including but not limited to fixtures, architectural fees and permits, is approximately \$6,308,975 in hard costs plus approximately \$788,000 in soft costs. The Parties have budgeted an additional \$630,898 project contingency for the sole purpose of paying for extra items requested by County during the course of construction for installation of additional interior Leasehold Improvements or otherwise necessitated by requests/changes made to the plans by County. The cost for the interior Leasehold Improvement construction shall be calculated with all labor, materials, permits, and insurance included as costs, and

shall be calculated at prevailing wages. The total cost of all the interior Leasehold Improvements shall not exceed \$7,727,873 including the contingency.

7.2 Upon completion of the interior Leasehold Improvements and within fourteen (14) days of Substantial Completion and acceptance of the Leased Premises by County, Lessor shall provide County with an itemized statement, similar to the cost breakdown form attached as Addendum 1, of the actual costs of the interior Leasehold Improvements incurred by Lessor, designated as Addendum 1-A, accompanied by vendor, contractor, and subcontractor invoices and back-up documentation.

SECTION 8 - REIMBURSEMENT FOR INTERIOR LEASEHOLD IMPROVEMENTS

8.1 In addition to the Rent and Operating Costs as stated in the Lease, County shall reimburse Lessor, as hereinafter set forth, the actual cost of the interior Leasehold Improvements on a monthly basis as substantiated by the Addendum 1-A required in Section 7.2 above and related supporting documentation requested by County. In no event shall Lessor be reimbursed an amount in excess of actual costs pursuant to Addendum 1-A.

8.2 In the event the costs of the interior Leasehold Improvements equal the total of the interior Leasehold Improvement costs pursuant to Addendum 1, County shall pay to Lessor a monthly leasehold improvement payment as set forth in the leasehold improvement payment schedule as attached to this **Exhibit "B"** designated at **Exhibit "B-5"**. The monthly payment shall be based upon the amortized costs of the Addendum 1 costs as set forth in Section 7.1 and shall be amortized over three hundred sixty (360) months (the "Leasehold Amortization Period") at 6.25% interest as reimbursement for the costs of improvements made by Lessor. Upon completion of the leasehold improvements, in the event the actual costs in Addendum 1-A are greater or lesser than the estimated costs in Addendum 1, a revised amortization schedule designated as **Exhibit "B-6"** shall be attached to this **Exhibit "B"** which shall set forth the revised monthly payment to be paid to Lessor to amortize the actual costs as reimbursement for the actual costs of improvements made by Lessor. In no event shall Lessor be reimbursed any amount in excess of actual costs nor in excess of the total cost set forth in Sections 7.1 above.

SECTION 9 - MISCELLANEOUS

9.1 County's Entry Prior to Substantial Completion. Lessor shall allow County access to the Leased Premises prior to the Substantial Completion of the Leased Premises for the purpose of County installing standard equipment or fixtures (including County's data and telephone equipment) in the Leased Premises. Prior to County's entry into the Leased Premises as permitted by the terms of this Section 9.1, County shall submit a schedule to Lessor, for approval, which schedule shall detail the timing and purpose of County's entry. County shall hold Lessor harmless from and indemnify, protect and defend Lessor against any loss or damage to the Leased Premises and against injury to any persons related to County's entry on to the Leased Premises pursuant to this Section 9.1.

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

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

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

9.5 Time of the Essence in this Leasehold Improvement Agreement. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days.

9.6 Default. A default by either party under this Leasehold Improvement Agreement shall be a default under the Lease and shall be controlled by the terms of the Lease.

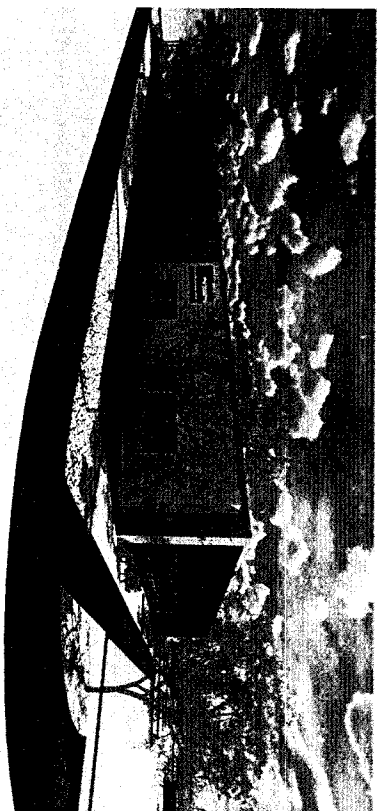
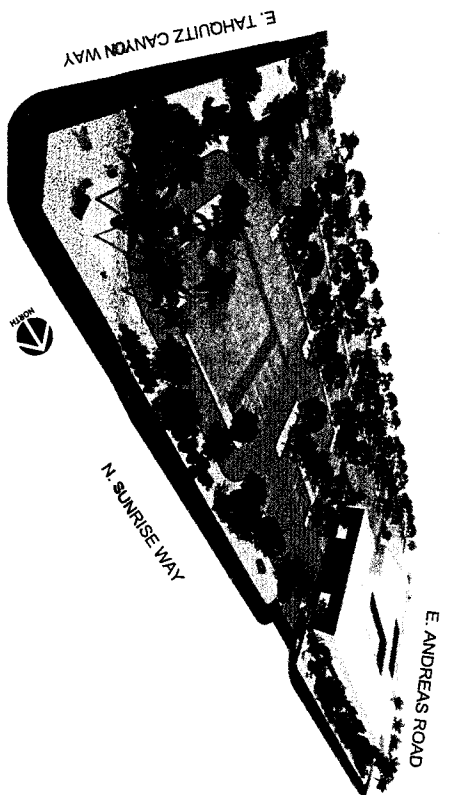
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Riverside
University
HEALTH SYSTEM

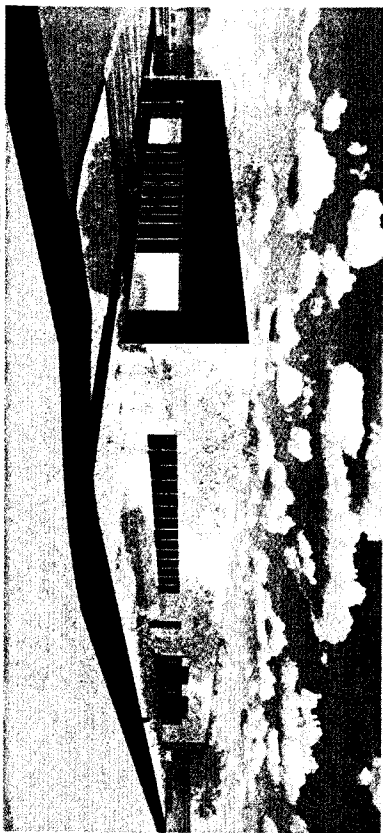
WD WESTGROUP
DESIGNS

EXHIBIT B-2

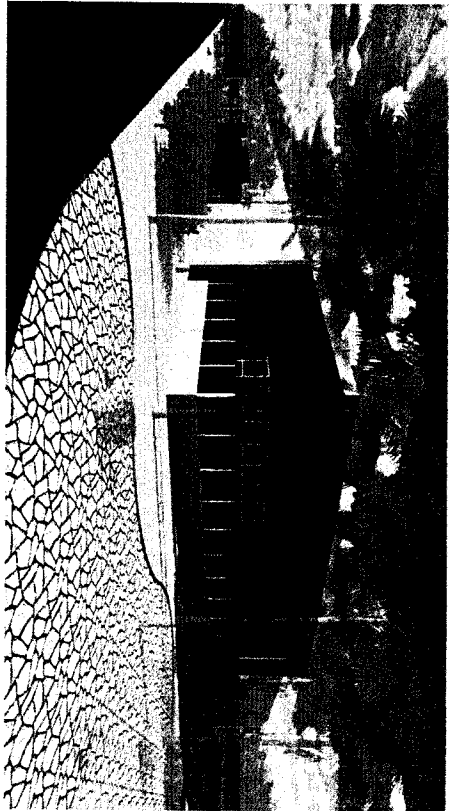
FINAL BUILDING CONCEPT



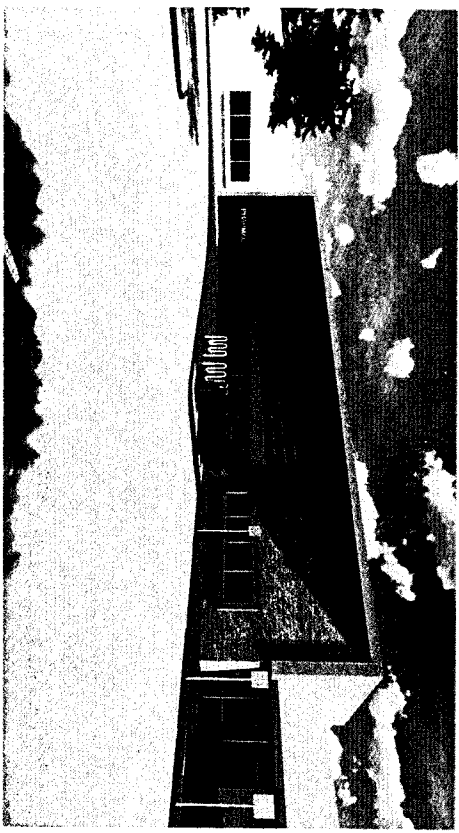
NORTHWEST CORNER OF THE BUILDING FROM ANDREAS ROAD



VIEW OF THE SOUTHEAST CORNER OF THE BUILDING FROM SUNRISE WAY



NORTHEAST CORNER AT SUNRISE WAY AND ANDREAS ROAD



VIEW OF THE MAIN BUILDING ENTRY FROM PARKING LOT



VIEW OF THE SOUTHWEST CORNER OF THE BUILDING FROM PARKING LOT

WD

**WESTGROUP
DESIGNS**

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Palm Springs, CA 92262
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EXHIBIT B-2
FINAL BUILDING CONCEPTS

PALM SPRINGS MOB
THE BOURESTON
COMPANIES
E. Tahquitz Canyon Way and
Palm Springs, CA

DATE: 10/11/11
DRAWN BY: [Name]
CHECKED BY: [Name]
DATE: 10/11/11

REVISIONS:
1. [Description]
2. [Description]
3. [Description]

DATE: 10/11/11
DRAWN BY: [Name]
CHECKED BY: [Name]
DATE: 10/11/11



SHEET TITLE
RENDERS

SHEET NUMBER
A-5.0

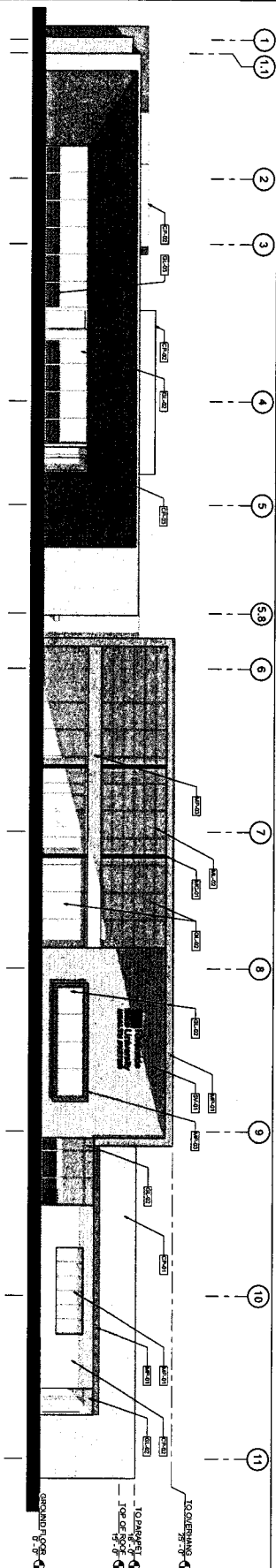
MO: [Name]
JO: [Name]
OS: [Name]
[Name]

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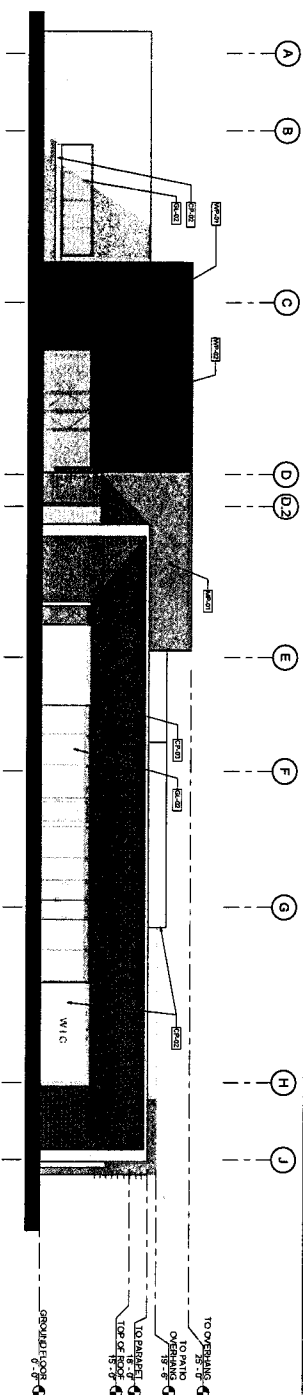


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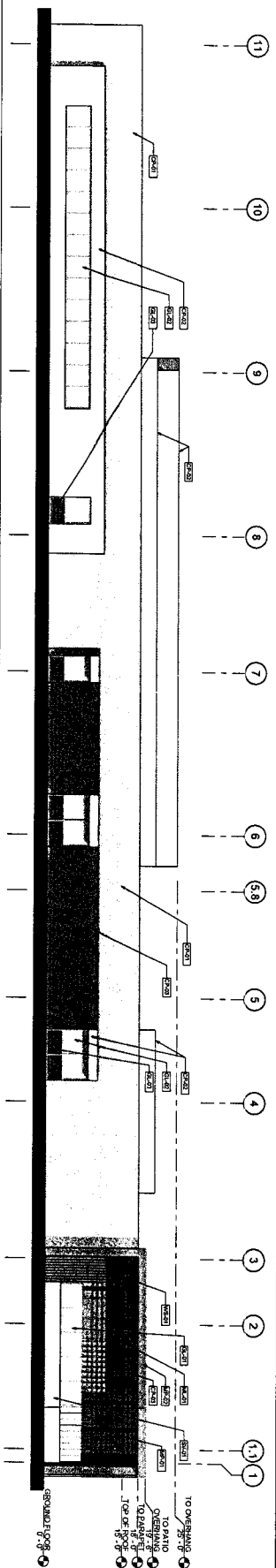
EXHIBIT B2
FINAL BUILDING CONCEPTS



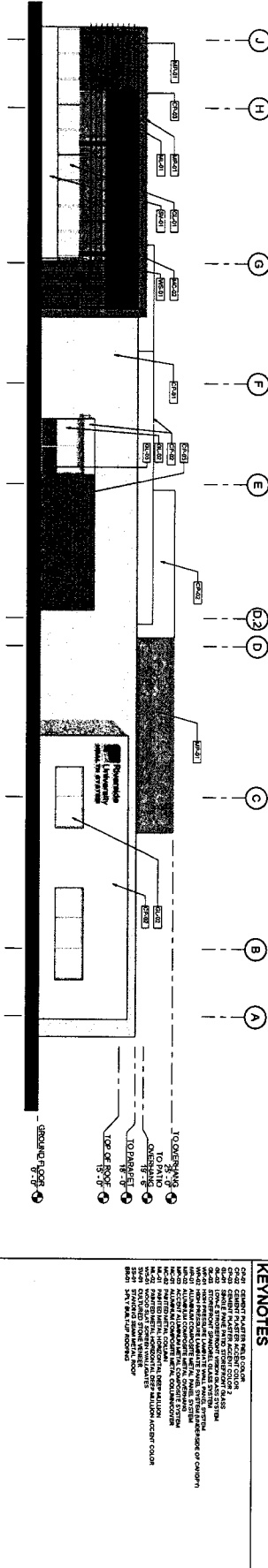
WEST ELEVATION
1/8" = 1'-0"



SOUTH ELEVATION
1/8" = 1'-0"



EAST ELEVATION
1/8" = 1'-0"



NORTH ELEVATION
1/8" = 1'-0"

KEYNOTES

- 1. GENERAL NOTES: SEE EXHIBIT B1 FOR GENERAL NOTES AND SPECIFICATIONS.
- 2. MATERIALS: SEE EXHIBIT B1 FOR MATERIALS AND FINISHES.
- 3. STRUCTURE: SEE EXHIBIT B1 FOR STRUCTURAL REQUIREMENTS.
- 4. MECHANICAL: SEE EXHIBIT B1 FOR MECHANICAL REQUIREMENTS.
- 5. ELECTRICAL: SEE EXHIBIT B1 FOR ELECTRICAL REQUIREMENTS.
- 6. PLUMBING: SEE EXHIBIT B1 FOR PLUMBING REQUIREMENTS.
- 7. FIRE PROTECTION: SEE EXHIBIT B1 FOR FIRE PROTECTION REQUIREMENTS.
- 8. ACCESSIBILITY: SEE EXHIBIT B1 FOR ACCESSIBILITY REQUIREMENTS.
- 9. SCHEDULING: SEE EXHIBIT B1 FOR SCHEDULING REQUIREMENTS.
- 10. MAINTENANCE: SEE EXHIBIT B1 FOR MAINTENANCE REQUIREMENTS.
- 11. OTHER: SEE EXHIBIT B1 FOR OTHER REQUIREMENTS.



EXTERIOR
ELEVATIONS
A-3.0

DATE: 10/24/19
BY: JCS
CHECKED: JCS
DESIGNED: JCS
SCALE: 1/8" = 1'-0"

EXHIBIT B-3

FINAL WORKING DRAWINGS

(To be provided at a later date)

EXHIBIT B-4

CONSTRUCTION SCHEDULE

CONSTRUCTION SCHEDULE

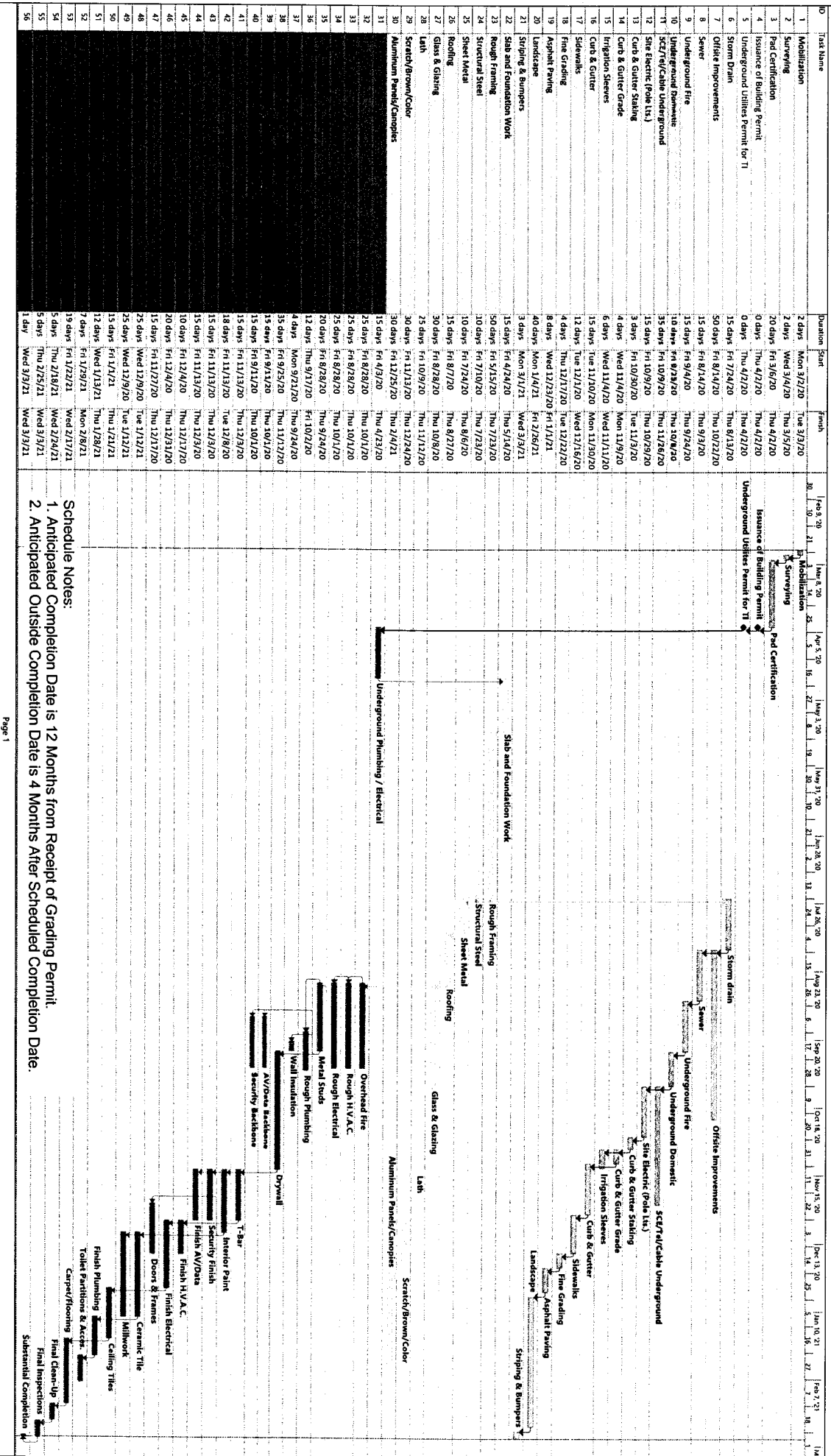
EXHIBIT B-4



PAINE CONSTRUCTION GROUP

Palm Springs Care Clinic
Preliminary Shell and TI Construction Schedule

10.02.19



Schedule Notes:

1. Anticipated Completion Date is 12 Months from Receipt of Grading Permit.
2. Anticipated Outside Completion Date is 4 Months After Scheduled Completion Date.

EXHIBIT B-5

ESTIMATED LEASEHOLD IMPROVEMENT PAYMENT SCHEDULE

LOAN AMORTIZATION SCHEDULE

ENTER VALUES

Loan amount	\$7,727,873.00
Annual interest rate	6.25%
Loan period in years	30
Number of payments per year	12
Start date of loan	3/1/2021

LOAN SUMMARY

Scheduled payment	\$47,581.84
Scheduled number of payments	360
Actual number of payments	360

Optional extra payments

\$

Exhibit B-5 Estimated Leasehold
Improvement Payment Schedule -
Northwest Corner of E. Tahquitz Canyon

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
1	3/1/2021	\$7,727,873.00	\$47,581.84	\$0.00	\$47,581.84	\$7,332.50	\$40,249.34	\$7,720,540.50
2	4/1/2021	\$7,720,540.50	\$47,581.84	\$0.00	\$47,581.84	\$7,370.69	\$40,211.15	\$7,713,169.80
3	5/1/2021	\$7,713,169.80	\$47,581.84	\$0.00	\$47,581.84	\$7,409.08	\$40,172.76	\$7,705,760.72
4	6/1/2021	\$7,705,760.72	\$47,581.84	\$0.00	\$47,581.84	\$7,447.67	\$40,134.17	\$7,698,313.04
5	7/1/2021	\$7,698,313.04	\$47,581.84	\$0.00	\$47,581.84	\$7,486.46	\$40,095.38	\$7,690,826.58
6	8/1/2021	\$7,690,826.58	\$47,581.84	\$0.00	\$47,581.84	\$7,525.45	\$40,056.39	\$7,683,301.13
7	9/1/2021	\$7,683,301.13	\$47,581.84	\$0.00	\$47,581.84	\$7,564.65	\$40,017.19	\$7,675,736.48
8	10/1/2021	\$7,675,736.48	\$47,581.84	\$0.00	\$47,581.84	\$7,604.05	\$39,977.79	\$7,668,132.43
9	11/1/2021	\$7,668,132.43	\$47,581.84	\$0.00	\$47,581.84	\$7,643.65	\$39,938.19	\$7,660,488.77
10	12/1/2021	\$7,660,488.77	\$47,581.84	\$0.00	\$47,581.84	\$7,683.46	\$39,898.38	\$7,652,805.31
11	1/1/2022	\$7,652,805.31	\$47,581.84	\$0.00	\$47,581.84	\$7,723.48	\$39,858.36	\$7,645,081.83
12	2/1/2022	\$7,645,081.83	\$47,581.84	\$0.00	\$47,581.84	\$7,763.71	\$39,818.13	\$7,637,318.12
13	3/1/2022	\$7,637,318.12	\$47,581.84	\$0.00	\$47,581.84	\$7,804.14	\$39,777.70	\$7,629,513.97
14	4/1/2022	\$7,629,513.97	\$47,581.84	\$0.00	\$47,581.84	\$7,844.79	\$39,737.05	\$7,621,669.18
15	5/1/2022	\$7,621,669.18	\$47,581.84	\$0.00	\$47,581.84	\$7,885.65	\$39,696.19	\$7,613,783.53
16	6/1/2022	\$7,613,783.53	\$47,581.84	\$0.00	\$47,581.84	\$7,926.72	\$39,655.12	\$7,605,856.81
17	7/1/2022	\$7,605,856.81	\$47,581.84	\$0.00	\$47,581.84	\$7,968.01	\$39,613.84	\$7,597,888.81
18	8/1/2022	\$7,597,888.81	\$47,581.84	\$0.00	\$47,581.84	\$8,009.51	\$39,572.34	\$7,589,879.30
19	9/1/2022	\$7,589,879.30	\$47,581.84	\$0.00	\$47,581.84	\$8,051.22	\$39,530.62	\$7,581,828.08
20	10/1/2022	\$7,581,828.08	\$47,581.84	\$0.00	\$47,581.84	\$8,093.16	\$39,488.69	\$7,573,734.92
21	11/1/2022	\$7,573,734.92	\$47,581.84	\$0.00	\$47,581.84	\$8,135.31	\$39,446.54	\$7,565,599.62
22	12/1/2022	\$7,565,599.62	\$47,581.84	\$0.00	\$47,581.84	\$8,177.68	\$39,404.16	\$7,557,421.94
23	1/1/2023	\$7,557,421.94	\$47,581.84	\$0.00	\$47,581.84	\$8,220.27	\$39,361.57	\$7,549,201.67
24	2/1/2023	\$7,549,201.67	\$47,581.84	\$0.00	\$47,581.84	\$8,263.08	\$39,318.76	\$7,540,938.58
25	3/1/2023	\$7,540,938.58	\$47,581.84	\$0.00	\$47,581.84	\$8,306.12	\$39,275.72	\$7,532,632.46
26	4/1/2023	\$7,532,632.46	\$47,581.84	\$0.00	\$47,581.84	\$8,349.38	\$39,232.46	\$7,524,283.08
27	5/1/2023	\$7,524,283.08	\$47,581.84	\$0.00	\$47,581.84	\$8,392.87	\$39,188.97	\$7,515,890.21
28	6/1/2023	\$7,515,890.21	\$47,581.84	\$0.00	\$47,581.84	\$8,436.58	\$39,145.26	\$7,507,453.63

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
29	7/1/2023	\$7,507,453.63	\$47,581.84	\$0.00	\$47,581.84	\$8,480.52	\$39,101.32	\$7,498,973.10
30	8/1/2023	\$7,498,973.10	\$47,581.84	\$0.00	\$47,581.84	\$8,524.69	\$39,057.15	\$7,490,448.41
31	9/1/2023	\$7,490,448.41	\$47,581.84	\$0.00	\$47,581.84	\$8,569.09	\$39,012.75	\$7,481,879.32
32	10/1/2023	\$7,481,879.32	\$47,581.84	\$0.00	\$47,581.84	\$8,613.72	\$38,968.12	\$7,473,265.60
33	11/1/2023	\$7,473,265.60	\$47,581.84	\$0.00	\$47,581.84	\$8,658.58	\$38,923.26	\$7,464,607.01
34	12/1/2023	\$7,464,607.01	\$47,581.84	\$0.00	\$47,581.84	\$8,703.68	\$38,878.16	\$7,455,903.33
35	1/1/2024	\$7,455,903.33	\$47,581.84	\$0.00	\$47,581.84	\$8,749.01	\$38,832.83	\$7,447,154.32
36	2/1/2024	\$7,447,154.32	\$47,581.84	\$0.00	\$47,581.84	\$8,794.58	\$38,787.26	\$7,438,359.74
37	3/1/2024	\$7,438,359.74	\$47,581.84	\$0.00	\$47,581.84	\$8,840.39	\$38,741.46	\$7,429,519.35
38	4/1/2024	\$7,429,519.35	\$47,581.84	\$0.00	\$47,581.84	\$8,886.43	\$38,695.41	\$7,420,632.92
39	5/1/2024	\$7,420,632.92	\$47,581.84	\$0.00	\$47,581.84	\$8,932.71	\$38,649.13	\$7,411,700.21
40	6/1/2024	\$7,411,700.21	\$47,581.84	\$0.00	\$47,581.84	\$8,979.24	\$38,602.61	\$7,402,720.97
41	7/1/2024	\$7,402,720.97	\$47,581.84	\$0.00	\$47,581.84	\$9,026.00	\$38,555.84	\$7,393,694.97
42	8/1/2024	\$7,393,694.97	\$47,581.84	\$0.00	\$47,581.84	\$9,073.02	\$38,508.83	\$7,384,621.95
43	9/1/2024	\$7,384,621.95	\$47,581.84	\$0.00	\$47,581.84	\$9,120.27	\$38,461.57	\$7,375,501.68
44	10/1/2024	\$7,375,501.68	\$47,581.84	\$0.00	\$47,581.84	\$9,167.77	\$38,414.07	\$7,366,333.91
45	11/1/2024	\$7,366,333.91	\$47,581.84	\$0.00	\$47,581.84	\$9,215.52	\$38,366.32	\$7,357,118.39
46	12/1/2024	\$7,357,118.39	\$47,581.84	\$0.00	\$47,581.84	\$9,263.52	\$38,318.32	\$7,347,854.87
47	1/1/2025	\$7,347,854.87	\$47,581.84	\$0.00	\$47,581.84	\$9,311.77	\$38,270.08	\$7,338,543.10
48	2/1/2025	\$7,338,543.10	\$47,581.84	\$0.00	\$47,581.84	\$9,360.26	\$38,221.58	\$7,329,182.84
49	3/1/2025	\$7,329,182.84	\$47,581.84	\$0.00	\$47,581.84	\$9,409.02	\$38,172.83	\$7,319,773.82
50	4/1/2025	\$7,319,773.82	\$47,581.84	\$0.00	\$47,581.84	\$9,458.02	\$38,123.82	\$7,310,315.80
51	5/1/2025	\$7,310,315.80	\$47,581.84	\$0.00	\$47,581.84	\$9,507.28	\$38,074.56	\$7,300,808.52
52	6/1/2025	\$7,300,808.52	\$47,581.84	\$0.00	\$47,581.84	\$9,556.80	\$38,025.04	\$7,291,251.72
53	7/1/2025	\$7,291,251.72	\$47,581.84	\$0.00	\$47,581.84	\$9,606.57	\$37,975.27	\$7,281,645.15
54	8/1/2025	\$7,281,645.15	\$47,581.84	\$0.00	\$47,581.84	\$9,656.61	\$37,925.24	\$7,271,988.54
55	9/1/2025	\$7,271,988.54	\$47,581.84	\$0.00	\$47,581.84	\$9,706.90	\$37,874.94	\$7,262,281.63
56	10/1/2025	\$7,262,281.63	\$47,581.84	\$0.00	\$47,581.84	\$9,757.46	\$37,824.38	\$7,252,524.18
57	11/1/2025	\$7,252,524.18	\$47,581.84	\$0.00	\$47,581.84	\$9,808.28	\$37,773.56	\$7,242,715.90
58	12/1/2025	\$7,242,715.90	\$47,581.84	\$0.00	\$47,581.84	\$9,859.36	\$37,722.48	\$7,232,856.53
59	1/1/2026	\$7,232,856.53	\$47,581.84	\$0.00	\$47,581.84	\$9,910.72	\$37,671.13	\$7,222,945.81
60	2/1/2026	\$7,222,945.81	\$47,581.84	\$0.00	\$47,581.84	\$9,962.33	\$37,619.51	\$7,212,983.48
61	3/1/2026	\$7,212,983.48	\$47,581.84	\$0.00	\$47,581.84	\$10,014.22	\$37,567.62	\$7,202,969.26
62	4/1/2026	\$7,202,969.26	\$47,581.84	\$0.00	\$47,581.84	\$10,066.38	\$37,515.46	\$7,192,902.88
63	5/1/2026	\$7,192,902.88	\$47,581.84	\$0.00	\$47,581.84	\$10,118.81	\$37,463.04	\$7,182,784.07
64	6/1/2026	\$7,182,784.07	\$47,581.84	\$0.00	\$47,581.84	\$10,171.51	\$37,410.33	\$7,172,612.56
65	7/1/2026	\$7,172,612.56	\$47,581.84	\$0.00	\$47,581.84	\$10,224.49	\$37,357.36	\$7,162,388.08
66	8/1/2026	\$7,162,388.08	\$47,581.84	\$0.00	\$47,581.84	\$10,277.74	\$37,304.10	\$7,152,110.34
67	9/1/2026	\$7,152,110.34	\$47,581.84	\$0.00	\$47,581.84	\$10,331.27	\$37,250.57	\$7,141,779.07
68	10/1/2026	\$7,141,779.07	\$47,581.84	\$0.00	\$47,581.84	\$10,385.08	\$37,196.77	\$7,131,393.99
69	11/1/2026	\$7,131,393.99	\$47,581.84	\$0.00	\$47,581.84	\$10,439.17	\$37,142.68	\$7,120,954.83
70	12/1/2026	\$7,120,954.83	\$47,581.84	\$0.00	\$47,581.84	\$10,493.54	\$37,088.31	\$7,110,461.29

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
71	1/1/2027	\$7,110,461.29	\$47,581.84	\$0.00	\$47,581.84	\$10,548.19	\$37,033.65	\$7,099,913.10
72	2/1/2027	\$7,099,913.10	\$47,581.84	\$0.00	\$47,581.84	\$10,603.13	\$36,978.71	\$7,089,309.97
73	3/1/2027	\$7,089,309.97	\$47,581.84	\$0.00	\$47,581.84	\$10,658.35	\$36,923.49	\$7,078,651.62
74	4/1/2027	\$7,078,651.62	\$47,581.84	\$0.00	\$47,581.84	\$10,713.87	\$36,867.98	\$7,067,937.75
75	5/1/2027	\$7,067,937.75	\$47,581.84	\$0.00	\$47,581.84	\$10,769.67	\$36,812.18	\$7,057,168.08
76	6/1/2027	\$7,057,168.08	\$47,581.84	\$0.00	\$47,581.84	\$10,825.76	\$36,756.08	\$7,046,342.32
77	7/1/2027	\$7,046,342.32	\$47,581.84	\$0.00	\$47,581.84	\$10,882.14	\$36,699.70	\$7,035,460.18
78	8/1/2027	\$7,035,460.18	\$47,581.84	\$0.00	\$47,581.84	\$10,938.82	\$36,643.02	\$7,024,521.36
79	9/1/2027	\$7,024,521.36	\$47,581.84	\$0.00	\$47,581.84	\$10,995.79	\$36,586.05	\$7,013,525.56
80	10/1/2027	\$7,013,525.56	\$47,581.84	\$0.00	\$47,581.84	\$11,053.06	\$36,528.78	\$7,002,472.50
81	11/1/2027	\$7,002,472.50	\$47,581.84	\$0.00	\$47,581.84	\$11,110.63	\$36,471.21	\$6,991,361.87
82	12/1/2027	\$6,991,361.87	\$47,581.84	\$0.00	\$47,581.84	\$11,168.50	\$36,413.34	\$6,980,193.37
83	1/1/2028	\$6,980,193.37	\$47,581.84	\$0.00	\$47,581.84	\$11,226.67	\$36,355.17	\$6,968,966.70
84	2/1/2028	\$6,968,966.70	\$47,581.84	\$0.00	\$47,581.84	\$11,285.14	\$36,296.70	\$6,957,681.56
85	3/1/2028	\$6,957,681.56	\$47,581.84	\$0.00	\$47,581.84	\$11,343.92	\$36,237.92	\$6,946,337.64
86	4/1/2028	\$6,946,337.64	\$47,581.84	\$0.00	\$47,581.84	\$11,403.00	\$36,178.84	\$6,934,934.64
87	5/1/2028	\$6,934,934.64	\$47,581.84	\$0.00	\$47,581.84	\$11,462.39	\$36,119.45	\$6,923,472.24
88	6/1/2028	\$6,923,472.24	\$47,581.84	\$0.00	\$47,581.84	\$11,522.09	\$36,059.75	\$6,911,950.15
89	7/1/2028	\$6,911,950.15	\$47,581.84	\$0.00	\$47,581.84	\$11,582.10	\$35,999.74	\$6,900,368.05
90	8/1/2028	\$6,900,368.05	\$47,581.84	\$0.00	\$47,581.84	\$11,642.43	\$35,939.42	\$6,888,725.62
91	9/1/2028	\$6,888,725.62	\$47,581.84	\$0.00	\$47,581.84	\$11,703.06	\$35,878.78	\$6,877,022.56
92	10/1/2028	\$6,877,022.56	\$47,581.84	\$0.00	\$47,581.84	\$11,764.02	\$35,817.83	\$6,865,258.54
93	11/1/2028	\$6,865,258.54	\$47,581.84	\$0.00	\$47,581.84	\$11,825.29	\$35,756.35	\$6,853,433.25
94	12/1/2028	\$6,853,433.25	\$47,581.84	\$0.00	\$47,581.84	\$11,886.88	\$35,694.96	\$6,841,546.37
95	1/1/2029	\$6,841,546.37	\$47,581.84	\$0.00	\$47,581.84	\$11,948.79	\$35,633.05	\$6,829,597.59
96	2/1/2029	\$6,829,597.59	\$47,581.84	\$0.00	\$47,581.84	\$12,011.02	\$35,570.82	\$6,817,586.56
97	3/1/2029	\$6,817,586.56	\$47,581.84	\$0.00	\$47,581.84	\$12,073.58	\$35,508.26	\$6,805,512.98
98	4/1/2029	\$6,805,512.98	\$47,581.84	\$0.00	\$47,581.84	\$12,136.46	\$35,445.38	\$6,793,376.52
99	5/1/2029	\$6,793,376.52	\$47,581.84	\$0.00	\$47,581.84	\$12,199.67	\$35,382.17	\$6,781,176.85
100	6/1/2029	\$6,781,176.85	\$47,581.84	\$0.00	\$47,581.84	\$12,263.21	\$35,318.63	\$6,768,913.63
101	7/1/2029	\$6,768,913.63	\$47,581.84	\$0.00	\$47,581.84	\$12,327.08	\$35,254.76	\$6,756,586.55
102	8/1/2029	\$6,756,586.55	\$47,581.84	\$0.00	\$47,581.84	\$12,391.29	\$35,190.55	\$6,744,195.26
103	9/1/2029	\$6,744,195.26	\$47,581.84	\$0.00	\$47,581.84	\$12,455.83	\$35,126.02	\$6,731,739.43
104	10/1/2029	\$6,731,739.43	\$47,581.84	\$0.00	\$47,581.84	\$12,520.70	\$35,061.14	\$6,719,218.73
105	11/1/2029	\$6,719,218.73	\$47,581.84	\$0.00	\$47,581.84	\$12,585.91	\$34,995.93	\$6,706,632.82
106	12/1/2029	\$6,706,632.82	\$47,581.84	\$0.00	\$47,581.84	\$12,651.46	\$34,930.38	\$6,693,981.36
107	1/1/2030	\$6,693,981.36	\$47,581.84	\$0.00	\$47,581.84	\$12,717.36	\$34,864.49	\$6,681,264.00
108	2/1/2030	\$6,681,264.00	\$47,581.84	\$0.00	\$47,581.84	\$12,783.59	\$34,798.25	\$6,668,480.41
109	3/1/2030	\$6,668,480.41	\$47,581.84	\$0.00	\$47,581.84	\$12,850.17	\$34,731.67	\$6,655,630.23
110	4/1/2030	\$6,655,630.23	\$47,581.84	\$0.00	\$47,581.84	\$12,917.10	\$34,664.74	\$6,642,713.13
111	5/1/2030	\$6,642,713.13	\$47,581.84	\$0.00	\$47,581.84	\$12,984.38	\$34,597.46	\$6,629,728.75
112	6/1/2030	\$6,629,728.75	\$47,581.84	\$0.00	\$47,581.84	\$13,052.01	\$34,529.84	\$6,616,676.74

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
113	7/1/2030	\$6,616,676.74	\$47,581.84	\$0.00	\$47,581.84	\$13,119.99	\$34,461.86	\$6,603,556.76
114	8/1/2030	\$6,603,556.76	\$47,581.84	\$0.00	\$47,581.84	\$13,188.32	\$34,393.52	\$6,590,368.44
115	9/1/2030	\$6,590,368.44	\$47,581.84	\$0.00	\$47,581.84	\$13,257.01	\$34,324.84	\$6,577,111.43
116	10/1/2030	\$6,577,111.43	\$47,581.84	\$0.00	\$47,581.84	\$13,326.05	\$34,255.79	\$6,563,785.38
117	11/1/2030	\$6,563,785.38	\$47,581.84	\$0.00	\$47,581.84	\$13,395.46	\$34,186.38	\$6,550,389.92
118	12/1/2030	\$6,550,389.92	\$47,581.84	\$0.00	\$47,581.84	\$13,465.23	\$34,116.61	\$6,536,924.69
119	1/1/2031	\$6,536,924.69	\$47,581.84	\$0.00	\$47,581.84	\$13,535.36	\$34,046.48	\$6,523,389.33
120	2/1/2031	\$6,523,389.33	\$47,581.84	\$0.00	\$47,581.84	\$13,605.86	\$33,975.99	\$6,509,783.47
121	3/1/2031	\$6,509,783.47	\$47,581.84	\$0.00	\$47,581.84	\$13,676.72	\$33,905.12	\$6,496,106.75
122	4/1/2031	\$6,496,106.75	\$47,581.84	\$0.00	\$47,581.84	\$13,747.95	\$33,833.89	\$6,482,358.79
123	5/1/2031	\$6,482,358.79	\$47,581.84	\$0.00	\$47,581.84	\$13,819.56	\$33,762.29	\$6,468,539.24
124	6/1/2031	\$6,468,539.24	\$47,581.84	\$0.00	\$47,581.84	\$13,891.53	\$33,690.31	\$6,454,647.70
125	7/1/2031	\$6,454,647.70	\$47,581.84	\$0.00	\$47,581.84	\$13,963.89	\$33,617.96	\$6,440,683.81
126	8/1/2031	\$6,440,683.81	\$47,581.84	\$0.00	\$47,581.84	\$14,036.62	\$33,545.23	\$6,426,647.20
127	9/1/2031	\$6,426,647.20	\$47,581.84	\$0.00	\$47,581.84	\$14,109.72	\$33,472.12	\$6,412,537.48
128	10/1/2031	\$6,412,537.48	\$47,581.84	\$0.00	\$47,581.84	\$14,183.21	\$33,398.63	\$6,398,354.27
129	11/1/2031	\$6,398,354.27	\$47,581.84	\$0.00	\$47,581.84	\$14,257.08	\$33,324.76	\$6,384,097.19
130	12/1/2031	\$6,384,097.19	\$47,581.84	\$0.00	\$47,581.84	\$14,331.34	\$33,250.51	\$6,369,765.85
131	1/1/2032	\$6,369,765.85	\$47,581.84	\$0.00	\$47,581.84	\$14,405.98	\$33,175.86	\$6,355,359.87
132	2/1/2032	\$6,355,359.87	\$47,581.84	\$0.00	\$47,581.84	\$14,481.01	\$33,100.83	\$6,340,878.86
133	3/1/2032	\$6,340,878.86	\$47,581.84	\$0.00	\$47,581.84	\$14,556.43	\$33,025.41	\$6,326,322.43
134	4/1/2032	\$6,326,322.43	\$47,581.84	\$0.00	\$47,581.84	\$14,632.25	\$32,949.60	\$6,311,690.18
135	5/1/2032	\$6,311,690.18	\$47,581.84	\$0.00	\$47,581.84	\$14,708.46	\$32,873.39	\$6,296,981.72
136	6/1/2032	\$6,296,981.72	\$47,581.84	\$0.00	\$47,581.84	\$14,785.06	\$32,796.78	\$6,282,196.66
137	7/1/2032	\$6,282,196.66	\$47,581.84	\$0.00	\$47,581.84	\$14,862.07	\$32,719.77	\$6,267,334.59
138	8/1/2032	\$6,267,334.59	\$47,581.84	\$0.00	\$47,581.84	\$14,939.48	\$32,642.37	\$6,252,395.11
139	9/1/2032	\$6,252,395.11	\$47,581.84	\$0.00	\$47,581.84	\$15,017.29	\$32,564.56	\$6,237,377.83
140	10/1/2032	\$6,237,377.83	\$47,581.84	\$0.00	\$47,581.84	\$15,095.50	\$32,486.34	\$6,222,282.33
141	11/1/2032	\$6,222,282.33	\$47,581.84	\$0.00	\$47,581.84	\$15,174.12	\$32,407.72	\$6,207,108.20
142	12/1/2032	\$6,207,108.20	\$47,581.84	\$0.00	\$47,581.84	\$15,253.15	\$32,328.69	\$6,191,855.05
143	1/1/2033	\$6,191,855.05	\$47,581.84	\$0.00	\$47,581.84	\$15,332.60	\$32,249.25	\$6,176,522.45
144	2/1/2033	\$6,176,522.45	\$47,581.84	\$0.00	\$47,581.84	\$15,412.46	\$32,169.39	\$6,161,110.00
145	3/1/2033	\$6,161,110.00	\$47,581.84	\$0.00	\$47,581.84	\$15,492.73	\$32,089.11	\$6,145,617.27
146	4/1/2033	\$6,145,617.27	\$47,581.84	\$0.00	\$47,581.84	\$15,573.42	\$32,008.42	\$6,130,043.85
147	5/1/2033	\$6,130,043.85	\$47,581.84	\$0.00	\$47,581.84	\$15,654.53	\$31,927.31	\$6,114,389.32
148	6/1/2033	\$6,114,389.32	\$47,581.84	\$0.00	\$47,581.84	\$15,736.07	\$31,845.78	\$6,098,653.25
149	7/1/2033	\$6,098,653.25	\$47,581.84	\$0.00	\$47,581.84	\$15,818.02	\$31,763.82	\$6,082,835.23
150	8/1/2033	\$6,082,835.23	\$47,581.84	\$0.00	\$47,581.84	\$15,900.41	\$31,681.43	\$6,066,934.82
151	9/1/2033	\$6,066,934.82	\$47,581.84	\$0.00	\$47,581.84	\$15,983.22	\$31,598.62	\$6,050,951.59
152	10/1/2033	\$6,050,951.59	\$47,581.84	\$0.00	\$47,581.84	\$16,066.47	\$31,515.37	\$6,034,885.12
153	11/1/2033	\$6,034,885.12	\$47,581.84	\$0.00	\$47,581.84	\$16,150.15	\$31,431.69	\$6,018,734.97
154	12/1/2033	\$6,018,734.97	\$47,581.84	\$0.00	\$47,581.84	\$16,234.27	\$31,347.58	\$6,002,500.71

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
155	1/1/2034	\$6,002,500.71	\$47,581.84	\$0.00	\$47,581.84	\$16,318.82	\$31,263.02	\$5,986,181.89
156	2/1/2034	\$5,986,181.89	\$47,581.84	\$0.00	\$47,581.84	\$16,403.81	\$31,178.03	\$5,969,778.07
157	3/1/2034	\$5,969,778.07	\$47,581.84	\$0.00	\$47,581.84	\$16,489.25	\$31,092.59	\$5,953,288.82
158	4/1/2034	\$5,953,288.82	\$47,581.84	\$0.00	\$47,581.84	\$16,575.13	\$31,006.71	\$5,936,713.69
159	5/1/2034	\$5,936,713.69	\$47,581.84	\$0.00	\$47,581.84	\$16,661.46	\$30,920.38	\$5,920,052.23
160	6/1/2034	\$5,920,052.23	\$47,581.84	\$0.00	\$47,581.84	\$16,748.24	\$30,833.61	\$5,903,304.00
161	7/1/2034	\$5,903,304.00	\$47,581.84	\$0.00	\$47,581.84	\$16,835.47	\$30,746.37	\$5,886,468.53
162	8/1/2034	\$5,886,468.53	\$47,581.84	\$0.00	\$47,581.84	\$16,923.15	\$30,658.69	\$5,869,545.38
163	9/1/2034	\$5,869,545.38	\$47,581.84	\$0.00	\$47,581.84	\$17,011.29	\$30,570.55	\$5,852,534.08
164	10/1/2034	\$5,852,534.08	\$47,581.84	\$0.00	\$47,581.84	\$17,099.89	\$30,481.95	\$5,835,434.19
165	11/1/2034	\$5,835,434.19	\$47,581.84	\$0.00	\$47,581.84	\$17,188.96	\$30,392.89	\$5,818,245.23
166	12/1/2034	\$5,818,245.23	\$47,581.84	\$0.00	\$47,581.84	\$17,278.48	\$30,303.36	\$5,800,966.75
167	1/1/2035	\$5,800,966.75	\$47,581.84	\$0.00	\$47,581.84	\$17,368.47	\$30,213.37	\$5,783,598.27
168	2/1/2035	\$5,783,598.27	\$47,581.84	\$0.00	\$47,581.84	\$17,458.94	\$30,122.91	\$5,766,139.34
169	3/1/2035	\$5,766,139.34	\$47,581.84	\$0.00	\$47,581.84	\$17,549.87	\$30,031.98	\$5,748,589.47
170	4/1/2035	\$5,748,589.47	\$47,581.84	\$0.00	\$47,581.84	\$17,641.27	\$29,940.57	\$5,730,948.20
171	5/1/2035	\$5,730,948.20	\$47,581.84	\$0.00	\$47,581.84	\$17,733.15	\$29,848.69	\$5,713,215.04
172	6/1/2035	\$5,713,215.04	\$47,581.84	\$0.00	\$47,581.84	\$17,825.51	\$29,756.33	\$5,695,389.53
173	7/1/2035	\$5,695,389.53	\$47,581.84	\$0.00	\$47,581.84	\$17,918.36	\$29,663.49	\$5,677,471.17
174	8/1/2035	\$5,677,471.17	\$47,581.84	\$0.00	\$47,581.84	\$18,011.68	\$29,570.16	\$5,659,459.49
175	9/1/2035	\$5,659,459.49	\$47,581.84	\$0.00	\$47,581.84	\$18,105.49	\$29,476.35	\$5,641,354.00
176	10/1/2035	\$5,641,354.00	\$47,581.84	\$0.00	\$47,581.84	\$18,199.79	\$29,382.05	\$5,623,154.21
177	11/1/2035	\$5,623,154.21	\$47,581.84	\$0.00	\$47,581.84	\$18,294.58	\$29,287.26	\$5,604,859.62
178	12/1/2035	\$5,604,859.62	\$47,581.84	\$0.00	\$47,581.84	\$18,389.87	\$29,191.98	\$5,586,469.76
179	1/1/2036	\$5,586,469.76	\$47,581.84	\$0.00	\$47,581.84	\$18,485.65	\$29,096.20	\$5,567,984.11
180	2/1/2036	\$5,567,984.11	\$47,581.84	\$0.00	\$47,581.84	\$18,581.93	\$28,999.92	\$5,549,402.18
181	3/1/2036	\$5,549,402.18	\$47,581.84	\$0.00	\$47,581.84	\$18,678.71	\$28,903.14	\$5,530,723.48
182	4/1/2036	\$5,530,723.48	\$47,581.84	\$0.00	\$47,581.84	\$18,775.99	\$28,805.85	\$5,511,947.49
183	5/1/2036	\$5,511,947.49	\$47,581.84	\$0.00	\$47,581.84	\$18,873.78	\$28,708.06	\$5,493,073.70
184	6/1/2036	\$5,493,073.70	\$47,581.84	\$0.00	\$47,581.84	\$18,972.08	\$28,609.76	\$5,474,101.62
185	7/1/2036	\$5,474,101.62	\$47,581.84	\$0.00	\$47,581.84	\$19,070.90	\$28,510.95	\$5,455,030.72
186	8/1/2036	\$5,455,030.72	\$47,581.84	\$0.00	\$47,581.84	\$19,170.22	\$28,411.62	\$5,435,860.50
187	9/1/2036	\$5,435,860.50	\$47,581.84	\$0.00	\$47,581.84	\$19,270.07	\$28,311.77	\$5,416,590.43
188	10/1/2036	\$5,416,590.43	\$47,581.84	\$0.00	\$47,581.84	\$19,370.43	\$28,211.41	\$5,397,219.99
189	11/1/2036	\$5,397,219.99	\$47,581.84	\$0.00	\$47,581.84	\$19,471.32	\$28,110.52	\$5,377,748.67
190	12/1/2036	\$5,377,748.67	\$47,581.84	\$0.00	\$47,581.84	\$19,572.74	\$28,009.11	\$5,358,175.93
191	1/1/2037	\$5,358,175.93	\$47,581.84	\$0.00	\$47,581.84	\$19,674.68	\$27,907.17	\$5,338,501.26
192	2/1/2037	\$5,338,501.26	\$47,581.84	\$0.00	\$47,581.84	\$19,777.15	\$27,804.69	\$5,318,724.11
193	3/1/2037	\$5,318,724.11	\$47,581.84	\$0.00	\$47,581.84	\$19,880.16	\$27,701.69	\$5,298,843.95
194	4/1/2037	\$5,298,843.95	\$47,581.84	\$0.00	\$47,581.84	\$19,983.70	\$27,598.15	\$5,278,860.25
195	5/1/2037	\$5,278,860.25	\$47,581.84	\$0.00	\$47,581.84	\$20,087.78	\$27,494.06	\$5,258,772.47
196	6/1/2037	\$5,258,772.47	\$47,581.84	\$0.00	\$47,581.84	\$20,192.40	\$27,389.44	\$5,238,580.07

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
197	7/1/2037	\$5,238,580.07	\$47,581.84	\$0.00	\$47,581.84	\$20,297.57	\$27,284.27	\$5,218,282.50
198	8/1/2037	\$5,218,282.50	\$47,581.84	\$0.00	\$47,581.84	\$20,403.29	\$27,178.55	\$5,197,879.21
199	9/1/2037	\$5,197,879.21	\$47,581.84	\$0.00	\$47,581.84	\$20,509.56	\$27,072.29	\$5,177,369.65
200	10/1/2037	\$5,177,369.65	\$47,581.84	\$0.00	\$47,581.84	\$20,616.38	\$26,965.47	\$5,156,753.28
201	11/1/2037	\$5,156,753.28	\$47,581.84	\$0.00	\$47,581.84	\$20,723.75	\$26,858.09	\$5,136,029.53
202	12/1/2037	\$5,136,029.53	\$47,581.84	\$0.00	\$47,581.84	\$20,831.69	\$26,750.15	\$5,115,197.84
203	1/1/2038	\$5,115,197.84	\$47,581.84	\$0.00	\$47,581.84	\$20,940.19	\$26,641.66	\$5,094,257.65
204	2/1/2038	\$5,094,257.65	\$47,581.84	\$0.00	\$47,581.84	\$21,049.25	\$26,532.59	\$5,073,208.40
205	3/1/2038	\$5,073,208.40	\$47,581.84	\$0.00	\$47,581.84	\$21,158.88	\$26,422.96	\$5,052,049.51
206	4/1/2038	\$5,052,049.51	\$47,581.84	\$0.00	\$47,581.84	\$21,269.09	\$26,312.76	\$5,030,780.43
207	5/1/2038	\$5,030,780.43	\$47,581.84	\$0.00	\$47,581.84	\$21,379.86	\$26,201.98	\$5,009,400.57
208	6/1/2038	\$5,009,400.57	\$47,581.84	\$0.00	\$47,581.84	\$21,491.22	\$26,090.63	\$4,987,909.35
209	7/1/2038	\$4,987,909.35	\$47,581.84	\$0.00	\$47,581.84	\$21,603.15	\$25,978.69	\$4,966,306.20
210	8/1/2038	\$4,966,306.20	\$47,581.84	\$0.00	\$47,581.84	\$21,715.67	\$25,866.18	\$4,944,590.54
211	9/1/2038	\$4,944,590.54	\$47,581.84	\$0.00	\$47,581.84	\$21,828.77	\$25,753.08	\$4,922,761.77
212	10/1/2038	\$4,922,761.77	\$47,581.84	\$0.00	\$47,581.84	\$21,942.46	\$25,639.38	\$4,900,819.31
213	11/1/2038	\$4,900,819.31	\$47,581.84	\$0.00	\$47,581.84	\$22,056.74	\$25,525.10	\$4,878,762.57
214	12/1/2038	\$4,878,762.57	\$47,581.84	\$0.00	\$47,581.84	\$22,171.62	\$25,410.22	\$4,856,590.95
215	1/1/2039	\$4,856,590.95	\$47,581.84	\$0.00	\$47,581.84	\$22,287.10	\$25,294.74	\$4,834,303.85
216	2/1/2039	\$4,834,303.85	\$47,581.84	\$0.00	\$47,581.84	\$22,403.18	\$25,178.67	\$4,811,900.67
217	3/1/2039	\$4,811,900.67	\$47,581.84	\$0.00	\$47,581.84	\$22,519.86	\$25,061.98	\$4,789,380.81
218	4/1/2039	\$4,789,380.81	\$47,581.84	\$0.00	\$47,581.84	\$22,637.15	\$24,944.69	\$4,766,743.66
219	5/1/2039	\$4,766,743.66	\$47,581.84	\$0.00	\$47,581.84	\$22,755.05	\$24,826.79	\$4,743,988.60
220	6/1/2039	\$4,743,988.60	\$47,581.84	\$0.00	\$47,581.84	\$22,873.57	\$24,708.27	\$4,721,115.03
221	7/1/2039	\$4,721,115.03	\$47,581.84	\$0.00	\$47,581.84	\$22,992.70	\$24,589.14	\$4,698,122.33
222	8/1/2039	\$4,698,122.33	\$47,581.84	\$0.00	\$47,581.84	\$23,112.46	\$24,469.39	\$4,675,009.88
223	9/1/2039	\$4,675,009.88	\$47,581.84	\$0.00	\$47,581.84	\$23,232.83	\$24,349.01	\$4,651,777.04
224	10/1/2039	\$4,651,777.04	\$47,581.84	\$0.00	\$47,581.84	\$23,353.84	\$24,228.01	\$4,628,423.20
225	11/1/2039	\$4,628,423.20	\$47,581.84	\$0.00	\$47,581.84	\$23,475.47	\$24,106.37	\$4,604,947.73
226	12/1/2039	\$4,604,947.73	\$47,581.84	\$0.00	\$47,581.84	\$23,597.74	\$23,984.10	\$4,581,349.99
227	1/1/2040	\$4,581,349.99	\$47,581.84	\$0.00	\$47,581.84	\$23,720.65	\$23,861.20	\$4,557,629.36
228	2/1/2040	\$4,557,629.35	\$47,581.84	\$0.00	\$47,581.84	\$23,844.19	\$23,737.65	\$4,533,785.16
229	3/1/2040	\$4,533,785.16	\$47,581.84	\$0.00	\$47,581.84	\$23,968.38	\$23,613.46	\$4,509,816.78
230	4/1/2040	\$4,509,816.78	\$47,581.84	\$0.00	\$47,581.84	\$24,093.21	\$23,488.63	\$4,485,723.56
231	5/1/2040	\$4,485,723.56	\$47,581.84	\$0.00	\$47,581.84	\$24,218.70	\$23,363.14	\$4,461,504.86
232	6/1/2040	\$4,461,504.86	\$47,581.84	\$0.00	\$47,581.84	\$24,344.84	\$23,237.00	\$4,437,160.02
233	7/1/2040	\$4,437,160.02	\$47,581.84	\$0.00	\$47,581.84	\$24,471.63	\$23,110.21	\$4,412,688.39
234	8/1/2040	\$4,412,688.39	\$47,581.84	\$0.00	\$47,581.84	\$24,599.09	\$22,982.75	\$4,388,089.30
235	9/1/2040	\$4,388,089.30	\$47,581.84	\$0.00	\$47,581.84	\$24,727.21	\$22,854.63	\$4,363,362.09
236	10/1/2040	\$4,363,362.09	\$47,581.84	\$0.00	\$47,581.84	\$24,856.00	\$22,725.84	\$4,338,506.09
237	11/1/2040	\$4,338,506.09	\$47,581.84	\$0.00	\$47,581.84	\$24,985.46	\$22,596.39	\$4,313,520.63
238	12/1/2040	\$4,313,520.63	\$47,581.84	\$0.00	\$47,581.84	\$25,115.59	\$22,466.25	\$4,288,405.04

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
239	1/1/2041	\$4,288,405.04	\$47,581.84	\$0.00	\$47,581.84	\$25,246.40	\$22,335.44	\$4,263,158.64
240	2/1/2041	\$4,263,158.64	\$47,581.84	\$0.00	\$47,581.84	\$25,377.89	\$22,203.95	\$4,237,780.75
241	3/1/2041	\$4,237,780.75	\$47,581.84	\$0.00	\$47,581.84	\$25,510.07	\$22,071.77	\$4,212,270.68
242	4/1/2041	\$4,212,270.68	\$47,581.84	\$0.00	\$47,581.84	\$25,642.93	\$21,938.91	\$4,186,627.75
243	5/1/2041	\$4,186,627.75	\$47,581.84	\$0.00	\$47,581.84	\$25,776.49	\$21,805.35	\$4,160,851.26
244	6/1/2041	\$4,160,851.26	\$47,581.84	\$0.00	\$47,581.84	\$25,910.74	\$21,671.10	\$4,134,940.51
245	7/1/2041	\$4,134,940.51	\$47,581.84	\$0.00	\$47,581.84	\$26,045.69	\$21,536.15	\$4,108,894.82
246	8/1/2041	\$4,108,894.82	\$47,581.84	\$0.00	\$47,581.84	\$26,181.35	\$21,400.49	\$4,082,713.47
247	9/1/2041	\$4,082,713.47	\$47,581.84	\$0.00	\$47,581.84	\$26,317.71	\$21,264.13	\$4,056,395.76
248	10/1/2041	\$4,056,395.76	\$47,581.84	\$0.00	\$47,581.84	\$26,454.78	\$21,127.06	\$4,029,940.98
249	11/1/2041	\$4,029,940.98	\$47,581.84	\$0.00	\$47,581.84	\$26,592.57	\$20,989.28	\$4,003,348.41
250	12/1/2041	\$4,003,348.41	\$47,581.84	\$0.00	\$47,581.84	\$26,731.07	\$20,850.77	\$3,976,617.34
251	1/1/2042	\$3,976,617.34	\$47,581.84	\$0.00	\$47,581.84	\$26,870.29	\$20,711.55	\$3,949,747.04
252	2/1/2042	\$3,949,747.04	\$47,581.84	\$0.00	\$47,581.84	\$27,010.24	\$20,571.60	\$3,922,736.80
253	3/1/2042	\$3,922,736.80	\$47,581.84	\$0.00	\$47,581.84	\$27,150.92	\$20,430.92	\$3,895,585.88
254	4/1/2042	\$3,895,585.88	\$47,581.84	\$0.00	\$47,581.84	\$27,292.33	\$20,289.51	\$3,868,293.54
255	5/1/2042	\$3,868,293.54	\$47,581.84	\$0.00	\$47,581.84	\$27,434.48	\$20,147.36	\$3,840,859.06
256	6/1/2042	\$3,840,859.06	\$47,581.84	\$0.00	\$47,581.84	\$27,577.37	\$20,004.47	\$3,813,281.69
257	7/1/2042	\$3,813,281.69	\$47,581.84	\$0.00	\$47,581.84	\$27,721.00	\$19,860.84	\$3,785,560.69
258	8/1/2042	\$3,785,560.69	\$47,581.84	\$0.00	\$47,581.84	\$27,865.38	\$19,716.46	\$3,757,695.31
259	9/1/2042	\$3,757,695.31	\$47,581.84	\$0.00	\$47,581.84	\$28,010.51	\$19,571.33	\$3,729,684.80
260	10/1/2042	\$3,729,684.80	\$47,581.84	\$0.00	\$47,581.84	\$28,156.40	\$19,425.44	\$3,701,528.40
261	11/1/2042	\$3,701,528.40	\$47,581.84	\$0.00	\$47,581.84	\$28,303.05	\$19,278.79	\$3,673,225.35
262	12/1/2042	\$3,673,225.35	\$47,581.84	\$0.00	\$47,581.84	\$28,450.46	\$19,131.38	\$3,644,774.88
263	1/1/2043	\$3,644,774.88	\$47,581.84	\$0.00	\$47,581.84	\$28,598.64	\$18,983.20	\$3,616,176.24
264	2/1/2043	\$3,616,176.24	\$47,581.84	\$0.00	\$47,581.84	\$28,747.59	\$18,834.25	\$3,587,428.65
265	3/1/2043	\$3,587,428.65	\$47,581.84	\$0.00	\$47,581.84	\$28,897.32	\$18,684.52	\$3,558,531.33
266	4/1/2043	\$3,558,531.33	\$47,581.84	\$0.00	\$47,581.84	\$29,047.83	\$18,534.02	\$3,529,483.51
267	5/1/2043	\$3,529,483.51	\$47,581.84	\$0.00	\$47,581.84	\$29,199.12	\$18,382.73	\$3,500,284.39
268	6/1/2043	\$3,500,284.39	\$47,581.84	\$0.00	\$47,581.84	\$29,351.20	\$18,230.65	\$3,470,933.19
269	7/1/2043	\$3,470,933.19	\$47,581.84	\$0.00	\$47,581.84	\$29,504.07	\$18,077.78	\$3,441,429.13
270	8/1/2043	\$3,441,429.13	\$47,581.84	\$0.00	\$47,581.84	\$29,657.73	\$17,924.11	\$3,411,771.40
271	9/1/2043	\$3,411,771.40	\$47,581.84	\$0.00	\$47,581.84	\$29,812.20	\$17,769.64	\$3,381,959.19
272	10/1/2043	\$3,381,959.19	\$47,581.84	\$0.00	\$47,581.84	\$29,967.47	\$17,614.37	\$3,351,991.72
273	11/1/2043	\$3,351,991.72	\$47,581.84	\$0.00	\$47,581.84	\$30,123.55	\$17,458.29	\$3,321,868.17
274	12/1/2043	\$3,321,868.17	\$47,581.84	\$0.00	\$47,581.84	\$30,280.45	\$17,301.40	\$3,291,587.72
275	1/1/2044	\$3,291,587.72	\$47,581.84	\$0.00	\$47,581.84	\$30,438.16	\$17,143.69	\$3,261,149.57
276	2/1/2044	\$3,261,149.57	\$47,581.84	\$0.00	\$47,581.84	\$30,596.69	\$16,985.15	\$3,230,552.88
277	3/1/2044	\$3,230,552.88	\$47,581.84	\$0.00	\$47,581.84	\$30,756.05	\$16,825.80	\$3,199,796.83
278	4/1/2044	\$3,199,796.83	\$47,581.84	\$0.00	\$47,581.84	\$30,916.23	\$16,665.61	\$3,168,880.59
279	5/1/2044	\$3,168,880.59	\$47,581.84	\$0.00	\$47,581.84	\$31,077.26	\$16,504.59	\$3,137,803.34
280	6/1/2044	\$3,137,803.34	\$47,581.84	\$0.00	\$47,581.84	\$31,239.12	\$16,342.73	\$3,106,564.22

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
281	7/1/2044	\$3,106,564.22	\$47,581.84	\$0.00	\$47,581.84	\$31,401.82	\$16,180.02	\$3,075,162.40
282	8/1/2044	\$3,075,162.40	\$47,581.84	\$0.00	\$47,581.84	\$31,565.37	\$16,016.47	\$3,043,597.03
283	9/1/2044	\$3,043,597.03	\$47,581.84	\$0.00	\$47,581.84	\$31,729.78	\$15,852.07	\$3,011,867.25
284	10/1/2044	\$3,011,867.25	\$47,581.84	\$0.00	\$47,581.84	\$31,895.03	\$15,686.81	\$2,979,972.22
285	11/1/2044	\$2,979,972.22	\$47,581.84	\$0.00	\$47,581.84	\$32,061.15	\$15,520.69	\$2,947,911.06
286	12/1/2044	\$2,947,911.06	\$47,581.84	\$0.00	\$47,581.84	\$32,228.14	\$15,353.70	\$2,915,682.92
287	1/1/2045	\$2,915,682.92	\$47,581.84	\$0.00	\$47,581.84	\$32,395.99	\$15,185.85	\$2,883,286.93
288	2/1/2045	\$2,883,286.93	\$47,581.84	\$0.00	\$47,581.84	\$32,564.72	\$15,017.12	\$2,850,722.20
289	3/1/2045	\$2,850,722.20	\$47,581.84	\$0.00	\$47,581.84	\$32,734.33	\$14,847.51	\$2,817,987.87
290	4/1/2045	\$2,817,987.87	\$47,581.84	\$0.00	\$47,581.84	\$32,904.82	\$14,677.02	\$2,785,083.05
291	5/1/2045	\$2,785,083.05	\$47,581.84	\$0.00	\$47,581.84	\$33,076.20	\$14,505.64	\$2,752,006.85
292	6/1/2045	\$2,752,006.85	\$47,581.84	\$0.00	\$47,581.84	\$33,248.47	\$14,333.37	\$2,718,758.37
293	7/1/2045	\$2,718,758.37	\$47,581.84	\$0.00	\$47,581.84	\$33,421.64	\$14,160.20	\$2,685,336.73
294	8/1/2045	\$2,685,336.73	\$47,581.84	\$0.00	\$47,581.84	\$33,595.71	\$13,986.13	\$2,651,741.01
295	9/1/2045	\$2,651,741.01	\$47,581.84	\$0.00	\$47,581.84	\$33,770.69	\$13,811.15	\$2,617,970.32
296	10/1/2045	\$2,617,970.32	\$47,581.84	\$0.00	\$47,581.84	\$33,946.58	\$13,635.26	\$2,584,023.74
297	11/1/2045	\$2,584,023.74	\$47,581.84	\$0.00	\$47,581.84	\$34,123.39	\$13,458.46	\$2,549,900.35
298	12/1/2045	\$2,549,900.35	\$47,581.84	\$0.00	\$47,581.84	\$34,301.11	\$13,280.73	\$2,515,599.24
299	1/1/2046	\$2,515,599.24	\$47,581.84	\$0.00	\$47,581.84	\$34,479.76	\$13,102.08	\$2,481,119.48
300	2/1/2046	\$2,481,119.48	\$47,581.84	\$0.00	\$47,581.84	\$34,659.35	\$12,922.50	\$2,446,460.13
301	3/1/2046	\$2,446,460.13	\$47,581.84	\$0.00	\$47,581.84	\$34,839.86	\$12,741.98	\$2,411,620.27
302	4/1/2046	\$2,411,620.27	\$47,581.84	\$0.00	\$47,581.84	\$35,021.32	\$12,560.52	\$2,376,598.95
303	5/1/2046	\$2,376,598.95	\$47,581.84	\$0.00	\$47,581.84	\$35,203.72	\$12,378.12	\$2,341,395.22
304	6/1/2046	\$2,341,395.22	\$47,581.84	\$0.00	\$47,581.84	\$35,387.08	\$12,194.77	\$2,306,008.15
305	7/1/2046	\$2,306,008.15	\$47,581.84	\$0.00	\$47,581.84	\$35,571.38	\$12,010.46	\$2,270,436.76
306	8/1/2046	\$2,270,436.76	\$47,581.84	\$0.00	\$47,581.84	\$35,756.65	\$11,825.19	\$2,234,680.11
307	9/1/2046	\$2,234,680.11	\$47,581.84	\$0.00	\$47,581.84	\$35,942.88	\$11,638.96	\$2,198,737.23
308	10/1/2046	\$2,198,737.23	\$47,581.84	\$0.00	\$47,581.84	\$36,130.09	\$11,451.76	\$2,162,607.14
309	11/1/2046	\$2,162,607.14	\$47,581.84	\$0.00	\$47,581.84	\$36,318.26	\$11,263.58	\$2,126,288.87
310	12/1/2046	\$2,126,288.87	\$47,581.84	\$0.00	\$47,581.84	\$36,507.42	\$11,074.42	\$2,089,781.45
311	1/1/2047	\$2,089,781.45	\$47,581.84	\$0.00	\$47,581.84	\$36,697.56	\$10,884.28	\$2,053,083.89
312	2/1/2047	\$2,053,083.89	\$47,581.84	\$0.00	\$47,581.84	\$36,888.70	\$10,693.15	\$2,016,195.19
313	3/1/2047	\$2,016,195.19	\$47,581.84	\$0.00	\$47,581.84	\$37,080.83	\$10,501.02	\$1,979,114.36
314	4/1/2047	\$1,979,114.36	\$47,581.84	\$0.00	\$47,581.84	\$37,273.96	\$10,307.89	\$1,941,840.41
315	5/1/2047	\$1,941,840.41	\$47,581.84	\$0.00	\$47,581.84	\$37,468.09	\$10,113.75	\$1,904,372.32
316	6/1/2047	\$1,904,372.32	\$47,581.84	\$0.00	\$47,581.84	\$37,663.24	\$9,918.61	\$1,866,709.08
317	7/1/2047	\$1,866,709.08	\$47,581.84	\$0.00	\$47,581.84	\$37,859.40	\$9,722.44	\$1,828,849.68
318	8/1/2047	\$1,828,849.68	\$47,581.84	\$0.00	\$47,581.84	\$38,056.58	\$9,525.26	\$1,790,793.09
319	9/1/2047	\$1,790,793.09	\$47,581.84	\$0.00	\$47,581.84	\$38,254.80	\$9,327.05	\$1,752,538.30
320	10/1/2047	\$1,752,538.30	\$47,581.84	\$0.00	\$47,581.84	\$38,454.04	\$9,127.80	\$1,714,084.26
321	11/1/2047	\$1,714,084.26	\$47,581.84	\$0.00	\$47,581.84	\$38,654.32	\$8,927.52	\$1,675,429.94
322	12/1/2047	\$1,675,429.94	\$47,581.84	\$0.00	\$47,581.84	\$38,855.65	\$8,726.20	\$1,636,574.29

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
323	1/1/2048	\$1,636,574.29	\$47,581.84	\$0.00	\$47,581.84	\$39,058.02	\$8,523.82	\$1,597,516.27
324	2/1/2048	\$1,597,516.27	\$47,581.84	\$0.00	\$47,581.84	\$39,261.45	\$8,320.40	\$1,558,254.83
325	3/1/2048	\$1,558,254.83	\$47,581.84	\$0.00	\$47,581.84	\$39,465.93	\$8,115.91	\$1,518,788.89
326	4/1/2048	\$1,518,788.89	\$47,581.84	\$0.00	\$47,581.84	\$39,671.48	\$7,910.36	\$1,479,117.41
327	5/1/2048	\$1,479,117.41	\$47,581.84	\$0.00	\$47,581.84	\$39,878.11	\$7,703.74	\$1,439,239.30
328	6/1/2048	\$1,439,239.30	\$47,581.84	\$0.00	\$47,581.84	\$40,085.81	\$7,496.04	\$1,399,153.50
329	7/1/2048	\$1,399,153.50	\$47,581.84	\$0.00	\$47,581.84	\$40,294.59	\$7,287.26	\$1,358,858.91
330	8/1/2048	\$1,358,858.91	\$47,581.84	\$0.00	\$47,581.84	\$40,504.45	\$7,077.39	\$1,318,354.46
331	9/1/2048	\$1,318,354.46	\$47,581.84	\$0.00	\$47,581.84	\$40,715.41	\$6,866.43	\$1,277,639.04
332	10/1/2048	\$1,277,639.04	\$47,581.84	\$0.00	\$47,581.84	\$40,927.47	\$6,654.37	\$1,236,711.57
333	11/1/2048	\$1,236,711.57	\$47,581.84	\$0.00	\$47,581.84	\$41,140.64	\$6,441.21	\$1,195,570.93
334	12/1/2048	\$1,195,570.93	\$47,581.84	\$0.00	\$47,581.84	\$41,354.91	\$6,226.93	\$1,154,216.02
335	1/1/2049	\$1,154,216.02	\$47,581.84	\$0.00	\$47,581.84	\$41,570.30	\$6,011.54	\$1,112,645.72
336	2/1/2049	\$1,112,645.72	\$47,581.84	\$0.00	\$47,581.84	\$41,786.81	\$5,795.03	\$1,070,858.91
337	3/1/2049	\$1,070,858.91	\$47,581.84	\$0.00	\$47,581.84	\$42,004.45	\$5,577.39	\$1,028,854.45
338	4/1/2049	\$1,028,854.45	\$47,581.84	\$0.00	\$47,581.84	\$42,223.23	\$5,358.62	\$986,631.23
339	5/1/2049	\$986,631.23	\$47,581.84	\$0.00	\$47,581.84	\$42,443.14	\$5,138.70	\$944,188.09
340	6/1/2049	\$944,188.09	\$47,581.84	\$0.00	\$47,581.84	\$42,664.20	\$4,917.65	\$901,523.89
341	7/1/2049	\$901,523.89	\$47,581.84	\$0.00	\$47,581.84	\$42,886.41	\$4,695.44	\$858,637.49
342	8/1/2049	\$858,637.49	\$47,581.84	\$0.00	\$47,581.84	\$43,109.77	\$4,472.07	\$815,527.71
343	9/1/2049	\$815,527.71	\$47,581.84	\$0.00	\$47,581.84	\$43,334.30	\$4,247.54	\$772,193.41
344	10/1/2049	\$772,193.41	\$47,581.84	\$0.00	\$47,581.84	\$43,560.00	\$4,021.84	\$728,633.41
345	11/1/2049	\$728,633.41	\$47,581.84	\$0.00	\$47,581.84	\$43,786.88	\$3,794.97	\$684,846.53
346	12/1/2049	\$684,846.53	\$47,581.84	\$0.00	\$47,581.84	\$44,014.93	\$3,566.91	\$640,831.60
347	1/1/2050	\$640,831.60	\$47,581.84	\$0.00	\$47,581.84	\$44,244.18	\$3,337.66	\$596,587.42
348	2/1/2050	\$596,587.42	\$47,581.84	\$0.00	\$47,581.84	\$44,474.62	\$3,107.23	\$552,112.80
349	3/1/2050	\$552,112.80	\$47,581.84	\$0.00	\$47,581.84	\$44,706.26	\$2,875.59	\$507,406.54
350	4/1/2050	\$507,406.54	\$47,581.84	\$0.00	\$47,581.84	\$44,939.10	\$2,642.74	\$462,467.44
351	5/1/2050	\$462,467.44	\$47,581.84	\$0.00	\$47,581.84	\$45,173.16	\$2,408.68	\$417,294.28
352	6/1/2050	\$417,294.28	\$47,581.84	\$0.00	\$47,581.84	\$45,408.44	\$2,173.41	\$371,885.85
353	7/1/2050	\$371,885.85	\$47,581.84	\$0.00	\$47,581.84	\$45,644.94	\$1,936.91	\$326,240.91
354	8/1/2050	\$326,240.91	\$47,581.84	\$0.00	\$47,581.84	\$45,882.67	\$1,699.17	\$280,358.24
355	9/1/2050	\$280,358.24	\$47,581.84	\$0.00	\$47,581.84	\$46,121.64	\$1,460.20	\$234,236.59
356	10/1/2050	\$234,236.59	\$47,581.84	\$0.00	\$47,581.84	\$46,361.86	\$1,219.98	\$187,874.73
357	11/1/2050	\$187,874.73	\$47,581.84	\$0.00	\$47,581.84	\$46,603.33	\$978.51	\$141,271.40
358	12/1/2050	\$141,271.40	\$47,581.84	\$0.00	\$47,581.84	\$46,846.05	\$735.79	\$94,425.35
359	1/1/2051	\$94,425.35	\$47,581.84	\$0.00	\$47,581.84	\$47,090.04	\$491.80	\$47,335.31
360	2/1/2051	\$47,335.31	\$47,581.84	\$0.00	\$47,335.31	\$47,088.77	\$246.54	\$0.00

CUMULATIVE INTEREST
\$40,249.34
\$80,460.49
\$120,633.25
\$160,767.42
\$200,862.80
\$240,919.19
\$280,936.38
\$320,914.17
\$360,852.36
\$400,750.74
\$440,609.10
\$480,427.24
\$520,204.94
\$559,941.99
\$599,638.18
\$639,293.30
\$678,907.14
\$718,479.48
\$758,010.10
\$797,498.79
\$836,945.32
\$876,349.49
\$915,711.06
\$955,029.82
\$994,305.54
\$1,033,538.00
\$1,072,726.98
\$1,111,872.24

CUMULATIVE INTEREST

\$1,150,973.56
\$1,190,030.71
\$1,229,043.46
\$1,268,011.58
\$1,306,934.84
\$1,345,813.00
\$1,384,645.83
\$1,423,433.10
\$1,462,174.55
\$1,500,869.97
\$1,539,519.10
\$1,578,121.70
\$1,616,677.54
\$1,655,186.37
\$1,693,647.94
\$1,732,062.01
\$1,770,428.33
\$1,808,746.66
\$1,847,016.74
\$1,885,238.32
\$1,923,411.14
\$1,961,534.97
\$1,999,609.53
\$2,037,634.57
\$2,075,609.84
\$2,113,535.08
\$2,151,410.02
\$2,189,234.40
\$2,227,007.96
\$2,264,730.44
\$2,302,401.57
\$2,340,021.08
\$2,377,588.70
\$2,415,104.17
\$2,452,567.20
\$2,489,977.54
\$2,527,334.89
\$2,564,639.00
\$2,601,889.57
\$2,639,086.34
\$2,676,229.01
\$2,713,317.32

**CUMULATIVE
INTEREST**

\$2,750,350.97
\$2,787,329.69
\$2,824,253.18
\$2,861,121.15
\$2,897,933.33
\$2,934,689.41
\$2,971,389.11
\$3,008,032.14
\$3,044,618.18
\$3,081,146.96
\$3,117,618.17
\$3,154,031.52
\$3,190,386.69
\$3,226,683.39
\$3,262,921.32
\$3,299,100.16
\$3,335,219.61
\$3,371,279.36
\$3,407,279.10
\$3,443,218.52
\$3,479,097.30
\$3,514,915.12
\$3,550,671.68
\$3,586,366.64
\$3,621,999.70
\$3,657,570.52
\$3,693,078.78
\$3,728,524.16
\$3,763,906.33
\$3,799,224.96
\$3,834,479.72
\$3,869,670.27
\$3,904,796.29
\$3,939,857.43
\$3,974,853.36
\$4,009,783.74
\$4,044,648.23
\$4,079,446.48
\$4,114,178.15
\$4,148,842.89
\$4,183,440.35
\$4,217,970.19

**CUMULATIVE
INTEREST**

\$4,252,432.05
\$4,286,825.57
\$4,321,150.41
\$4,355,406.20
\$4,389,592.58
\$4,423,709.19
\$4,457,755.68
\$4,491,731.66
\$4,525,636.79
\$4,559,470.68
\$4,593,232.96
\$4,626,923.27
\$4,660,541.23
\$4,694,086.45
\$4,727,558.57
\$4,760,957.21
\$4,794,281.97
\$4,827,532.48
\$4,860,708.34
\$4,893,809.17
\$4,926,834.58
\$4,959,784.18
\$4,992,657.56
\$5,025,454.34
\$5,058,174.12
\$5,090,816.49
\$5,123,381.04
\$5,155,867.39
\$5,188,275.11
\$5,220,603.80
\$5,252,853.04
\$5,285,022.43
\$5,317,111.54
\$5,349,119.97
\$5,381,047.28
\$5,412,893.06
\$5,444,656.88
\$5,476,338.31
\$5,507,936.93
\$5,539,452.30
\$5,570,883.99
\$5,602,231.57

CUMULATIVE INTEREST

\$5,633,494.60
\$5,664,672.63
\$5,695,765.22
\$5,726,771.93
\$5,757,692.32
\$5,788,525.92
\$5,819,272.30
\$5,849,930.99
\$5,880,501.54
\$5,910,983.49
\$5,941,376.37
\$5,971,679.73
\$6,001,893.10
\$6,032,016.01
\$6,062,047.98
\$6,091,988.55
\$6,121,837.24
\$6,151,593.57
\$6,181,257.06
\$6,210,827.22
\$6,240,303.57
\$6,269,685.62
\$6,298,972.89
\$6,328,164.86
\$6,357,261.06
\$6,386,260.98
\$6,415,164.11
\$6,443,969.96
\$6,472,678.02
\$6,501,287.78
\$6,529,798.73
\$6,558,210.35
\$6,586,522.12
\$6,614,733.53
\$6,642,844.05
\$6,670,853.16
\$6,698,760.32
\$6,726,565.02
\$6,754,266.71
\$6,781,864.85
\$6,809,358.92
\$6,836,748.36

CUMULATIVE INTEREST
\$6,864,032.63
\$6,891,211.18
\$6,918,283.47
\$6,945,248.94
\$6,972,107.03
\$6,998,857.18
\$7,025,498.84
\$7,052,031.43
\$7,078,454.39
\$7,104,767.15
\$7,130,969.13
\$7,157,059.75
\$7,183,038.45
\$7,208,904.63
\$7,234,657.70
\$7,260,297.09
\$7,285,822.19
\$7,311,232.41
\$7,336,527.15
\$7,361,705.82
\$7,386,767.80
\$7,411,712.49
\$7,436,539.28
\$7,461,247.56
\$7,485,836.70
\$7,510,306.09
\$7,534,655.10
\$7,558,883.10
\$7,582,989.47
\$7,606,973.58
\$7,630,834.77
\$7,654,572.43
\$7,678,185.89
\$7,701,674.52
\$7,725,037.66
\$7,748,274.67
\$7,771,384.88
\$7,794,367.63
\$7,817,222.26
\$7,839,948.10
\$7,862,544.49
\$7,885,010.74

**CUMULATIVE
INTEREST**

\$7,907,346.19
\$7,929,550.14
\$7,951,621.91
\$7,973,560.82
\$7,995,366.17
\$8,017,037.27
\$8,038,573.42
\$8,059,973.92
\$8,081,238.05
\$8,102,365.11
\$8,123,354.39
\$8,144,205.16
\$8,164,916.71
\$8,185,488.31
\$8,205,919.23
\$8,226,208.74
\$8,246,356.10
\$8,266,360.57
\$8,286,221.42
\$8,305,937.88
\$8,325,509.21
\$8,344,934.65
\$8,364,213.44
\$8,383,344.83
\$8,402,328.03
\$8,421,162.28
\$8,439,846.80
\$8,458,380.82
\$8,476,763.55
\$8,494,994.20
\$8,513,071.97
\$8,530,996.08
\$8,548,765.73
\$8,566,380.10
\$8,583,838.39
\$8,601,139.78
\$8,618,283.47
\$8,635,268.62
\$8,652,094.42
\$8,668,760.03
\$8,685,264.61
\$8,701,607.34

**CUMULATIVE
INTEREST**

\$8,717,787.36
\$8,733,803.83
\$8,749,655.90
\$8,765,342.71
\$8,780,863.40
\$8,796,217.10
\$8,811,402.95
\$8,826,420.07
\$8,841,267.58
\$8,855,944.60
\$8,870,450.24
\$8,884,783.61
\$8,898,943.81
\$8,912,929.94
\$8,926,741.09
\$8,940,376.35
\$8,953,834.81
\$8,967,115.54
\$8,980,217.62
\$8,993,140.12
\$9,005,882.10
\$9,018,442.62
\$9,030,820.74
\$9,043,015.51
\$9,055,025.96
\$9,066,851.16
\$9,078,490.12
\$9,089,941.87
\$9,101,205.45
\$9,112,279.87
\$9,123,164.15
\$9,133,857.30
\$9,144,358.31
\$9,154,666.20
\$9,164,779.95
\$9,174,698.56
\$9,184,421.00
\$9,193,946.26
\$9,203,273.31
\$9,212,401.11
\$9,221,328.63
\$9,230,054.83

CUMULATIVE INTEREST
\$9,238,578.65
\$9,246,899.05
\$9,255,014.96
\$9,262,925.32
\$9,270,629.06
\$9,278,125.10
\$9,285,412.35
\$9,292,489.74
\$9,299,356.17
\$9,306,010.54
\$9,312,451.75
\$9,318,678.68
\$9,324,690.22
\$9,330,485.25
\$9,336,062.64
\$9,341,421.26
\$9,346,559.96
\$9,351,477.61
\$9,356,173.05
\$9,360,645.12
\$9,364,892.66
\$9,368,914.50
\$9,372,709.46
\$9,376,276.37
\$9,379,614.04
\$9,382,721.26
\$9,385,596.85
\$9,388,239.59
\$9,390,648.28
\$9,392,821.69
\$9,394,758.59
\$9,396,457.76
\$9,397,917.96
\$9,399,137.94
\$9,400,116.46
\$9,400,852.25
\$9,401,344.05
\$9,401,590.58

EXHIBIT B-6

ACTUAL LEASEHOLD IMPROVEMENT PAYMENT SCHEDULE

(To be provided at a later date)

ADDENDUM I

ESTIMATED INTERIOR LEASEHOLD IMPROVEMENT COST

Cost Code	Description	Amount	Cost Code	Description	Amount	Cost Code	Description	Amount	
1000	GENERAL CONDITIONS		3000	CONCRETE		9000	FINISHES		
1003	Traffic Control	\$0	3100.1	CC Slab / Footings (Allow)	\$5,000	9100	Metal Panel Soffit	\$0	
1007	Dumpsters	\$18,000	3200	Tilt Up Concrete	\$0	9200	Lath & Plaster	\$0	
1010	Erosion Control / Other	\$0	3201	Concrete Sacking	\$0	9250	Drywall / Metal Framing	\$623,000	
1330	Surveying	\$0	3210	Concrete Stairs	\$0	9250.001	Structural Metal Framing	\$0	
1410	Rental Equipment / Supplies	\$6,500	3300	Concrete Reinforcing	\$0	9300	Ceramic Tile	\$177,380	
1460	Traffic Plates	\$0	3400	Precast Concrete	\$0	9500	Acoustical Ceiling	\$271,782	
1500	Miscellaneous	\$22,500	3401	Poured in Place Concrete Top	\$0	9540	Marlite / FRP	\$0	
1501	Trailer	\$4,500	3803.1	Monument Sign (Allow)	\$25,000	9600	Stone Flooring	\$0	
1502	Temporary Power	\$1,500				9650	Resilient Flooring	\$0	
1503	Monthly Electric	\$1,800				9665	Sheet Vinyl Flooring	\$0	
1504	Water	\$2,600				9680	Carpet	\$0	
1506	Temp Toilets	\$4,000				9680.002	Floor Covering	\$226,869	
1507	Plan Reproduction	\$2,500	4000	MASONRY		9700	Special Flooring	\$0	
1509	Trailer Water	\$0	4200	Building Masonry	\$0	9791	Polished Concrete	\$0	
1510	Temp. Fence		4230	Site Masonry	\$0	9800	Other Finishes	\$0	
1559	Living Allowance	\$25,000	4400	Precast Masonry	\$0	9900	Painting	\$114,100	
1550	Project Admin	\$20,000	4500	Other Masonry	\$0	9950	Wall Coverings	\$0	
1551	Project Management	\$30,000							
1552	Supervision	\$90,000							
1553	General Labor	\$20,000							
1554	Clean Up	\$32,000	5000	STEEL		10000	MISCELLANEOUS SPECIALTIES		
			5100	Structural Steel	\$15,000	10150	Toilet Partitions	\$25,200	
			5300	Metal Decking	\$0	10300	Sound Room / Accessories	\$0	
			5520	Handrails and Railings	\$0	10400	Signage	\$2,500	
			5600	Other Steel	\$0	10500	Lockers	\$9,000	
						10520	Fire Extinguishers	\$6,000	
						10520.001	Knox Boxes	\$0	
						10530	Awnings	\$0	
			6000	CARPENTRY		10001	Dental Suite (Allow)	\$300,000	
2000	SITE WORK		6100	Rough Framing	\$7,500	10800	Toilet & Bath Accessories	\$0	
2050	Demolition	\$0	6110	Panelized Roof	\$0	10903	Flag Poles	\$12,500	
2051	Misc. Demolition	\$0	6190	Other Carpentry	\$0				
2053	Rock Blasting	\$0	6200	Finish Carpentry	\$61,000				
2075	Concrete Removal	\$0	6400	Cabinets	\$446,212				
2105	Traffic Control	\$0	6401	Solid Surface Tops	\$0	11000	EQUIPMENT		
2200	Miscellaneous Grading	\$0				11160	Dock Equipment	\$0	
2211	Import/Export	\$0				11161	Dock Levelers	\$0	
2210	Rough / Fine Grading	\$0				11165	Dock Bumpers	\$0	
2210.001	Off-Site Grading	\$0	7000	THERM. PROTECT. / SHEET METAL		11180	Fireplace Equipment	\$0	
2220	Excavate & Backfill	\$0	7100	Waterproofing	\$0	11400	Appliances	\$0	
2510	Asphalt Paving	\$0	7200	Batt & Foil Insulation	\$79,800				
2510.001	Off-Site Paving	\$0	7240	E.I.F.S.	\$0				
2520	Concrete Curb / Gutter	\$0	7250	Fireproofing	\$0	12000	FURNISHINGS		
2525	Concrete Flatwork	\$0	7412	Other Therm. Protect/Sheet Mtl	\$0	12500	Window Treatment	\$81,161	
2580	Striping	\$0	7500	Built Up Roofing	\$0				
2600	Utility Piping	\$0	7600	Sheet Metal	\$0				
2605	Off-Site Utilities	\$0	7700	Roof Curbs / Accessories	\$0	14000	CONVEYING SYSTEMS		
2650	Wet Utilities	\$0	7800	Specialty Skylights	\$0	14200	Elevators / Dumbwaiters	\$0	
2665	Dom. Water / Meters	\$0	7900	Caulking	\$0				
2667	Fire Lines / Devices	\$0	7910	Joint Fill	\$0				
2710	Infiltration Trench	\$0				15000	MECHANICAL		
2720	Storm Drain / Fr. Drain	\$0				15300	Fire Protection	\$90,800	
2730	Sewer	\$0				15400	Plumbing	\$635,760	
2805	Fire Access Road	\$0	8000	DOORS / FRAMES / GLASS		15500	HVAC	\$950,665	
2810	Irrigation Systems	\$0	8100	Hollow Metal Doors / Frames					
2830	Fences / Gates	\$0	8200	Wood Doors / Frames	\$236,609				
2841	Bike Racks	\$0	8250	Installation (Doors / Frames)	\$0	16000	ELECTRICAL		
2900	Landscape	\$0	8300	Overhead Doors	\$73,500	16050	Site Electrical		
			8400	Storefront / Auto Doors	\$0	16500	Building Electrical	\$1,028,352	
			8700	Finish Hardware	\$0	16700	Communications / Alarm	\$107,582	
			8800	Glazing / Interior Windows	\$50,000	16900	Building Security	\$0	
Prepared for: The Boureston Companies						Subtotal			\$5,943,172
Job Name: Palms Springs Care Clinic TI 35000 sf TI						60000 Contingency			
Address: Corner of Sunrise and Tahquitz Canyon Palm Springs,						60100 Overhead & Profit			\$297,159
Prepared by: Shane Dixon						1555 Insurance			\$68,644
Job #: 19025 Plans Dated: 03.01.19						Total			\$6,308,975
						Soft Costs			
						Architectural Fees			\$448,000
						Design Build Fees			\$85,000
						LEED Consultants Fee			\$90,000
						Interior Design			\$115,000
						Permit / Plan Check Fees			\$50,000
						TI Contingency			\$630,898
						Soft Construction Cost Subtotal			\$1,418,898
						Construction Cost Total:			\$7,727,873

EXHIBIT C

CONFIRMATION OF COMMENCEMENT DATE AND LEASE INFORMATION

Exhibit C

Confirmation of Commencement Date and Lease Information

Date _____, 20____

Re: Medical Office Building Sublease Under PSL-510 dated as of _____, 2019, by and between Sunquitz EMC, LLC, a California limited liability company, as "Landlord", and County of Riverside, a political subdivision of the State of California, as "Tenant", for certain premises located at the NWC Taquitz and Sunrise in Palm Springs, California.

Dear _____:

In accordance with the terms and conditions of the above referenced Lease, Tenant accepts possession of the Leased Premises and agrees:

1. The Commencement Date of the Lease Term is _____ and shall continue for thirty (30) years unless earlier terminated as provided for in the Lease.
2. The Leased Premises consists of 35,000 square feet.
3. Rent for the first year of the Term shall be \$82,250 per month.
4. The Leasehold Improvements reimbursement pursuant to section 8 of **Exhibit "B"**, the Leasehold Improvement Agreement, shall be \$_____ annually, or \$_____ monthly.

COUNTY:

COUNTY OF RIVERSIDE

LESSOR:

Sunquitz EMC, LLC, a California limited liability company

By: _____

Name:

Its:

By: _____
Richard E. Boureston, Manager

By: _____
Hank Gordon, Manager

Laurich Properties, Inc., a Nevada corporation, Manager

By: _____
Richard S. Gordon, President

EXHIBIT D
ANNUAL OPERATING BUDGET

EXHIBIT "D" OPERATING EXPENSE ESTIMATE

Operating Expenses - Projected:

	Monthly Cost	Per S.F.
Electricity/Gas (County Pays direct to Utility Co.)	\$ -	\$ -
Water/Sewer (County Pays direct to Utility Co.)	\$ -	\$ -
Custodial (includes Dayporter)	\$ 5,817	\$ 0.17
Fire Sprinkler Monitoring	\$ 425	\$ 0.01
Trash/Recycling	\$ 700	\$ 0.02
Landscape Maintenance	\$ 825	\$ 0.02
Repairs/Maintenance	\$ 1,782	\$ 0.05
Parking Lot Sweeping	\$ -	\$ -
Association	\$ 600	\$ 0.02
Administration	\$ 2,592	\$ 0.07
Property Taxes	\$ 7,500	\$ 0.21
Assessment Bonds	\$ -	\$ -
Insurance	\$ 700	\$ 0.02
Reserves for Replacement	\$ -	\$ -
Totals:	\$ 20,940	\$ 0.60

EXHIBIT E
CUSTODIAL SERVICES AGREEMENT

**COUNTY OF RIVERSIDE
Economic Development Agency
Real Estate Division**

CUSTODIAL SERVICES REQUIREMENTS FOR LEASE 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 5:00pm to 1:00am only.
4. Provide and replace all fluorescent light tubes and incandescent light bulbs using only those types of tubes and bulbs that are energy efficient as indicated by manufacturer. Fixture reflectors shall be wiped clean with each relamping.
5. Lessor and custodial staff shall be responsible for key control. Issuing keys to workers, collecting said keys at shift end and retrieving keys at the end of custodian's employment. If keys are lost, stolen or misplaced, rekeying costs are landlord's responsibility.
6. **SPECIFIC SERVICES** – Frequency and coverage:

A. Daily:

1. Rest Rooms:

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

2. Lobby Area – Main Corridors – Stairways:

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

3. Employee Break Rooms/Kitchen:

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

4. General and Private Areas:

Remove trash, vacuum carpets, mop tile floors, spot clean interior partition glass, clean counter tops and backboards, dust desks, conference tables, credenza/file cabinets and bookcases.

5. Building Security:

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

B. Weekly – All Areas:

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

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

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

C. Monthly – All Areas:

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

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

D. Quarterly – All Areas:

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

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

E. Semi-Annually – All Areas:

1. Clean and polish all baseboards
2. Damp clean lobby and reception chairs
3. 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 F

GENERAL CONSTRUCTION SPECIFICATIONS FOR LEASED FACILITIES

**COUNTY OF RIVERSIDE
DEPARTMENT OF FACILITIES MANAGEMENT
Real Estate Division**

**GENERAL CONSTRUCTION SPECIFICATIONS
FOR LEASED FACILITIES**

A. INTENT

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

B. COMPLIANCE WITH LOCAL REGULATIONS

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

C. **DRAWINGS**

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

D. **CONSTRUCTION**

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

E. **SPECIFICATIONS**

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

(SITE REQUIREMENTS)

A. **SITE**

1. The Lessor shall be responsible for determining site conditions, including sub-surface soil conditions, adequate public utilities and load-bearing characteristics, the installation of retaining walls, demolition, relocation of utilities, and other site improvements.

B. **GRADING**

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

C. **DRAINAGE**

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

D. **RETAINING WALLS**

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

E. **LANDSCAPING**

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

F. **CLEANUP**

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

(ARCHITECTURAL REQUIREMENTS)

A. **FLOORS**

1. Floor elevations shall be at least eight inches above finished exterior grade whenever possible. When floor slab is below grade, it shall be waterproof.
2. Floors shall be designed in accordance with uniform, concentrated and special

loads given in the "Uniform Building Code", chapter 23.

3. Carpet – One hundred percent (100%) continuous filament nylon or olefin with static control; minimum yarn weight - 28 oz. Require statement of pile weight from vendor or manufacturer. Minimum five (5) year warranty excluding the use of protective chair pads against ten percent (10%) surface wears when properly maintained. Four inch (4") rubber cove base shall be used for base in all carpeted areas. Colors/patterns must be approved by the Department of Facilities Management.
4. Carpet tiles may be used. Pile weight 28 oz. static control 2.0 K.V. or less. Color shall meet County color standards.
5. Non-carpeted floors - rest rooms, coffee rooms, etc., shall have sheet vinyl covering, including base. Vinyl tile may be used in other non-carpeted areas. Vinyl shall be commercial grade with colors and patterns full depth. Colors/patterns of sheet vinyl and vinyl tile must be approved by the Department of Facilities Management.

B. WALLS

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

C. ROOF AND INSULATION

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

D. TIMBER AND WOOD

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

E. CEILING CONSTRUCTION

1. All ceilings shall be placed at nine feet (9'0") above finish floor level, unless otherwise specified.
2. A suspended acoustical ceiling system with integrated lighting shall be installed in all occupied areas.
3. Rest rooms and coffee rooms shall have solid ceilings (drywall, etc.).

F. WINDOWS

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

G. DOORS

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

H. CABINET WORK

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

I. HARDWARE

1. Hardware will be of good commercial quality grade and type. Automatic door closers shall be provided on public and employee entrance doors, toilet room doors, and coffee room doors. Public entrance and glazed partition lobby doors shall be equipped with push bars with integral PUSH AND PULL signs. Toilet and coffee room doors will have push plates and door pulls. When public entrance, lobby, toilet or coffee room doors are wood or metal with enameled finish, kickplates shall be provided. At buildings where only one (1) toilet is provided, the door closer will be omitted and the door fitted with a privacy lockset. Door locks will be operable by a master key system. Panic hardware must be installed where required by code. Simplex cipher locks (or equal) may be used in lieu of keyed locks when approved by the Department of Facilities Management.
2. Exterior doors with hinges exposed to the public (out- swinging doors) will be equipped with door butts that have "fast" pins to prevent removal or tampering.
3. All doors to be provided with adequate hardware. Interior door locksets to be provided only where indicated on plans. Interior doors to be provided with doorstops.
4. Double doors (pair) - shall be avoided on exterior openings wherever possible. When pair is required by design, use removable mullion, unless specifically approved otherwise.
5. Exterior doors - all exterior doors must have a deadbolt lock, except where panic hardware is required.
6. Door lock keying - Simplex or equal may be substituted for keyed locks when approved by the County.
 - a. All keyed locks shall be equipped with six (6) pin keyways.
 - b. Three (3) keys shall be furnished for each lock.
 - c. All locks shall be keyed as specified by County, except that all locks within the following individual groups shall be keyed alike:
 - (1) Mechanical equipment rooms.
 - (2) Janitor's closets.
 - (3) Employee entrances (interior & exterior).
 - (4) Bulletin boards.
 - (5) Electrical panel boxes.
 - d. A master key system shall be provided and three (3) master keys shall be furnished, unless otherwise specified.

- e. Keying - locks will incorporate a security system to assure that keys used during construction will not open doors after County occupancy. The key side of all locks will be on the public side.

J. **TOILET ENCLOSURES AND ACCESSORIES**

Facilities must comply with all existing codes.

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

K. **PAINTING**

1. All exterior painted surfaces shall be given a minimum of two (2) coats. Colors must be approved by the Department of Facilities Management.
2. Interior surfaces and trim shall be given two (2) coats minimum. One hundred percent (100%) coverage required. Prefinished acoustical ceiling shall not be painted. Finish coat shall be in accordance with colors as prescribed by County and shall match color chips.
3. Paint colors must be approved by the Department of Facilities Management.

6. Health Clinics-provide hot water in examination rooms, labs, rest rooms and break rooms.
7. All work in accordance with these specifications must be done in strict compliance with the Americans with Disabilities Act of 1990, the California Title 24 section which implements it, and any regulations issued pursuant thereto.

P. **FIRE PROTECTION**

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

Q. **ELEVATORS**

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

R. **WATER STATIONS**

1. Provide electric water cooler with bottle filling capability and drinking fountains throughout facility at locations to be specified by County. ELKAY EZH@) Bottle Filling Station with Bi-Level Filtered LZ Cooler Models LZSTL8WS & LZSTLDDWS.

SPACE CONDITIONING
(Heating, Ventilation and Air Conditioning)

A. **GENERAL REQUIREMENTS**

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

B. **VENTILATION**

1. Ventilation for air-conditioning system - Provide ventilation makeup air in the amount of 10% of total air requirement for cooling or two (2) air changes per hour, whichever is greatest, plus all exhaust air requirements.

2. Prior to construction of office space over 5,000 square feet, existing systems over ten (10) years of age shall be inspected by a licensed HVAC company and a statement of condition detailing the reliability and efficiency of the systems shall be provided.

C. **EXHAUST SYSTEMS**

1. Exhaust toilet areas - the exhaust fan shall be connected to the light switch or interconnected with the air conditioning time clock.
2. Air shall not be directly exhausted, except in the following instances:
 - a. Air used to make up exhaust for toilet rooms.
 - b. Air exhausted specifically for cooking, food preparation or removal of excessive heat generated by vending or various other machines.
 - c. When specified for coffee rooms.

D. **SPACE TEMPERATURE CONTROLS**

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

E. **AIR FILTERS**

1. All recirculated and outside air shall pass through filters before entering air-

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

(TELEPHONE AND COMMUNICATIONS)

(Updated November 10, 2008)

A. GENERAL REQUIREMENTS

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

B. TELECOMMUNICATIONS ROOM SPECIFICATIONS

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

It should be understood that the contractor will have to schedule various

trades in sooner than the normal construction schedule to complete the Telecommunication Room (HVAC, Electrician, Painter, etc.) as required by the RCIT Communications Bureau Telecommunications Engineer.

- a. **Location:** The Telecommunication Room shall be as close to the geographic center of the occupied space as possible. **Maximum distance from the center of the Telecommunications Room to the farthest WAO location shall not exceed a radius of 175 feet** unless reviewed by RCIT Communications Bureau Telecommunications Engineer. If occupying more than one floor of a building, **a separate Telecommunications Room shall be required on each floor**, preferably stacked above one another. Provisions shall be made available for easy access into the Telecommunication Room for telephone and data wiring and shall be dedicated for telephone and data use only. Telecommunications Rooms should not be planned next to elevators, restrooms, electrical rooms, air shafts, mechanical rooms, and outside walls. If occupying more than one building, each building will require Telecommunications Rooms that meet the above requirements.

- b. **Minimum Room Sizes:** The Telecommunication Room shall conform to the following dimensions and shall not be narrower than 12 feet:

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

* May require more than one room

** Will require more than one room.

- c. **Plywood Wall Lining:** All walls will be lined with AC grade or better, void-free, 4'x8' sheets of $\frac{3}{4}$ " plywood. Plywood sheets shall be mounted vertically from ceiling height towards floor. Plywood must be painted on all sides with at least one coat of primer and two coats of white fire resistant paint. The plywood should be installed with the grade "C" surface facing the wall.
- d. **Doors:** The door will be a minimum of three (3) feet wide and 80 inches tall and be located as near as possible to a room corner. The door shall be equipped with a lock. Where practical, the door should open outward to provide additional usable space.
- e. **Air Conditioning:** The environmental control systems for the Telecommunication Room should be able to maintain a room temperature between 18°C and 24°C (64°F and 75°F) at all times (24 hours per day, 365 days per year). All building supplied HCAC inlets to the Telecommunications Room shall be controlled using a Variable Air Valve (VAV) with its own thermostat to prohibit heating the Telecommunications

Room. The VAV will be installed in such a fashion to introduce conditioned air if the primary split A/C unit fails to cool the room. It will serve two purposes:

1. Provide ventilation air to the room, cooling only.
2. Serve as an additional backup.

If a building's HVAC system cannot ensure continuous operation (including weekends and holidays), provide a standalone HVAC unit with independent controls for the Telecommunication Room. If an emergency power source is available in the building, connect the HVAC system that serves the Telecommunication Room to the emergency power source. Sensors and controls must be located in the Telecommunication Room, ideally placed 5 feet AFF (thermostat location will be specified on the Telecommunication room drawing provided by RCIT Communications Bureau Telecommunications Engineer). If an in-room air conditioner is installed, the air conditioner will be hard wired to the thermostat and the location must be approved by RCIT Communications Bureau Telecommunications Engineer before Installation. If remote-monitoring equipment is available, this room should have its own independent sensor. Average heat load for equipment is approximately 150 BTU/SQ Ft of Telecommunication Room space (specific heat load will be provided for each room).

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

clear of obstructions, to provide space over the equipment frames for cables and suspended cable trays. Ceiling finish must minimize dust and be light colored to enhance the room lighting. A hard ceiling shall not be allowed in the Telecommunications Room.

C. **ELECTRICAL REQUIREMENTS**

- a. **Dedicated Power Feeder:** The Telecommunication Room will have its own dedicated power feeder terminated in an electrical panel located inside the room and flush mounted in the wall. **Location of this electrical sub-panel shall be closely coordinated with RCIT Communications Bureau Telecommunications Engineer to ensure it does not impact the overall design and use of the space within the room.** Power required for other equipment in the room (e.g. fluorescent lighting, motors, air conditioning equipment) should be supplied by a separate feeder, conduit, and distribution panel. If an emergency power source is available, connect the Telecommunication Room electrical sub-panel into it.
- b. **General Purpose Outlets:** Provide 110 Volt, 20 Amp duplex outlets installed at standard height on all walls of the Telecommunications Room; maximum spacing between outlets shall not exceed 12 feet.
- c. **Telephone System:** Install one (1) dedicated 208 VAC, 20 Amp circuits terminated into a single surface mounted 4S electrical box with a NEMA L6-20 outlet at a height of 18 inches AFF from the center. The circuit will have its own separate hot, neutral, and ground wire all the way back to the power distribution panel. The circuit will be clearly labeled on the cover plate and sub-panel.
- d. **Equipment Racks:** Install two (2) dedicated 20 Amp, 110 VAC circuit with isolated ground for each equipment rack (9'x12' room – 2 racks, 12'x12' room – 3 racks, 12'x14' room – 4 racks). Install one (1) dedicated 30 Amp, 208 VAC circuit with isolated ground for every two equipment rack. The breaker number shall be identified on each of these outlets. Terminate each circuit on double duplex outlets in a surface mounted 4S box in the vertical cable manager 23" above the floor. Equipment Rack locations, circuit locations and quantity will be specified in the room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- e. **Paging – A/V:** **If required, install** one dedicated 20 Amp, 110 VAC circuit with isolated ground. Terminate on a double duplex outlet in a 4S box. The location of the outlet will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- f. **Security:** Install one dedicated 20 Amp, 110 VAC circuit with isolated ground. Terminate on double duplex outlets in a 4S box. The location of the outlet(s) will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications

Engineer.

- g. **Emergency Air Conditioner Outlet (To Support IT Telephone System):** Install one dedicated 208/220 VAC, 20 Amp circuit terminated on a single NEMA 6-20 receptacle. The location of the outlet will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- h. **Grounding** – A Telecommunication Main Grounding Busbar (TMGB) shall be installed in the Telecommunications Room at the location specified in the room layout that will be provided by the RCIT Communications Bureau Telecommunications Engineer. **The Grounding Busbar must be CPI Chatsworth Products, part #13622-020.** The Busbar shall be insulated from its supporting structure by at least two inches of separation. Bond the Busbar to the building AC grounding electrode system. The minimum size of the bonding conductor should be #6 AWG and be sized to carry the maximum short time rating Amps of the building grounding electrode conductor. A supplemental bonding connection is required to be Exothermically Welded to the structural steel of the building and local AC Sub-Panel located inside the Telecommunications Room. Resistance should be no more than .1 ohms between the TMGB and the building main grounding source measured following the two-point bonding test method using an earth ground resistance tester. All grounding conductors shall be run in rigid conduit.

D. **CONDUIT REQUIREMENTS**

1. **Work Area Outlets (WAO):**

- a. **General Specifications:** Each WAO shall consist of one 4 in. by 4 in. by 2.5 in. deep outlet box with a 2 in. by 4 in. reducing adapter installed.
- b. **Height Requirements:** Each WAO shall be installed at the same height as the adjacent electrical outlet. The height of jacks for wall telephones shall conform to any ADA rules pertaining to handicapped use. This height is typically 44 inches AFF to the center of the outlet box.
- c. **Conduits Specifications:**
 - (1) **Accessible Ceilings:** When there is an accessible ceiling such as suspended acoustical tile, provide a rigid 1-inch conduit (**flex not allowed**) stubbed into the ceiling space from the outlet box. Ceiling must be accessible from the WAO location back to the Telecommunications Room. If the WAO location is at wall phone height (+44"), install an additional outlet box at standard floor height. Connect a rigid 1-inch conduit from the bottom of the wall height box to the top of the standard floor height box. Ream all conduit ends and fit with insulated bushings.
 - (2) **Non-Accessible Ceilings:** When the ceiling is not accessible,

provide a rigid 1 1/4-inch conduit (**flex not allowed**) run from the WAO location all the way to the Telecommunications Room or to the nearest accessible ceiling space. Runs cannot have more than the equivalent of two 90-degree bends without installing a pull box (pull box must be accessible upon completion of construction). **All conduits will have a pull string installed.** Where multiple outlets are installed, each location will have its own dedicated conduit run; no daisy chaining is allowed.

2. **System Furniture wall In-Feeds:** Wall in-feeds will be one rigid 1.25 in. conduit per 3 WAO locations of system furniture. The conduit shall be stubbed into the ceiling are from a 4 in. by 4 in by 2.5 in. deep outlet box. Ream all conduit ends and fit with insulated bushings. In-feed location will be accessible either by cutout or access panel in furniture or placed next to furniture where location will be accessible for service. Consult RCIT Communications Bureau Telecommunications Engineer for location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.
3. **System Furniture Floor Poke-Thru In-Feeds:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC9FFTC Poke-Thru's EMT 1.25 in. conduit per 3 WAO locations of systems furniture. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed, J-Box for furniture supplier power whip connections to be anchored to the ceiling of the floor below with unistrut. J-Box must be with-in 6' of furniture whip connection. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location and quantity. Exact location will be verified with furniture vendor.
4. **System Furniture Power and Data Floor Boxes:** Floor Box Locations requiring power/voice/data will require Wiremold P/N RFB4-C1-1 Floor Box with EMT 1.25 in. conduit per 3 WAO locations of systems furniture for communications. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed. All boxes shall be configured for dual service which will require accessory items for separation of power and data. All boxes shall include (1) internal duplex receptacle for power, (1) Wiremold P/N RFB-2-SSRT for communications and (1) flanged cover P/N S28BBTCAL. Ream al conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified by furniture vendor.
5. **Hard Wall Office Floor Poke-Thru:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC4ATC Poke-Thru's with the optional communications Adapter P/N Com 75 installed for Voice and Data conduits. Install two (2) EMT 0.75 in. conduits per location. The conduits shall be continuous and stubbed into the ceiling area of that floor being services with pull string installed. No more than two 90's will be allowed. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer

for location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.

6. **Hard Wall Power and Data Floor Boxes:** Floor Box locations required power/voice/data will require Wiremold P/N RFB4-C1-1 Floor Box with (1) EMT 1.25 in. conduit for communications. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed. All boxes shall be configured for dual service which will require accessory items for separation of power and data. All boxes shall include (1) internal duplex receptacle for power, (1) Wiremold P/N RFB-2-SSRT for communications and (1) flanged cover P/N S38BBTCAL. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for locations, and quantity. Exact location will be verified with furniture vendor.
7. **Backbone Pathways:**
 - a. **Telecommunications Rooms On the Same Floor:** When two or more Telecommunications Rooms exist on the same floor, provide two (2) rigid metallic trade size 4 conduits between the main Telecommunications Room and each secondary Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree sweeps without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with all local and national requirements. Location of conduits will be identified on drawings provided by the RCIT Communications Bureau Telecommunications Engineer and provided on a site-by-site basis. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.**
 - b. **Telecommunications Room On Different Floors:** When two or more Telecommunications Rooms exist on different floors, provide a minimum of two (2) rigid trade size 4 conduits between the main Telecommunications Room and each secondary Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree bends without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.** In multi-level buildings with **stacked Telecommunications Rooms**, sleeves shall be provided from the ceiling of the lowest level to the floor of the top level. Size, quantity, and location will be provided by the RCIT Communications Bureau Telecommunications Engineer.
 - c. **MPOE:** If the MPOE (minimum point of entry) is not physically located in the Telecommunications Room it shall be necessary to install two (2) trade size 4 conduits from the MPOE to the Telecommunications Room. Conduits

are to be run in the most direct route possible with no more than the equivalent of two 90 degree bends without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduits ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. Location of conduits will be identified on drawings provided by the RCIT Communications Bureau Telecommunications Engineer and provided on a site-by site basis.

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

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

8. **Firewalls:** If any firewalls are present, conduit/sleeve access through the wall must be provided by the contractor. The ends of any conduit/sleeve penetrating a firewall will be sealed with the appropriate fire stop. Identification of the areas that must be sealed shall be identified by the contractor at the time of wiring. Size and location of the sleeves will be determined by the RCIT Communications Bureau Telecommunications Engineer. Sleeves should penetrate the wall a minimum of 3 inches. Ream each end of conduit and fit with insulated bushing.
9. **Primary Service Conduit Requirements (New Construction):**
- a. The number of all primary service conduits will be determined by the **size and scope of each project**. The items listed below are **BASIC** requirements only and as the scope of the job increases, some or all of the items listed below may undergo major changes:
- (1) Entrance conduits shall be rigid and shall be four (4) trade size 4. A **minimum** of two (2) conduits will be installed into the Telecommunications Room. Conduits shall be installed in the most direct route possible.
 - (2) Conduits shall be buried a minimum of 36 inches below finish grade.
 - (3) Conduits shall be encased in slurry for sections identified by RCIT Communications Bureau Telecommunications Engineer as no traffic or low risk.
 - (4) Conduits shall be encased in 2,000 PSI concrete for sections not identified in section 5a3.
 - (5) Tracer tape shall be installed the entire conduit length. Tracer tape shall be 12 inches wide, flat, and metallic and shall be installed 12 inches above concrete encasement. Tape shall be imprinted with the words "WARNING – FIBER OPTIC CABLE" spaced at a minimum of 24 inches on center.
 - (6) No more than the equivalent of two (2) 90-degree sweeps shall be installed without the addition of a pull box, vault, or maintenance hole, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer.
 - (7) Conduit runs in excess of 500 feet shall have a pull box, vault, or maintenance hole installed, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer. All bends shall have a minimum-bending radius of 10 times the diameter of the conduit.
 - (8) All four-inch conduits should have a minimum ¼-inch nylon pull rope. All four-inch conduits over 400 feet should have a minimum 3/8-inch nylon pull rope. The size and requirements of pull boxes, vaults, or maintenance holes can only be determined by the scope of the

project and will be defined by the RCIT Communications Bureau Telecommunications Engineer.

E. **CABLE TRAYS:**

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

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

1. **Work Area Outlets**

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

2. **Cabling Pathways**

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

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

3. Furniture In-Feeds

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

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

EXHIBIT G
ESTOPPEL CERTIFICATE

Exhibit G

ESTOPPEL CERTIFICATE

1. THE COUNTY OF RIVERSIDE, as tenant, or County, and Sunquitz EMC, LLC, a California limited liability company, as lessor (the "**Lessor**"), entered into a written Lease dated _____, 2019 in which Lessor leased to County and County leased from Lessor that certain Premises consisting of approximately 35,000 square feet of office space located at the northwest corner of East Tahquitz Canyon and N. Sunrise Way, Palm Springs, California. The lease, as amended is referred to in this Certificate as the Lease.
2. The Lease has not been amended, modified, nor supplemented. The Master Lease Contingency (as defined in the Lease) has been satisfied in all respects.
3. The next payment of Rent is due on the first of each month after the planning and construction of the project is completed pursuant to **Exhibit "B"**, sections 5 and 6, and County receives Certificate of Occupancy. The monthly rent is \$82,250. County has not paid Lessor a security deposit.
4. Under the Lease, the effective date was _____, and the expiration date of the Lease is thirty (30) years after the Commencement Date (as defined in the Lease). County has no option to the extend the term of the Lease.
5. County has the right to purchase its interest in the Lease pursuant to Section 7 and **Exhibit "J"** of the Lease.
6. There are no oral or written amendments, modifications, or supplements to the Lease except as previously stated in this Certificate. A true, correct, and complete copy of the Lease, including all amendments, is attached to this Certificate. The Lease is in full force and effect and represents the entire agreement between Lessor and the County pertaining to the Leased Premises.
7. To the best of the County's knowledge, Lessor and County are not in default in the performance of any of the terms and provisions of the Lease, and no event or condition has occurred that, with the giving of notice or passage of time, or both, would constitute such default by Lessor or County.
8. To the best of the County's knowledge, the Lessor has not assigned, transferred, or hypothecated the real property or any interest in the real property.
9. The County has not assigned, transferred, or hypothecated the Lease or any interest in the Lease or subleased all or part of the Leased Premises.
10. There are no setoffs or credits against Rent payable under the Lease. No free periods or

rental abatements, rebates, or concessions have been granted to County.

11. To the best knowledge of the County, there are no pending actions, voluntary or involuntary, under any bankruptcy or insolvency laws of the United States or any state against County that affect the leased Premises.
12. The execution of this Certificate by Lessor and the County does not amend the Lease or waive any of Lessor's or County's rights under the Lease.
13. This Certificate is given to _____ or its order or assign, (the "**Lender**") and the Lessor with the understanding that as a lender or purchaser of the above described real property or assignee of either Lessor or Lender may rely on it in connection with either the assignment or acquisition of the above described real property or making a loan secured by the above described real property. Following that acquisition, assignment by Lessor or loan, County intends to keep the Lease full force and effect and shall bind and inure to the benefit of Lessor and its successor in interest.

COUNTY:

By: _____
Assistant County Executive Officer/ECD

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

By: _____
Deputy County Counsel

EXHIBIT H

SUBORDINATION, NON DISTURBANCE & ATTORNMENT AGREEMENT

Exhibit H

Subordination, Non-Disturbance & Attornment Agreement

RECORDED AT REQUEST OF AND
WHEN RECORDED RETURN TO:

Greenberg Traurig, LLP

77 West Wacker Drive

Chicago, IL 60601

Attention: David J. LaSota

SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT

This Subordination, Non-Disturbance, and Attornment Agreement ("**Agreement**") is made as of _____, 20__ among _____, as Trustee for the registered certificate holders, from time to time, of the CTL Pass-Through Trust, Series (Palm Springs, Riverside County) ("**Lender**") having its address for notification at _____, _____, Attention: _____ and the County of Riverside ("**County**"), by its authorized representative the Assistant County Executive Officer/ECD having its address for notification at 3403 Tenth Street, Suite 400, Riverside, California 92501 and Sunquitz EMC, LLC, a California limited liability company ("**Lessor**") having its address for notification at 650 Town Center Drive, Suite #890, Costa Mesa, California 92626.

Recitals:

A. Lender has agreed to make a loan to Lessor, to be secured by that certain Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement dated _____, 2019, and recorded on _____, _____, as Instrument No. _____, in the Official Records of Riverside County, California (together with all amendments, increases, renewals, modifications, consolidations, replacements, substitutions, and extensions, either current or future, referred to hereafter as the "**Mortgage**") encumbering Lessor's leasehold interest in real property located in Palm Springs, Riverside County, State of California. The legal description of the encumbered real property (the "**Mortgage Premises**") is set forth in Exhibit A, attached to this Agreement. The Mortgage, together with the note or notes, the loan agreement(s), and other documents executed in connection with it are hereafter collectively referred to as the "**Loan Documents**".

B. On _____, County and Lessor entered into that certain Medical Office Building Sublease Under PSL-50 for the property at NWC E. Tahquitz Canyon and N. Sunrise Way, Palm Springs, California (the "**Lease**"). The Lease creates a leasehold estate in favor

of County for space (the "**Leased Premises**") located on the Mortgage Premises.

C. In connection with execution of the Mortgage, Lessor also executed and delivered to Lender an Assignment of Leases and Rents dated _____, 2019, and recorded on _____, _____, as Instrument No. _____, in the Official Records of the County Recorder of Riverside County, California concerning all rents, issues and profits from the Mortgage Premises. This document, together with all amendments, renewals, modifications consolidations, replacements, substitutions and extensions, is hereafter referred to as the "**Assignment of Rents.**"

To confirm their understanding concerning the legal effect of the Mortgage and the Lease, in consideration of the mutual covenants and agreements contained in this Agreement and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender, County and Lessor, intending to be legally bound, agree and covenant as follows:

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

2. **County Subordination.**

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

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

3. **Non-disturbance.**

3.1. Lender consents to the Lease.

3.2. Despite County's subordination under Section 2, County's peaceful and quiet possession of the Leased Premises shall not be disturbed and County's rights and privileges under the Lease, including its right to extend the term of the Lease, its right of first refusal to lease the property after expiration of the original term and any extensions thereof, shall not be diminished by Lender's exercise of its rights or remedies under the Loan Documents, provided that County is not in default under this Lease.

3.3. If (a) Lender shall acquire title to, and possession of, the Leased Premises on foreclosure in an action in which Lender shall have been required to name County as a party

defendant, and (b) County is not in default under the Lease beyond any applicable cure or grace periods, has not surrendered, vacated or abandoned the Leased Premises and remains in actual possession of the Leased Premises at the time Lender shall so acquire title to, and possession of, the Leased Premises, Lender and County shall enter into a new lease on the same terms and conditions as were contained in the Lease, except that:

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

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

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

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

4. Attornment.

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

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

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

4.3. If the interests of Lessor under the Lease are transferred by foreclosure of the Mortgage, deed in lieu of foreclosure, or otherwise, to a party other than Lender (Transferee), in consideration of, and as condition precedent to, County's agreement to attorn to any such

Transferee, Transferee shall be deemed to have assumed all terms, covenants, and conditions of the Lease to be observed or performed by Lessor from the date on which the Transferee succeeds to Lessor's interests under the Lease.

5. **Lender as Lessor.** If Lender shall succeed to the interest of Lessor under the Lease, Lender shall be bound to County under all the terms, covenants and conditions of the Lease, and County shall, from the date of Lender's succession to the Lessor's interest under the Lease, have the same remedies against Lender for breach of the Lease that County would have had under the Lease against Lessor; provided, however, that despite anything to the contrary in this Agreement or the Lease, Lender, as successor to the Lessor's interest, shall not be:

(a) liable for any act or omission of the Lessor that cannot be cured by the payment of money; provided that the Lender shall permit County to perform the pre-existing obligation;

(b) subject to any offsets or defenses expressly permitted under the Lease, including abatement rights which County might have had against Lessor;

(c) bound by any rent or additional rent that County might have paid for more than one month in advance to Lessor;

(d) bound by an amendment or modification of the Lease made without Lender's written consent; or

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

6. **Right To Cure.** County agrees that, before County exercises any of its rights or remedies under the Lease, Lender shall have the right, but not the obligation, to cure the default within the same time given Lessor in the lease to cure the default, plus (i) an additional ninety (90) days in the case of any obligation relating to the maintenance or repair of the Leased Premises; provided that Lender commences to cure such default promptly and reasonably cooperates with County to effectuate such cure, (ii) an additional sixty (60) days for all other obligations (other than those in (i) and (iii)) and (iii) thirty (30) days in the case of defaults in the payment of money from Lessor to County. County agrees that the cure period shall be extended by the time necessary for Lender to commence foreclosure proceedings and to obtain (or to provide a Transferee) possession of the Mortgage Premises, provided that:

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

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

(c) Lender initiates immediate legal proceedings to appoint a receiver for the

Mortgage Premises or to foreclose on or recover possession of the Mortgage Premises (or transfer the Mortgage Premises to a Transferee) within the applicable cure period; and

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

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

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

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

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

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

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

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

10. **Cancellation of Lease.** County agrees that it will not cancel, terminate, or surrender

the Lease, except at the normal expiration of the Lease term or as provided in the Lease, and then for only such period that lender holds title to the Mortgaged Premises.

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

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

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

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

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

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

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

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

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

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

(b) deposited with a nationally recognized overnight delivery service such as

Federal Express or Airborne.

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

The addresses are:

_____, as Trustee

Attn: _____

Telephone Number: _____

County:

Economic Development Agency
3403 Tenth Street, Suite 400
Riverside, CA 92501
Attention: Deputy Director of Real Estate

If to Company:

650 Town Center Drive, Suite #890
Costa Mesa, California 92626
Attention: Richard Boureston

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

15. Miscellaneous Provisions.

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

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

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

provisions.

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

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

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

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

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

Executed on the date first above written.

COUNTY OF RIVERSIDE:

_____, as
Trustee of the CTL Pass-Through Trust,
Series (Palm, Riverside County)

By: _____
Kevin Jeffries
Chairman, Board of Supervisors

By: _____
Name:
Title:

Sunquitz EMC, LLC, a California limited
liability company

By: _____
Richard E. Boureston, Manager

By: _____
Hank Gordon, Manager

By: Laurich Properties, Inc., a Nevada
corporation, Manager

By: _____
Richard S. Gordon, President

ATTEST:
Kecia R. Harper
Clerk of the Board

By: _____

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

By: _____

Deputy County Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of the document

STATE OF CALIFORNIA)
)SS.
COUNTY OF RIVERSIDE)

On _____, 20, before me, _____, a Notary Public in and for the State of California, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of the document

STATE OF CALIFORNIA)

)SS.

COUNTY OF RIVERSIDE)

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STATE OF CALIFORNIA)

)SS.

COUNTY OF RIVERSIDE)

On _____, 20, before me, _____, a Notary Public in and for the State of California, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[Exhibit A: Legal description of Mortgage Premises]

**6/16/19 + ADDL REVISION TO ART XXVII TO PROVIDE COUNTY NOTICE OF LESSEE
DEFAULT**

BUSINESS LEASE NO. PSL-510

Allotment No. PS-22B

(COUNTY PARCEL)

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**UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Palm Springs Agency
P.O. Box 2245
Palm Springs, CA 92263**

Allotment No. 22B

BUSINESS LEASE NO. PSL-510

**ARTICLE I
PARTIES**

THIS BUSINESS LEASE NO. PSL-510 (hereinafter referred to as this "**Lease**") is made and entered into on the later of the dates set forth next to the parties' signatures below, and is effective as of the Effective Date defined below, by and between **MILDRED L. BROWNE (PS-22B)**, hereinafter referred to as "**Lessor**," and **SUNQUITZ EMC, LLC**, a California limited liability company, hereinafter called "**Lessee**." This Lease is entered into pursuant to the provisions of the Act of August 9, 1955, 60 Stat. 539, as amended, 25 U.S.C. 415, as implemented by 25 CFR Part 162 [Residential, Business, and Wind and Solar Resource Leases on Indian Land], and any amendments thereto relative to business leases on restricted Indian lands, which by reference are made a part hereof. If a conflict arises with any subsequent modification of Part 162 and this Lease, the modification applies, unless specifically waived by the Secretary.

**ARTICLE II
LAND DESCRIPTION**

For and in consideration of the rents and agreements hereinafter set out, Lessor hereby leases to Lessee the real property described on **Exhibit A** [Legal Description] attached hereto and incorporated herein by this reference, comprising approximately 3.37 acres ("**Leased Premises**" or "**Land**"), subject to valid easements and rights of way of record. The Leased Premises are situated within the Agua Caliente Band of Cahuilla Indians Reservation located in the City of Palm Springs, County of Riverside, State of California.

Prior to obtaining building permits for, and as a condition to Lessee commencing construction of any, improvements on the Leased Premises, the Lessee shall (at its sole expense) have obtained an approved Parcel Map from the City of Palm Springs, recorded in the Official Records of the County of Riverside.

**ARTICLE III
DEFINITIONS**

- A. "**Approved Encumbrance**" or "**Encumbrance**" herein shall mean a trust deed or mortgage and any addition or extension thereto approved by the Secretary in accordance with the provisions of **Article XXVIII** [Approved Encumbrance] below.

- B. **"Approved Encumbrancer"** or **"Encumbrancer"** herein shall mean the owner and holder of an Approved Encumbrance.
- C. **"BIA"** or **"Bureau of Indian Affairs"** means the Bureau of Indian Affairs, an agency of the federal government of the United States within the Department of the Interior.
- D. **"Business Day"** means any day, excluding Saturday, Sunday and any day which is a Federal legal holiday or a legal holiday under the laws of the State of California.
- E. **"County Sublease"** means the Medical Office Building Sublease between Lessee as the sublessor and the County of Riverside as the sublessee, which is described in Article XIV.C [County of Riverside Sublease; County as Assignee] below.
- F. **"Effective Date"** means the date this Lease is approved by the BIA.
- G. **"Gross Receipts"** means all income, including money and any other thing of value, received by or paid to Lessee or its affiliates, whether individuals, corporations, partnerships, or other legal entity, or received by or paid to others for Lessee's or its affiliate's use and benefit, derived from the subleasing, sub-renting, or other use of the Leased Premises or any portion thereof. Notwithstanding the forgoing, **"Gross Receipts"** shall not include: (i) the payments made to Lessee under the approved County Sublease (see Article XIV.C [County of Riverside Sublease; County as Assignee] which are designated as amortized reimbursements for leasehold improvement costs (including interest); (ii) amounts collected and paid out for a sales tax, real property taxes, possessory interest tax, property assessments or fees or excise tax imposed by a duly constituted governmental authority or reimbursement of actual documented common area maintenance expenses (and the 5% property management fee paid to Lessor under the County Sublease), insurance premiums or taxes collected by Lessee from a sublessee which are pass-through charges under a sublease or subtenancy which in turn are paid by the Lessee to third parties (excepting any penalties and further excepting any Lessee-paid audit expenses); (iii) income from the sale of fixtures, the sale of Lessee's leasehold estate, or goodwill, or the sale of improvements; (iv) proceeds from insurance or from other parties who may have caused a casualty loss or damage which proceeds are used to repair or replace any casualty loss or damage to property; (v) any condemnation award; (vi) "pass-through" proceeds collected by Lessee from subleases for any administrative fee to be paid to the Bureau of Indian Affairs, or (vii) the \$500,000 utility contribution referred to in Article IX.D. Upon execution of the County Sublease, Lessee shall provide the BIA and Lessor with a copy of "Addendum 1" to the Property Development and Leasehold Improvement Agreement attached to the County Sublease (projected cost of reimbursable leasehold improvements), and then upon completion of construction of the improvements, Lessee shall provide the BIA and Lessor with a copy of "Addendum 1-A" (final actual costs of the reimbursable leasehold improvements) and the monthly amortization schedule for the repayment of said costs by the County.
- H. **"Secretary"** means the Secretary of the United States Department of the Interior or his or her authorized representative.
- I. **"Taxes"** shall include real property/possessory interest taxes, real estate, general, special,

ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes), improvement bond, or any form of assessment, reassessment, license fee, parcel tax, license tax, water, sewer or similar rates or charges, excise tax, business license tax, commercial rental tax, in lieu tax, permit or inspection fee, levy, charge, penalty, or similar imposition, now or hereafter imposed on the Leased Premises, on any improvements located on the Leased Premises, and/or on any leasehold, subleasehold or any other interest in the Leased Premises, by any authority having the director or indirect power to tax, including but not limited to any school, agricultural, lighting, drainage or other improvement or special assessment district.

- J. **"Tribe"** shall mean the Agua Caliente Band of Cahuilla Indians.
- K. **"2019 Dollars"** shall mean the dollar figure delineated in the referenced section, increased by the same percentage as the GMAR has increased since the Effective Date of this Lease.

ARTICLE IV

TERM

The term of this Lease shall be **SIXTY-FIVE (65)** years, beginning on the Effective Date.

For purposes of this Lease, **"Lease Year"** shall mean each 12-month period during the Lease term commencing on the Effective Date, if the Effective Date falls on the first day of a calendar month. If the Effective Date does not fall on the first day of a calendar month, the first Lease Year shall be the period beginning on the Effective Date and ending twelve (12) months from the end of the calendar month in which the Effective Date occurs, and each future Lease Year shall mean each 12-month period thereafter, except for the last Lease Year which shall end sixty-five (65) years after the Effective Date. By way of example only, if the Effective Date were to be August 10, 2019, the first Lease Year will begin on August 10, 2019 and end on August 31, 2020, and each subsequent Lease Year shall begin on September 1st and end on August 31st, except the last Lease Year. Any references in this Lease to a "year" shall mean Lease Year, except where "calendar year" is specified. This Lease does not contain an option for renewal.

ARTICLE V

PURPOSE OF THIS LEASE

It is understood and agreed that the Leased Premises shall be used for the development, construction and operation of commercial offices, including medical offices and ancillary related uses, general offices and/or any other legal use which is reasonably comparable thereto. Lessee shall not use the Leased Premises for any different or additional purpose without the written consent of Lessor and approval of the Secretary which consent and approval shall not be unreasonably withheld. Lessee shall also comply with Article XXIV [Unlawful Use] below.

ARTICLE VI

RENTALS

Lessee, in consideration of the foregoing, agrees to pay in lawful money of the United States of America the following rentals, being the greater of either GMAR as provided in Articles VI.A. [GMAR] and VI.B. [Annual Escalation of GMAR] below or the Percentage Rent as provided in Article VI.C.

[Percentage Rent] below:

A. Guaranteed Minimum Annual Rental ("GMAR"). Commencing on the Effective Date, and subject to future annual escalations as provided in Article VI.B. below, Lessee shall pay to Lessor guaranteed minimum rental ("GMAR") in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) per Lease Year (pro rated for any Lease Year which is less than or more than twelve (12) full months), which shall be paid quarterly in advance as follows: (i) the first installment of GMAR shall cover the period from the Effective Date until the end of the month in which the Effective Date occurs plus three (3) calendar months thereafter, and shall be due and payable within ten (10) days after the Effective Date; and (ii) each future advance quarterly installment of GMAR (i.e., covering three (3) calendar months) shall be due and payable on the first day of every third (3rd) calendar month thereafter; provided, however, the last quarterly installment of GMAR shall be prorated to the extent that the last quarter of the Lease term is less than three (3) months.

By way of example only, if the Effective Date were to be August 10, 2019, then the first payment of GMAR would be due by August 20, 2019 and would cover the period from August 10, 2019 through November 30, 2019, and then quarterly payments of GMAR thereafter would be due on December 1st, March 1st, June 1st, and September 1st.

B. Annual Escalation of GMAR.

(1) First Thirty Years. During the initial thirty (30) Lease Years of the Lease term, the GMAR shall be increased annually, at the beginning of each Lease Year ("**GMAR Adjustment Date**"), by two and one-half percent (2.5%); provided, however, if at any time during said initial 30-Lease Year period, the County of Riverside is no longer the occupant of the Leased Premises under the County Sublease or as the successor-in-interest to Lessee under this Lease, or the County is no longer the primary obligor under the County Sublease or as the successor-in-interest to Lessee under this Lease, then the next succeeding and all future annual GMAR adjustments during the initial thirty (30) Lease Years of the Lease term shall be three percent (3.0%) per year.

By way of illustration only, if the Effective Date were to be August 10, 2019, then the first GMAR Adjustment Date would be September 1, 2020, and each September 1st thereafter would be a GMAR Adjustment Date.

(2) After the First Thirty Years. After the first thirty (30) Lease Years of the Lease term, the GMAR shall be increased annually, on the GMAR Adjustment Date, by the same percentage that the CPI (defined in paragraph (3) below) has changed during the adjustment period, and provided that no annual increase shall be less than three percent (3.0%). For these purposes, the adjustment index for determining the percentage change in the CPI shall be the CPI for the month which is three (3) months prior to the GMAR Adjustment Date, and the base index shall be the CPI for the month that is one year prior to that. By way of illustration only, if the GMAR Adjustment Date were to be September 1st, then the GMAR increase would be based on the June-to-June percentage change in the CPI, but no less than 3%.

(3) The cost of living index to be used is that reflected by the Consumer Price Index, All Items, All Urban Consumers (CPI-U), Los Angeles-Long Beach-Anaheim CA (1982-84=100), published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI"). If for any reason whatsoever there is any change in the method of calculation or formulation of said consumer price index, or if that index shall be no longer published, then another index generally recognized as authoritative shall be substituted by agreement, and, if they cannot agree, the index may be determined by arbitration pursuant to the provisions of Article XXVI [Arbitration] below. In any event, the base used by any new index shall be reconciled to the 1982-84 index.

C. Percentage Rent. As additional rental over and above GMAR ("**Percentage Rent**"), Lessee shall pay Lessor a sum equal to the excess (if any) of (i) ten (10%) percent of all Gross Receipts over (ii) GMAR paid for the Lease Year in question.

Such Percentage Rent shall be payable not later than three (3) months after the end of the calendar month in which each Lease Year ends, together with Accountant's Report (see Article VII [Annual Accounting, Records, Reports, Audit] below). By way of illustration only, if the Effective Date were to be August 10, 2019, and therefore each Lease Year were to end on August 31st, the Percentage Rent (if any) attributable to each Lease Year would be due and payable no later than November 30th.

D. Rental Payments. All rent shall be paid to Lessor c/o the Bureau of Indian Affairs lockbox (currently Bureau of Indian Affairs, Palm Springs Agency, Dept. C157, P.O. Box 105533, Atlanta GA 30348-5533) unless Lessee is otherwise notified in writing by the BIA or Lessor.

E. Late Payments, Interest, etc. All rents shall be paid on or prior to the due date without prior notice or demand. Although the BIA may elect to invoice Lessee for rents, the BIA shall not be obligated to invoice Lessee, and all rents (including, without limitation, CPI increases in the GMAR), whether or not invoiced (or correctly invoiced) by the BIA, shall be fully due and payable on the due date. In the event that any payment of rent is received more than ten (10) days after its due date, Lessee shall immediately pay a late charge equal to 5% of the amount that is delinquent. If any payment due under this Lease remains unpaid more than twenty (20) days after it is originally due, then, in addition to a late charge, such delinquent payment(s) (and including any delinquent late charges) shall bear interest at the rate of ten percent (10%) per annum from the date due until paid. These provisions shall not be construed to relieve Lessee from the obligation to make timely rental payments.

All payments due to Lessor under this Lease which are not GMAR or Percentage Rent shall be considered to be additional rent.

ARTICLE VII ANNUAL ACCOUNTING, RECORDS, REPORTS AND AUDIT

The Lessee shall, not later than three (3) months after the end of the calendar month in which the

Lease Year ends, submit to Lessor and the BIA an Annual Accountants' Review Report and Financial Statements prepared by a Certified Public Accountant licensed in the State of California, for said Lease Year ("**Accountant's Report**"). The Accountant's Report shall also set forth the amount of income that has been excluded from Gross Receipts under the definition of Gross Receipts above, including without limitation an itemized schedule of the amortized monthly reimbursement payments made to Lessee by the County of Riverside for reimbursement of the cost of the leasehold improvements under the County Sublease, and a copy of Lessee's annual operating budget approved by the County of Riverside for pass-through operating expenses as well as a copy of Lessee's annual certified reconciliation statement and a copy of any County audit (if any). With each Accountant's Report, Lessee shall tender payment of Percentage Rent, if owing, and all applicable additional rent due under the provisions of Article VI [Rentals] above, if any is owing.

Concurrently, Lessee shall also submit to Lessor and the Secretary a current ownership schedule, certified by an officer of Lessee, listing each owner of Lessee (member, partner, shareholder, etc., as the case may be), including name, address and percentage ownership, and each sublessee(s) (and, unless the County of Riverside is the sublessee, the sublessee's ownership, including names, addresses and voting percentages).

Any duly authorized representative of the United States, or qualified accounting agent or agents appointed by the Lessor, shall have access to and the right to examine and audit any or all pertinent books, documents, papers and records of Lessee related to recognized Gross Receipts for the current and previous four (4) Lease Years. In the event the Lessor should cause a special audit of the Lessee's pertinent books, documents, papers and records by a Certified Public Accountant, licensed in the State of California, in conformity with standard accounting procedures and if such audit reveals that the Lessor has been paid less than ninety-eight percent (98%) of the amount the Lessor is entitled for any reporting period covered by the audit, then the expense of such audit shall be borne by the Lessee, otherwise it will be borne by the Lessor. Upon approval by the Secretary or his authorized representative, the audit so performed shall be binding upon both the Lessee and Lessor.

The acceptance by Lessor or Secretary of any monies paid to Lessor by Lessee as Percentage Rent for the Leased Premises as shown by any Accountant's Report furnished by Lessee shall not be an admission of the accuracy of said report, or of the sufficiency of the amount of said Percentage Rent payment, but Lessor or the Secretary shall be entitled at any time within four (4) years after the receipt of any such Percentage Rent payment (or report, if no Percentage Rent is claimed to be owing under said report) to question the sufficiency of the amount thereof and/or the accuracy of the Report or Reports furnished by Lessee to justify the same, and shall have the right to examine and/or audit as hereinbefore described. Therefore, Lessee and all sublessees shall for such four (4) year period after submission to Lessor or the Secretary of any such Report, keep safe and intact all of Lessee's records, books, accounts and other data which in any way bear upon or are required to justify in detail any such Report.

Notwithstanding the foregoing, no more often than once every four (4) years, Lessee may request in writing in care of the Bureau of Indian Affairs, that Lessor and the Secretary make a final determination of the sufficiency of the amount of GMAR and all Percentage Rents paid through the date of the request, and Lessor and the Secretary shall make such determination, at Lessee's expense, and advise Lessee within one hundred twenty (120) days following the date on which Lessee provides all applicable data to Lessor and the Secretary. The failure of Lessor and the Secretary to make such a

determination within the one hundred twenty (120) - day period, and to advise Lessee of the results of the audit and review, shall constitute a final and binding approval of the sufficiency of the amounts of total rentals paid through the date of request.

Similar audit requirements shall be included in all subleases.

The BIA may, at its discretion, treat as a Lease violation any failure by Lessee to cooperate with a BIA request to make appropriate records, reports, or information available for BIA inspection and duplication.

ARTICLE VIII **PLANS AND DESIGNS**

Within six (6) months after the Effective Date (subject to the following paragraph), Lessee shall submit to the BIA for review and approval two sets of the architect's conceptual design and land use study which describes the type and location of any permanent improvements proposed to be constructed by Lessee on the Leased Premises, together with a general schedule for construction of the permanent improvements ("**General Plan**"), consistent with the Site Plan attached hereto as **Exhibit B** and incorporated herein, which provides for a medical office building to be constructed on the Leased Premises ("**Site Plan**"). Except for the approximately 0.39-acre portion of Allotment No. 22B located on the northwest corner of Tahquitz Canyon Way and Sunrise Way ("**Corner Pad**"), which is also depicted in the Site Plan, the General Plan shall not be required to provide for ingress and egress to contiguous Indian trust land as none of the contiguous land would be landlocked; said contiguous land does not require such access as it fronts Tahquitz Canyon Way and/or Andreas Road.

The construction schedule, final space plan and final building concepts approved by the County of Riverside under the County Sublease shall suffice as a General Plan, copies of which shall be submitted to the BIA for review and approval, with a courtesy copy provided to Lessor, within fourteen (14) days after approval by the County.

Reference is made to Article IX.C [Reciprocal Easement Agreement] below regarding Lessee's obligation to provide, throughout the term of this Lease, reciprocal ingress, egress, access and parking rights between the Leased Premises and the Corner Pad, as well as maintenance and upkeep of all parking areas, driveways, drive aisles, landscaping, lighting and other facilities and appurtenances that are used in common by the Leased Premises and the Corner Pad.

If the General Plan and design are approved by the BIA, one set will be returned to the Lessee with evidence of approval noted thereon. If the General Plan and design are not approved by the BIA, the Lessee will be so notified in writing within thirty (30) days of receipt of the General Plan and design from the Lessee identifying the specific reasons for the disapproval.

Before beginning any construction whatsoever on the Leased Premises, Lessee shall submit to the BIA for approval comprehensive plans and specifications for the improvements then proposed; the County-approved working drawings under the County Sublease shall suffice. The BIA shall approve the plans and specifications if they conform to the General Plan, but the United States and the Lessor do not assume any responsibility whatsoever for design or quality of any structure or improvement or for any design or construction being in compliance with any applicable State, County, City or Tribal laws or

ordinances. The BIA shall endeavor to either approve, or state its reasons for not approving, the plans and specifications as not being in compliance with the General Plan within thirty (30) days after receipt thereof from Lessee. Lessee is responsible for obtaining licenses and permits from the City of Palm Springs and/or the Agua Caliente Band of Cahuilla Indians, as applicable, public agencies and utilities required or necessary for the construction of any structures or improvements on the Leased Premises or for performance of any work required hereunder. Lessee's plans and designs shall include the undergrounding of all SCE utility systems with the SCE ROW, as described in Article IX.D [Relocation of SCE Utilities] below.

Each of the following shall also require the BIA's approval (and shall be submitted in a format that is reasonably acceptable to the BIA); the BIA shall endeavor to either approve or state its reasons for disapproval within thirty (30) days following receipt:

- (1) Any subdivision or other map (if any) which Lessee proposes to record on the Leased Premises;
- (2) Any governmental application or other submission or request by or on behalf of Lessee to a governmental authority concerning zoning, use, or other entitlements with respect to the Premises or any portion thereof or the development of same, but only to the extent BIA approval is required under applicable law; or
- (3) Any material modification of either of the foregoing.

In addition to the foregoing, Lessee shall deliver to the BIA copies of all preliminary and final surveys, maps, studies or any other materials relating to the development of any portion of the Leased Premises, with the understanding that all rights to said materials shall revert to the Secretary and Lessor upon termination of this Lease.

ARTICLE IX
IMPROVEMENTS AND COMPLETION OF DEVELOPMENT; OWNERSHIP AND
SURRENDER OF IMPROVEMENTS; RECIPROCAL EASEMENT AGREEMENT WITH
CORNER PAD; RELOCATION OF SCE UTILITIES

A. Improvements and Completion of Development. Lessee agrees that construction of all buildings and improvements on the Leased Premises, with a construction cost (design, permitting and construction) of at least Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) (excluding the \$500,000 SCE utility relocation contribution to be made by Lessor pursuant to Paragraph D. below), which is Lessee's current estimate without plans or specifications, will be completed in accordance with plans and designs approved under Article VIII [Plans and Designs], by the end of the third Lease Year, subject to the provisions of Article XLIII [Force Majeure]. Completion of construction shall be evidenced by the issuance of a certificate of occupancy issued by the City of Palm Springs, approval of the improvements by the City of Palm Springs upon final inspection, the issuance of all required permits, permanent electrical power being turned on, and acceptance of the improvements for occupancy by the County of Riverside under the County Sublease. During construction, Lessee shall provide the BIA and Lessor with courtesy copies of Lessee's periodic written progress reports delivered to the

County of Riverside under the County Sublease.

Upon completion of construction, Lessee shall provide the BIA with the "as-built" drawings on a computer disk in a CADD format. Upon commencement of the term of the County Sublease, Lessee shall provide the BIA and Lessor with a copy of the "Confirmation of Lease Information" executed by Lessee and the County of Riverside.

If Lessee fails to timely complete construction in accordance with the foregoing paragraph, then Lessor, in accordance with Article XXXIX [Lessor's Determinations, Consents and Approvals], at Lessor's sole option may elect, at any time after the end of the third Lease Year and prior to the issuance of the certificate of occupancy, to take either of the following actions, although Lessor's failure to take either of the following actions shall not be deemed to be a waiver of its rights or remedies under this Article IX or elsewhere under this Lease, and Lessor may, further, if it elects one of the options below, elect the other option in the future (for so long as Lessee has not timely completed construction):

i. Require that GMAR payable under this Lease increase ten percent (10%) immediately upon written notice from Lessor to Lessee, and if Lessee fails to complete construction by the end of the Lease Year in which such 10% increase takes effect, then the GMAR, as adjusted under Article VI [Rentals] shall be further increased an additional two percent (2%) in the following Lease Year, and each Lease Year thereafter until completion of construction is achieved. Notwithstanding the date of completion of construction, or change in option selection by Lessor under this Article, the adjusted GMAR under this paragraph i. shall not be decreased; or

ii. Require that the GMAR payable under this Lease be increased by the amount that the fair market annual rental value of the undeveloped portion of the Leased Premises has increased, as determined by a current appraisal approved by the Secretary, since the GMAR in effect as of the Effective Date of this Lease. If this option is selected by the Lessor, the GMAR payable under this Lease shall be similarly increased at the end of every five (5) year period thereafter until the completion of construction.

Notwithstanding the foregoing, if construction is not completed, as defined in the first paragraph above, by the end of the third Lease Year, Lessee shall be in default under this Lease (see Article XXVII [Default] below).

B. Ownership and Surrender of Improvements. During the Lease term, Lessee shall be the owner of the improvements on the Leased Premises, except as may otherwise be provided in an approved sublease, right-of-way or easement. At the expiration or earlier termination of the Lease term, all buildings and improvements, excluding removable personal property, in or on the Leased Premises shall remain in or on the Leased Premises, in a condition satisfactory to Lessor, and shall thereupon become the property of the Lessor, subject to the provisions of the following paragraph. The term "removable personal property" as used in this paragraph shall not include property which normally would be attached or affixed to the buildings, improvements or land in such a way that it would become a part of the realty/improvements, regardless of whether such property is in fact so placed in or on, or affixed or attached to, the buildings, improvements or land in such a way as to legally retain the characteristics of personal property.

Lessor may, at its option, require Lessee at Lessee's expense to remove all or a portion of such buildings and improvements, with the Leased Premises to be restored as closely as possible to their condition before construction of the permanent improvements, in which event Lessor shall so notify Lessee at least ninety (90) days before the expiration of the Lease term and shall allow Lessee a period of three (3) months after the expiration of the Lease term to cause said removal to be completed, during which period Lessee shall not be required to pay rent, as the Lease Term will have expired; Lessee and Lessor shall enter into a short-term permit (no fees, no rent) for Lessee's use of the Leased Premises during this period, and Lessee shall continue to maintain its insurance and comply with all applicable laws during said period. If Lessor requests that only a portion of the improvements be removed, and the cost of doing so would be more than the cost of removing all of the improvements (e.g., due to the location or nature of the improvements), then Lessor shall either instruct Lessee to remove all of the improvements or instruct Lessee to remove none of the improvements. If Lessee removes any improvements, Lessee shall be entitled to 100% of any salvage value of the removed property.

To the extent that any improvements are to remain with the Premises upon the termination of the Lease term pursuant to the foregoing provisions, Lessee, at its expense, shall cause an inspection report to be completed, by a qualified inspector who is reasonably acceptable to the BIA, and delivered to Lessor and the BIA.

C. Reciprocal Easement Agreement. Prior to issuance of the building permit and commencement of construction on the Leased Premises, Lessee and Lessee's affiliate holding the lease for the adjacent Corner Pad parcel shall record a reciprocal easement agreement providing for reciprocal ingress, egress, parking, landscaping, lighting, maintenance and related matters for the common benefit of the two parcels, including provision for payment of all costs of maintenance and upkeep, and the designation of a manager who shall administer all such common areas outside the building footprints.

D. Relocation of SCE Utilities. Pursuant to that certain Grant of Easement and Right of Way issued by the United States of America to Southern California Edison dated May 3, 2018 (R/W File 378-615) ("SCE ROW"), Lessor has the right to cause its lessees to relocate the existing above ground Southern California Edison ("SCE") utility systems to underground, within the easement/right of way area described in the SCE ROW. Lessee hereby agrees, at its expense (subject to payment of \$500,000 from Lessor pursuant to the following paragraph) to relocate the existing above ground Southern California Edison ("SCE") utility systems to underground, with the easement/right of way area described in the SCE ROW, and in full compliance with the SCE ROW and with all applicable laws. Lessee shall indemnify, defend and hold harmless Lessor and the BIA from and against any and all liabilities, actions, costs, expenses, damages and reasonable attorney's fees that are incurred by or asserted against Lessor and/or the BIA in connection with the SCE ROW, the SCE utility systems and/or the relocation of the SCE utility systems.

Lessor agrees to pay Lessee five hundred thousand dollars (\$500,000.00) for actual, documented out-of-pocket costs (attorney's fees, design, permitting and construction) incurred by Lessee in undergrounding the SCE utility systems in compliance with the SCE ROW and with applicable laws. Lessor and Lessee shall mutually agree to a commercially reasonable procedure for payment to Lessee and assurance that the work for which the disbursement is made has been completed, such as using an institutional construction lender to hold and disburse the funds in accordance with

terms and conditions agreed upon by Lessee and Lessor.

ARTICLE X **CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION**

All improvements, and any modifications to improvements, placed on the Leased Premises shall be constructed in a good and workmanlike manner and in compliance with applicable Federal, State, local and Tribal laws and building codes, and in compliance with Articles IX [Improvements and Completion of Development; Ownership and Surrender of Improvements; Reciprocal Easement Agreement With Corner Pad; Relocation of SCE Utilities] above and XI [Non-Responsibility Notices] below. All parts of buildings exposed to perimeter properties shall present a pleasant appearance and all service areas shall be screened from public view.

Lessee shall have the right at any time during the term of this Lease to make, and/or allow approved sublessees to make, limited alterations, additions or repairs to any improvement on the Leased Premises in an amount not to exceed ten percent (10%) of the then value of the improvement. Removal or demolition of any improvements, or any alterations, additions or repairs to any improvements in excess of ten percent (10%) of the value of the improvement, shall not be made without prior written consent of the Secretary. Notwithstanding the foregoing, any removal, demolition or alteration activities that would reduce the amount of Percentage Rent payable to Lessor for more than six (6) months shall require Lessor's consent and the BIA's approval.

At all times during the term of this Lease, Lessee, at its sole cost and expense shall cause to be maintained and repaired, or cause its approved sublessee to maintain and repair, the Leased Premises and all improvements thereon, including without limitation all buildings and tenant improvements, infrastructure, utilities, water distribution, fire suppression, electrical, mechanical, climate control and other systems, driveways, landscaping, hardscaping, lighting, parking areas and walkways, in good order and repair and in a neat, sanitary and attractive condition, including replacement where necessary, and in compliance with applicable Federal, State, local and Tribal laws. Any violation by Lessee of any applicable laws regarding the use, operation, maintenance or condition of the Leased Premises or improvements on the Leased Premises shall constitute a default under this Lease. Without limiting the foregoing, the BIA may treat any violation by Lessee of Federal law as a violation of this Lease.

ARTICLE XI **NON-RESPONSIBILITY NOTICES**

Prior to the commencement of construction of each improvement or alteration of existing improvements on the Leased Premises, or any repair which may give rise to a mechanics lien, Lessee shall give the Secretary at least ten (10) days advance notice in writing of intention to begin said activity, in order that non-responsibility notices may be posted if required, or if desired by Lessor or the Secretary), and recorded as provided by State and local laws. Lessor hereby authorizes the Secretary to post said notices on Lessor's behalf. Nothing contained herein shall be construed as a waiver of immunity of trust or restricted property from mechanics' or materialmen's liens nor obligate the Secretary or Lessor to post non-responsibility notices while the Leased Premises are in a trust or restricted status.

ARTICLE XII
PERFORMANCE AND RENTAL BONDS

A. Performance Bond. Lessee shall provide a performance bond or alternative form of security pursuant to the provisions of this Article XII.A payable to BIA, unless Lessor waives the requirement for a performance bond or alternative form of security and the BIA determines that a waiver is in the Lessor's best interest. Notwithstanding anything in this Lease which may be interpreted to the contrary, a performance bond shall be waived if Lessee enters into a construction loan agreement with an institutional or private lender which, in turn, contains and implements customary, loan industry-standard fund controls and construction completion requirements, and provides a copy of same to Lessor and the BIA prior to the commencement of construction.

i. Coverage. The performance bond or alternative form of security must be in an amount sufficient to secure Lessee's contractual obligations under this Lease, including: (a) GMAR, unless GMAR is paid in advance; (b) the construction of any required permanent improvements (to be provided prior to the commencement of construction of such improvements); (c) the operation and maintenance charges for any land located within an irrigation project (if any); and (d) the restoration and reclamation of the leased Premises, if applicable, in accordance with Article IX.A above.

ii. Bonds; Alternative Forms of Security. The Secretary will accept a performance bond only in one of the following forms: (a) certificates of deposit issued by a federally insured financial institution authorized to do business in the United States; (b) irrevocable letters of credit issued by a federally insured financial institution authorized to do business in the United States; (c) negotiable Treasury securities; or (d) surety bonds issued by a company approved by the U.S. Department of the Treasury.

Lessee may provide an alternative form of security approved by the BIA that provides adequate protection for Lessor and the United States, including but not limited to:

(a) Depositing in escrow, with an institution acceptable to the BIA, negotiable United States Treasury securities or cash in the amount required to satisfy the coverage requirements under paragraph i. above. The escrow instructions shall include provisions whereby the funds shall be disbursed in installments as construction progresses and on the certification of Lessee's licensed contractor, architect, engineer or other consultant. Lessor and the BIA shall be entitled to and have access to all information relative to the disbursement of funds through said escrow. The escrow instructions shall also provide that not less than ten percent (10%) of such funds shall be withheld by the escrow holder until the period fixed by law for the filing of all mechanic's and materialmen's liens on such improvement shall have expired; if mechanic's or materialmen's liens are filed, the funds so withheld shall then be used to discharge such liens. If no such liens are filed, the withheld funds shall be then disbursed to the Lessee. If United States Treasury securities are provided, Lessee agrees to make up any deficiency in the value deposited that might occur due to a decrease in the value of the securities. Interest on securities shall be paid to the Lessee; or

(b) Entering into a construction loan agreement (Approved Encumbrance) with a financial institution, which construction loan agreement, and the amount of the equity of Lessee in the improvements to be constructed with the proceeds of the loan, shall be subject to the approval of the

BIA. Prior to such approval, Lessee shall perform all conditions precedent to the financial institution's obligations to make the loan, and Lessee shall deposit with the lending institution (or otherwise provide for pursuant to the foregoing provisions of this paragraph ii. or in another manner that is acceptable to the lending institution) the difference between the amount of the loan and the total cost of the improvements to be constructed.

iii. Additional Requirements; Release.

(a) The performance bond or other security must be deposited with the BIA and made payable as designated by the BIA, and may not be modified without the BIA's approval.

(b) The BIA may require that the surety provide any supporting documents needed to show that the performance bond or alternative form(s) of security will be enforceable, and that the surety will be able to perform the guaranteed obligations.

(c) The performance bond or other security instrument must require the surety to provide written notice to Lessee and to the BIA at least sixty (60) days before canceling a performance bond or other security, in order to allow the BIA to notify Lessee of its obligation to provide a substitute performance bond or other security and require the collection of the bond or other security before the cancellation date. Failure of Lessee to provide a substitute performance bond or other security by the cancellation date shall constitute a default under this Lease.

(d) The BIA shall reasonably consider any written request from Lessee (which shall include applicable supporting data and other information) to adjust the security or performance bond requirements to reflect changing conditions.

(e) All forms of performance bonds or alternative security must, if applicable: (i) indicate on their face that the approval of the Bureau of Indian Affairs is required for redemption; (ii) be accompanied by a statement granting full authority to the Bureau of Indian Affairs to make an immediate claim upon or sell them if Lessee is in default under this Lease; (iii) be irrevocable during the term of the performance bond or alternative security; and (iv) be automatically renewable during the term of the Lease.

(f) Upon expiration, termination, or cancellation of this Lease, or upon fulfillment of the contractual obligations that are secured by the bond or alternative security, Lessee may request the BIA in writing to release the performance bond or alternative form of security. Upon receiving such request, the BIA shall confirm, where feasible, with Lessor that Lessee has complied with all of its Lease obligations, and release the performance bond or alternative form of security, unless the BIA determines that the bond or security must be redeemed to fulfill the subject contractual obligations.

B. Rental Bond. Within one hundred and fifty (150) days from the Effective Date of this Lease, Lessee agrees to post a bond satisfactory to the BIA in a penal sum of not less than the second Lease Year's GMAR, which bond shall be deposited with the Secretary. Said bond shall be maintained at all times in an amount not less than the sum of the GMAR for the second Lease Year, unless and until the requirement for such bond is waived by the Secretary. If GMAR is being paid more frequently than annually, the BIA may, in its discretion, accept a bond in an amount smaller than the GMAR. Should

waiver of rental bond be granted, the BIA may require Lessee to furnish bond at a later date and Lessee hereby agrees to promptly comply with said request. Lessee may furnish a corporate surety bond, or in lieu thereof, may deposit with the BIA cash or negotiable United States Treasury Bonds or other negotiable Treasury obligations in the appropriate amount, together with power of attorney, empowering the BIA, in the event of Lessee's default under any of the rent provisions of this Lease, to pay over such cash, or to dispose of any such bonds and pay over the proceeds derived therefrom, to or for the benefit of Lessor, subject to Lessee's right to cure said rental default as hereinafter provided in Article XXVII [Default]. Any other type of security which may be offered by Lessee to satisfy the requirements of this Article will be given reasonable consideration by the BIA, but acceptance of bond in lieu of those described above shall be at the sole discretion of the BIA.

It is agreed that the bond required by this provision will guarantee payment of rent only and that the bond shall be in continuous form and may be subject to the provision that the surety may terminate said bond after giving forty-five (45) days written notice to the BIA, if U.S. Treasury Bonds are provided. Lessee agrees to make up any deficiency in the value deposited that might occur due to a decrease in the value of the bonds. Interest on said bonds shall be paid to Lessee.

ARTICLE XIII **COMPANIES BONDING AND INSURING**

Any corporate surety bonds provided by Lessee in compliance with this Lease shall be furnished by companies holding certificates of authority from the Secretary of the Treasury as acceptable sureties on federal bonds. Insurance policies shall be furnished and maintained by such responsible companies as are rated A Plus Class VII or better in the current edition of Best's Insurance Guide.

ARTICLE XIV **SUBLEASE, ASSIGNMENT, TRANSFER**

A. Sublease.

i. Approval. Lessee shall not, unless otherwise expressly authorized herein, sublease any right to or interest in this Lease or any of the improvements on the Leased Premises, without the written consent of Lessor and approval of the BIA, and meeting any additional consent or approval requirements of 25 CFR §162.454. No sublease shall be valid or binding without said consent and approval, and then only upon the condition that the sublessee has agreed in writing to be bound by each and all of the terms and provisions of this Lease (and any applicable sublease if it is a sub-sublease) and that, in the event of conflict between the provisions of this Lease and of said sublease, the provisions of this Lease shall govern. No sublease shall release Lessee from any obligation under this Lease or substitute the sublessee for Lessee hereunder. Any sublease made, except as aforesaid, shall be deemed a default under this Lease.

Lessor and the BIA shall not unreasonably withhold approval of any sublease.

ii. Assignment of Sublease. No sublease may be assigned without the written consent of Lessor and approval of the BIA, which shall not be unreasonably withheld, and meeting any additional consent or approval requirements of 25 CFR §162.454. In addition, Lessee must obtain the written

consent of mortgagees or sureties, and Lessee must be in full compliance (i.e., no violations or default) under this Lease. If the sublessee is: (i) a partnership, then a withdrawal, transfer or change in control, voluntarily or by operation of law, in one transaction or over multiple transactions, of or by the partner or partners owning fifty percent (50%) or more in voting interests of the partnership, or the dissolution of the partnership without reconstitution, shall be deemed an assignment of the sublease; (ii) a limited liability company (excepting publicly traded limited liability companies), then a withdrawal, transfer or change in control, voluntarily or by operation of law, in one transaction or over multiple transactions, of or by the member or members owning fifty percent (50%) or more in voting interests of the limited liability company, or the dissolution of the limited liability company, shall be deemed an assignment of the sublease; (iii) a corporation (excepting publicly traded corporations), then any dissolution, merger, or consolidation of the corporation, or any sale, conveyance or other transfer of fifty percent (50%) or more of the voting stock of the corporation, or the sale or other transfer of fifty percent (50%) or more of the value of the assets of the corporation, in one transaction or over multiple transactions, shall be deemed an assignment of the sublease; or (iv) a trust or other entity, then any change in control of such entity shall be deemed an assignment of the sublease. The sublessee shall be obligated to notify Lessee and the BIA in writing of any such change in voting interests, voting stock or control, as the case may be.

iii. Amendment of Sublease. An amendment to an approved sublease shall not be effective without the Lessor's written consent and BIA's written approval, which shall not be unreasonably withheld.

iv. Termination of Lease. In the event of the termination of this Lease, Lessee's interest in any approved sublease(s) shall automatically be assigned to Lessor, provided, however, that Lessor shall not be bound by any sublease, sublease amendment or sublease assignment that has not been approved by Lessor and the BIA to the extent required, or liable for any act or omission of the Lessee or subject to any offset, defense or claim which the sublessee might have against the Lessee. Each sublessee, after notice, shall thereafter pay full rental due under the sublease directly to the Bureau of Indian Affairs for deposit to the account of Lessor.

v. Encumbrance of Sublease. Any approved sublease may be encumbered by the sublessee with the Lessee's prior written consent and the BIA's prior written approval. Each approved sublease shall contain encumbrance provisions applicable to an encumbered subleasehold that are substantially similar in form and substance to the encumbrance provisions of Article XVIII [Approved Encumbrance] below (but are applicable to the subleasehold).

vi. Retention of Documents. Lessee shall retain originals or legible copies of each executed sublease and all amendments thereto for a period of at least one (1) year after the termination or expiration of said instrument and shall provide a copy of same to the BIA and/or Lessor upon the BIA's and/or Lessor's request.

B. Assignment or Transfer.

Lessee shall not, unless otherwise expressly authorized herein, assign or transfer all or any part of Lessee's interest in this Lease without the written consent of Lessor (and sureties, if required) and the approval of the BIA, which shall not be unreasonably withheld and meeting any additional consent or approval requirements of 25 CFR §162.450; provided, however, that the requirements for approvals of

any assignment or transfer necessary for Lessee to secure an Approved Encumbrance on a leasehold interest and/or for any Approved Encumbrancer shall be governed by the provisions of Article XVIII [Approved Encumbrance] below. No such assignment or transfer shall be valid or binding without said consent and approval, and then only upon the condition that assignee or other successor in interest, shall agree in writing to be bound by each and all of the covenants and conditions of this Lease.

If Lessee is: (i) a partnership, then a withdrawal, transfer or change in control, voluntarily or by operation of law, in one transaction or over multiple transactions, of or by the partner or partners owning fifty percent (50%) or more in voting interests of the partnership, or the dissolution of the partnership without reconstitution, shall be deemed an assignment of this Lease; (ii) a limited liability company (excepting publicly traded limited liability companies), then a withdrawal, transfer or change in control, voluntarily or by operation of law, in one transaction or over multiple transactions, of or by the member or members owning fifty percent (50%) or more in voting interests of the limited liability company, or the dissolution of the limited liability company, shall be deemed an assignment of this Lease; (iii) a corporation (excepting publicly traded corporations), then any dissolution, merger, or consolidation of the corporation, or any sale, conveyance or other transfer of fifty percent (50%) or more of the voting stock of the corporation, or the sale or other transfer of fifty percent (50%) or more of the value of the assets of the corporation, in one transaction or over multiple transactions, shall be deemed an assignment of this Lease; or (iv) a trust or other entity, then any change in control of such entity shall be deemed an assignment of this Lease. Notwithstanding the foregoing, any transfer of any ownership interest in an entity Lessee (a) between then-existing owners of the entity or (b) from an existing owner to a spouse and/or child, grandchild or other lineal descendant of the owner shall be excluded from the above calculations. Lessee shall be obligated to notify the BIA in writing of any such change in voting interests, voting stock or control, as the case may be.

In the event of, and concurrently with, Lessee's sale/transfer (or deemed assignment) of its interest in this Lease, and as a condition to Lessor's consent and the BIA's approval of such transfer, Lessee shall pay, or cause to be paid, to the Lessor a transfer fee ("**Transfer Fee**") equal to (a) One and One-Half Percent (1.5%) of the gross sales price of the leasehold interest, "gross sales price" being the gross consideration (whether cash, debt, stock or other financial consideration) paid by, as the case may be the purchaser/assignee of this Lease (or deemed purchaser in the event of a deemed assignment), before sales commissions, closing costs, escrow and title fees, and other expenses associated with the sale, which Transfer Fee shall be considered to be additional rent, plus reimbursement of Lessor's reasonable attorney's fees incurred in connection with any such assignment. Notwithstanding the foregoing, no Transfer Fee shall be payable for an assignment of this Lease to the County of Riverside pursuant to its option under the County Sublease.

If a proposal to assign this Lease is submitted while a breach in this Lease exists, neither the Secretary nor the Lessor will be obligated to consider said proposal until such breach is cured.

C. County of Riverside Sublease; County as Assignee.

Concurrently with the BIA's approval of this Lease, Lessor has consented to, and the BIA has approved, that certain Medical Office Building Sublease between Lessee as the sublessor and the County of Riverside as the sublessee, pursuant to which Lessee will design, permit and construct for the County's use a medical office building, parking areas, driveways, drive aisles, landscaping and all other

associated on-site and off-site improvements on the Leased Premises (“County Sublease”). A copy of the County Sublease is attached hereto as **Exhibit C** for informational purposes only. Among other things, the County Sublease grants the County of Riverside (“County”) an option, subject to certain terms and conditions in the County Sublease, to acquire and assume all of Lessor’s rights and obligations under this Lease including the acquisition of Lessee’s interest in all of the improvements on the Leased Premises. Notwithstanding anything to the contrary in this Lease, the consent and approval of the BIA and Lessor shall not be required and no Transfer Fee shall be due, if the County exercises said option and Lessee and the County enter into an assignment and assumption of this Lease. Lessee shall provide the BIA and Lessor with a copy of the County’s written notice of exercise of its option within thirty (30) days after receipt of same by Lessee. Further, Lessee shall deliver to Lessor and the BIA a copy of the executed assignment and assumption documentation no later than thirty (30) days after the execution of said assignment and assumption documentation. Such assignment and assumption shall provide, among other things, that the County agrees to be bound by each and all of the covenants and conditions of this Lease commencing as of the date of the assignment. Upon said assignment and assumption, Lessee shall be released from any obligations under this Lease that the County has assumed. Unless applicable law otherwise requires, such assignment shall not result in a merger of the estate under the Lease with the estate under the County Sublease, unless the County of Riverside elects to treat the two leasehold estates as being merged.

ARTICLE XV **STATUS OF SUBLEASES**

Termination of this Lease prior to the stated expiration date of this Lease, by cancellation or otherwise, shall not serve to cancel approved subleases and/or subtenancies, but shall operate as an assignment to Lessor of Lessee’s interests in any and all such subleases and/or subtenancies. If this Lease terminates prior to the stated expiration date, Lessor agrees to recognize and be bound by any approved subleases, and Lessor shall recognize and not disturb any sublessee thereunder that attorns to Lessor and continues to perform all of its obligations under its sublease.

ARTICLE XVI **AGREEMENTS FOR UTILITY FACILITIES**

Lessee shall have the right to enter into agreements with public utility companies and the State of California or any of its political subdivisions, or the Tribe, to provide utility services including, but not limited to, gas, water, electricity, telephone, television and sewer facilities, necessary to the full enjoyment of the Leased Premises and the development thereof in accordance with the provisions of this Lease, which agreement shall be binding upon any sublessee or other occupant of the Leased Premises; provided, that no such agreement shall cover land not included in this Lease. Upon entering into such agreement or agreements, Lessee shall furnish the BIA with executed copies thereof together with a plat or diagram showing the location of the utility lines to be constructed in accordance therewith.

No sublessee shall have the right to enter into any utility facility agreement if all improvements to be used by such sublessee are constructed prior to the subleasing of same. Lessee shall not be obligated to enter into any facility agreement on behalf of sublessee. Sublessees shall, however, have the right to contract for utility services with any third-party provider of same, subject to Lessee’s approval.

ARTICLE XVII

RIGHTS OF WAY FOR STREETS AND UTILITY FACILITIES

Lessor hereby consents to the granting of limited rights-of-way (including easements) on the Leased Premises for streets and above ground and underground utility facilities in addition to rights-of-way already granted necessary to the full enjoyment of the Leased Premises and development thereof. Such rights-of-way are limited to the term of the Lease and to be granted by the Secretary in accordance with an approved conceptual plan and pursuant to the Act of February 5, 1948, Public Law 407, 62 Stat. 17, and any amendments thereto, as implemented by regulations of the Secretary applicable thereto.

ARTICLE XVIII

APPROVED ENCUMBRANCE

- A. General. This Lease, or any right to or interest in this Lease, or any of the improvements on the Leased Premises, may only be encumbered with an Approved Encumbrance (as defined in Article III above [Definitions]). Lessor's consent shall not be required for an Approved Encumbrance (only BIA consent is required). No encumbrance or any addition thereto or extension thereof shall be valid unless it is an Approved Encumbrance. Nothing contained herein shall prohibit a future assignment of an Approved Encumbrance, in whole or in part, by an Approved Encumbrancer, provided that notice of such assignment is provided to the Secretary. Upon providing said notice to the Secretary, any assignee of an Approved Encumbrance shall be an Approved Encumbrancer.
- B. No Effect on Lessor's Interest; Information Provided. An Approved Encumbrance must be confined to the leasehold interest of Lessee or the subleasehold interest of a sublessee and any improvements located on the Land and shall not affect in any way Lessor's interest in the Land. Lessor hereby consents to any such deed of trust or mortgage subject to approval of the encumbrance by the Secretary. Lessee agrees to furnish as requested, any appraisals, financial statements and analyses pertinent to the encumbrance that the Secretary may reasonably deem necessary to justify the amount and terms of said encumbrance. Lessee further agrees to authorize an Encumbrancer to furnish the Secretary and/or Lessor, upon written request from the Secretary and/or Lessor, any specific information regarding the status of the Approved Encumbrance at any time during the term of this Lease.
- C. Default by Lessee Under Encumbrance. In the event of default by Lessee under the terms of an Approved Encumbrance, the Encumbrancer may exercise any rights provided in the Approved Encumbrance or by law for discharging such Approved Encumbrance, provided that before any sale or transfer of the leasehold, whether under power of sale or foreclosure or assignment in lieu of foreclosure, the Encumbrancer shall give to the Secretary (or any other agency of the United States that may have jurisdiction over the Leased Premises at such time) and Lessor, notice of the same character and duration as is required to be given to Lessee by such Approved Encumbrance and/or the laws of the State of California. Upon the recording of any mortgage or deed of trust, Lessee shall cause to be recorded in the Official Records of Riverside County a written request for a copy of any notice of default and of any notice of sale as provided by the statutes of the State of California and any applicable federal regulations relating thereto, and a copy of said notice shall be delivered to Lessor and the Secretary. Notwithstanding the foregoing, the Encumbrancer shall give, or cause to be given to, the Secretary and Lessor at least

thirty (30) days advance written notice before any non-judicial or judicial foreclosure sale or any assignment in lieu of foreclosure.

- D. Sale or Transfer Under Encumbrance. If any sale or transfer under the Approved Encumbrance occurs, whether by power of sale or foreclosure (or assignment in lieu of foreclosure) to the Approved Encumbrancer or an affiliate of the Approved Encumbrancer, the purchaser at such sale shall succeed to all of the rights, title and interest and obligations of Lessee in the leasehold estate covered by said Approved Encumbrance. It is further agreed that, if the purchaser at such sale is the Approved Encumbrancer (or an affiliate of the Approved Encumbrancer), the Approved Encumbrancer (or such affiliate) may sell and assign the leasehold interest without any further consent, provided that the assignee shall agree in writing to be bound by all the terms and conditions of this Lease including the payment of rent (i.e., all past due and current rent, including any interest and penalties). If the Approved Encumbrancer (or such affiliate) is the purchaser, it shall be required to comply with all the covenants and conditions of this Lease, including the payment of rent, only so long as it retains title to this leasehold, except and provided, however, that upon the acquisition of the interest of Lessee in this Lease by foreclosure, assignment in lieu of foreclosure, bankruptcy order or otherwise, the purchaser/acquirer and its successors in interest shall pay full rental, including any past due rent, penalties and interest owing under this Lease. If a foreclosure sale under the Approved Encumbrance occurs and the purchaser is a party other than the Approved Encumbrancer (or an affiliate of the Approved Encumbrancer), then said purchaser, as successor-in-interest to the Lessee, shall be bound by all the terms and conditions of this Lease, including the payment of rent; the acquirer of the leasehold, whether it is the Encumbrancer, an Affiliate or Encumbrancer or a third party, shall notify the Secretary in writing within ten (10) days after such acquisition.
- E. Default by Lessee Under Lease. Nothing herein shall in any manner limit, restrict or impair the right of Lessor to terminate this Lease and recover possession of the Leased Premises in the event of a default by Lessee, subject to the rights provided to the Approved Encumbrancer under this Article XVIII and to approved sublessees under Article XV [Status of Subleases] of this Lease.
- F. Noncurable Defaults. An acquirer of the interests of Lessee in this Lease (i.e., an Approved Encumbrancer or other party who acquires the interest of Lessee (or sublessee, as applicable) by foreclosure or assignment in lieu of foreclosure) shall not be required to cure any type of non-monetary default which, because of its nature, is not feasible to cure (each, a “**Noncurable Default**”). All monetary defaults are deemed to be curable.
- G. Bankruptcy. Bankruptcy, receivership, or insolvency of Lessee shall not obligate any Approved Encumbrancer to pay any monies to cure or terminate the bankruptcy, receivership or insolvency, and the Approved Encumbrancer shall be required to do no more than is required of said Approved Encumbrancer by the terms of this Lease.
- H. Elections Under the Bankruptcy Code. Lessor acknowledges and agrees that (1) any right of election arising under Section 365(h)(l) of the Bankruptcy Code shall be exercised by the Approved Encumbrancer and not by Lessee; (ii) without limiting the generality of the foregoing, Lessee shall not, without the Approved Encumbrancer’s prior written consent, elect to treat the

Lease as terminated or to remain in possession of the Leased Premises under Section 365(h)(1) of the Bankruptcy Code, 11 U.S.C. § 365(h)(1); and (iii) any exercise or attempted exercise by Lessee of such right of election in violation of the preceding clauses shall be void.

- I. Rejection; Termination. Any rejection of this Lease by Lessee, by Lessee as debtor-in-possession, or by any trustee of Lessee pursuant to Section 365(h) of the Bankruptcy Code, shall not terminate this Lease. This Lease shall not be treated as terminated under Subsection 365(h)(1) of the Bankruptcy Code, and it shall continue in full force and effect in accordance with its terms. In no event shall any Approved Encumbrance of an Approved Encumbrancer, the lien of any such Approved Encumbrance, the security interests of any such Approved Encumbrance, or any note or other obligation secured by any such Approved Encumbrance be affected or impaired by any rejection of this Lease pursuant to Section 365(h) of the Bankruptcy Code.
- J. Rejection; Possession. Lessor acknowledges and agrees that, if Lessee as debtor in-possession, or any trustee of Lessee shall reject this Lease pursuant to Section 365(h) of the Bankruptcy Code: (a) Lessee shall without further act or deed be deemed to have elected under Section 365(h)(1) of the Bankruptcy Code to remain in possession of the Leased Premises for the balance of the term of this Lease and Approved Encumbrancer shall have the right to exercise any one or more of the extension options provided for in this Lease (if any); and (b) any exercise or attempted exercise by Lessee of any right to treat this Lease as terminated under Subsection 365(h)(1) of the Bankruptcy Code shall be void.
- K. Possession; Sublease. For the purposes of Section 365(h) of the Bankruptcy Code, the term "possession" as used herein shall mean the right to possession of the Leased Premises granted to Lessee under this Lease, whether or not all or any part of the Leased Premises shall have been subleased.
- L. Rejection by Lessee or Other Termination of Lease. Should Lessee reject or attempt to reject this Lease pursuant to Section 365(a) of the Bankruptcy Code, or should this Lease otherwise be terminated, Lessor or the Secretary shall give Approved Encumbrancer written notice of such rejection or termination, together with a statement of all sums at the time due under this Lease (without giving effect to any acceleration), and of all other defaults under this Lease then known to Lessor. Approved Encumbrancer shall have the right, but not the obligation, to give written notice to Lessor within thirty (30) days after receipt of the rejection or termination notice provided for in the preceding sentence (but, with respect to a rejection, not later than thirty (30) days following the Bankruptcy Court's approval of such rejection), that Approved Encumbrancer has elected to: (i) enter into a new Lease with Lessor, or shall assume this Lease, and (ii) cure all such defaults outstanding thereunder (other than Noncurable Defaults) by concurrently curing monetary defaults at the date of assumption and by curing all other defaults within a reasonable period of time after the date of such assumption, except for defaults of the type specified in Subsection 365(b)(2) of the Bankruptcy Code and any other Noncurable Default. If Approved Encumbrancer gives the written notice and election described above, then, as between Lessor and Approved Encumbrancer: (1) the rejection of this Lease by Lessee or other termination shall not constitute a termination of this Lease; (2) Approved Encumbrancer may assume the obligations of Lessee under this Lease without any instrument of assignment or transfer from

Lessee, other than as may be reasonably required by Approved Encumbrancer to evidence the continued existence of this Lease or a new Lease as described above, as the case may be; (3) Approved Encumbrancer's rights under this Lease shall be free and clear of all rights, claims and Approved Encumbrances of or in respect to Lessee; (4) Approved Encumbrancer shall consummate the assumption of this Lease and the payment of the amounts payable by it to Lessor pursuant to this paragraph at a closing to be held at the office of Lessor at the address set forth herein or such other place as such parties may mutually agree upon, on the thirtieth (30th) Business Day after Approved Encumbrancer shall have given the written notice hereinabove provided for; and (5) upon any assignment of this Lease by Approved Encumbrancer to a party who assumes all obligations under this Lease, Approved Encumbrancer shall be relieved of all obligations and liabilities arising under this Lease or any new lease, as the case may be, from and after the date of any such assignment and assumption. Any such re-instated lease or new lease shall be equal in priority to this Lease.

Notwithstanding the foregoing, there shall be no reinstatement (or new lease) unless Approved Encumbrancer shall have paid or caused to be paid to Lessor all past due and current rents, interest, penalties and other sums owing by Lessee under the Lease as of the date of reinstatement of the Lease (or new lease) (including without limitation costs and attorneys' fees incurred by Lessor in connection with the termination and/or reinstatement, provided, however, such costs and attorneys' fees shall not exceed \$5,000 in 2019 Dollars. Further provided, however, nothing in this section is intended to supersede or otherwise amend the provisions of Article XXVIII [Attorney's Fees] of this Lease. The reinstated (or new) Lease shall be effective as of the effective date of the termination and shall continue for the remainder of the term of this Lease (i.e., as if not earlier terminated) and with the same terms and provisions. For the avoidance of doubt, the reinstated (or new) Lease shall be at the same rent and upon the same terms, covenants and conditions as would have been effective in this Lease as of immediately prior to termination (i.e., as of the effective date of the reinstated (or new) Lease); without limiting the foregoing, the reinstatement of this Lease (or new lease) shall not operate as a waiver by Lessor of any event which is a default under the terms and provisions of this Lease if that event exists or occurs under the reinstated Lease. The lessee under such reinstated (or new) Lease shall have the same (no more, no less) right, title and interest in and to the leasehold estate as Lessee had under this Lease as of immediately prior to termination.

- M. Assignment in Lieu. Acquisitions of the interest of Lessee by Approved Encumbrancer (or an affiliate of Approved Encumbrancer) by deed or assignment in lieu of foreclosure shall confer upon Approved Encumbrancer (or an affiliate of Approved Encumbrancer) the same rights as if such Approved Encumbrancer (or an affiliate or designee of such Approved Encumbrancer) had acquired title by foreclosure action such as a Trustee's Sale.
- N. Notice of Default. Lessor and/or the Secretary shall to deliver to Approved Encumbrancer, at the same time as delivery to Lessee, written notice of (1) any default by Lessee under this Lease, (2) any proposed termination of this Lease, and (3) the failure by Lessee to cure any default under this Lease after the expiration of any applicable cure period provided to Lessee. No notice of default given to Lessee, and no exercise of any remedy by Lessor as a result of any such default, shall be effective unless such notice shall have been delivered to Approved Encumbrancer. Further, such Approved Encumbrancer shall have the right to cure any monetary or non-

monetary default by Lessee under this Lease. With regard to monetary defaults by Lessee, Approved Encumbrancer shall be afforded after the expiration of any cure period provided to Lessee, sixty (60) additional days to cure any such monetary default of Lessee, so long as all interest and penalties accrued on such monetary sums as provided in this Lease are paid as well. In addition, with regard to non-monetary defaults by Lessee, Approved Encumbrancer shall be afforded, after the expiration of any cure period provided to Lessee, sixty (60) additional days to cure any such non-monetary default of Lessee; or in the event that any such non-monetary default of Lessee cannot, with reasonable diligence, be cured within the additional cure period provided to Approved Encumbrancer in this subsection, such longer period as may be reasonably required to complete such cure, including, without limitation, such time as may be required for Approved Encumbrancer to gain possession of Lessee's interest under this Lease pursuant to a foreclosure or receivership action, provided that Approved Encumbrancer notifies Lessor, in writing, of Approved Encumbrancer's intention to cure such default and Approved Encumbrancer promptly commences and diligently pursues such cure to completion and diligently pursues such foreclosure or receivership action with respect to the cure of nonmonetary defaults requiring possession in order to cure. However, during any cure period afforded to Approved Encumbrancer and until the completion of the cure of a nonmonetary default or foreclosure proceedings, as applicable, the Approved Encumbrancer shall (i) pay the rents due and payable by the Lessee under this Lease, including all past due rent and any interest and penalties; for purposes of clarification, this is not intended to, and shall not, relieve Lessee of any successor-in-interest to the leasehold to pay all past due and current rent, including any interest and penalties; (ii) maintain all insurance as required by this Lease; and (iii) pay all Taxes due and unpaid on the taxable property covered by this Lease until the Leased Premises is either sold upon foreclosure pursuant to the terms of the Approved Encumbrance or released or reconveyed thereunder. Approved Encumbrancer shall not be obligated to cure a Noncurable Default.

- O. Lessee Default: Bankruptcy. In case a default or breach on the part of the Lessee occurs preceding, during, or due to the bankruptcy, receivership, or insolvency of the Lessee, and the Approved Encumbrancer, prior to the receipt of the notice of default or within sixty (60) days after the receipt thereof, shall have filed in the court having jurisdiction over such bankruptcy, receivership or insolvency, a petition for permission to foreclose, the filing of such petition shall be deemed to be the beginning of foreclosure proceedings for the purpose of the foregoing paragraph.
- P. Rights of Approved Encumbrancer as Lessee. In connection with the exercise of its remedies under its loan documents or upon becoming the lessee under this Lease or a new lease as described above, an Approved Encumbrancer (or an affiliate of such Approved Encumbrancer) shall succeed to all of Lessee's rights, title, and interest in and to the improvements situated on the Leased Premises, which improvements are owned by Lessee during the term of this Lease (subject to the terms of any approved Sublease).
- Q. No Right of Lessor to Terminate Lease. Notwithstanding anything in this Lease to the contrary, except as otherwise expressly provided in this Lease, Lessor agrees that neither the sale of the leasehold estate by way of judicial or non-judicial foreclosure, nor the appointment by Approved Encumbrancer of a receiver to collect rents, or the actual collection of rents from the Leased

Premises by the Approved Encumbrancer shall, in and of itself, give Lessor any right to terminate this Lease.; provided, however, that there may be other defaults separately existing at such time which may give rise to termination rights, as provided elsewhere in this Lease.

- R. No Modifications. Without the prior written consent of the Approved Encumbrancer of record, Lessor and Lessee shall not mutually agree to terminate or cancel this Lease, or effect the surrender of the Leased Premises. Further, no amendment to this Lease which adversely affects the rights of any Encumbrancer shall be effective without the Encumbrancer's written consent, which shall not be unreasonably withheld. The foregoing provision does not in any manner limit, restrict, or impair the right of Lessor to terminate this Lease and recover possession of the Leased Premises in the event of a default by Lessee subject to the rights of the Approved Encumbrancer in this Lease.
- S. Effect on Lessee. The Approved Encumbrancer shall not be liable to Lessee or any sublessee for any adverse effect that any provisions required by said Approved Encumbrancer may have upon Lessee or said sublessee.
- T. Duty to Pay Rent. The duty to pay rent (including past-due rent, interest and penalties) shall exist at all times with no right of Lessee, its assignees, successors, receivers, custodians, trustees or any encumbrancer to withhold rent or take any set-off against it.

ARTICLE XIX **TAXES, ASSESSMENTS, LIENS, UTILITY CHARGES**

A. Taxes/Assessments. Lessee shall pay or cause to be paid, when and as the same become due and payable and prior to delinquency, all Taxes (including, without limitation, all possessory interest taxes), assessments, licenses, fees, penalties and other like charges levied during the term of this Lease upon or against the Leased Premises, Lessee's leasehold interest, any subleasehold interests and all other interests therein and property thereon. Upon written request, Lessee shall furnish the Secretary written evidence, duly certified, that any and all Taxes required to be paid by Lessee have been paid, satisfied, or otherwise discharged.

At no expense to Lessor, Lessee shall have the right to contest any claim, Tax, or assessment against the Leased Premises by posting bond to prevent enforcement of any lien resulting therefrom, and Lessee agrees to protect and hold harmless the Lessor, the Secretary and the Leased Premises and all interest therein and improvements thereon from any and all claims, Taxes, assessments and like charges and from any lien therefor or sale or other proceedings to enforce payment thereof, and all costs in connection therewith. Lessor shall execute and file any appropriate documents with reference to the trust land status of the Land when requested by Lessee.

B. Liens.

Lessee shall not permit to be enforced or to remain, and shall promptly discharge, at its sole cost and expense, any lien or charge upon the Leased Premises or any part thereof or any leasehold, subleasehold or other interest therein, arising from any work performed, materials furnished, obligations incurred by Lessee or any sublessee or otherwise. Lessee shall have the right to contest with due diligence the validity or amount of any lien or claimed lien, if Lessee, at its sole option, either posts in

the manner required by applicable local law, a bond to remove the lien or, alternatively, gives to Lessor such security as Lessor may reasonably require to insure payment thereof and to prevent any sale, foreclosure or forfeiture of the Leased Premises or any portion thereof or any interest therein, by reason of such non-payment. On final determination of the lien or claim for lien (including the settlement or compromise of the claim by Lessor as provided in Article XX below), Lessee shall immediately pay any judgment rendered, with all proper costs and charges and shall have the lien released or judgment satisfied at its own expense.

If any lien is filed against the Leased Premises or any interest therein or if any action of any character affecting the title thereto is commenced, Lessee shall give to the Lessor written notice hereof promptly following Lessee's receipt of notice of such lien or action.

C. Utility Charges. In addition to the rents, Taxes and other charges herein described, Lessee shall pay all charges for water, sewage, gas, electricity, telephone, and other utility services supplied to the Leased Premises as they become due.

ARTICLE XX **LESSOR PAYING CLAIMS**

Lessor shall have the option to pay any lien or charge payable by Lessee under this Lease, or settle any action therefor, if Lessee after written notice from Lessor or Secretary fails to pay and discharge the lien or to post bond against enforcement. All such sums paid by Lessor as well as all costs and other expenses incurred by Lessor in so doing shall be paid to Lessor by Lessee upon demand with interest at the rate of ten percent (10%) per annum from date of payment until repaid. Failure to make such repayment on demand shall constitute a default under this Lease.

ARTICLE XXI **LIABILITY INSURANCE; WORKERS COMPENSATION**

A. Liability Insurance. At all times during the term of this Lease, Lessee shall carry, or cause to be carried by sublessees under approved subleases, at its/their cost and expense, commercial general liability insurance naming Lessee (and the sublessee, as applicable) as the named insured and naming Lessor, the United States and the Bureau of Indian Affairs (and, if required by an Approved Encumbrance, the Encumbrancer) as additional insureds insuring against all liability for bodily injury, death and/or for property damage occurring in, upon or about the Leased Premises, and/or arising from the use or occupancy of the Leased Premises, or arising directly or indirectly from any act or omission of Lessee, any sublessee, its employees, agents, contractors, representatives, invitees, customers or others on or about the Leased Premises. Such insurance shall be carried and maintained with a single combined liability limit of the higher of (a) One Million Dollars (\$1,000,000.00) per each occurrence and Three Million Dollars (\$3,000,000.00) in the aggregate, or (b) the highest amount required by any Encumbrancer, and subject to future increases in such coverage amount in accordance with Paragraph C below. The insurance policy or an endorsement shall provide for not less than thirty (30) days' advance written notice to Lessor and the BIA (and, if required by an Approved Encumbrance, the Encumbrancer) in the event of cancellation or non-renewal or a material reduction in coverage.

B. Workers Compensation. At all times during the term of this Lease, Lessee shall carry, or caused to be carried by sublessees under approved subleases, at its/their cost and expense, workers compensation insurance, and any and all other statutory forms of insurance now or hereafter required by applicable law, providing statutory California coverage for all persons employed by Lessee (and/or any sublessee) in connection with any construction, maintenance and/or operation of improvements or businesses on the Premises, as well as employer's liability insurance in an amount not less than (i) \$1,000,000 or (ii) the highest amount required by any Encumbrancer (subject to future increases in such coverage amount in accordance with Paragraph C. below).

C. Additional Provisions.

Lessee shall name the United States, the Bureau of Indian Affairs and Lessor as additional insured on all insurance policies required to be maintained by Lessor (or the County) under the County Sublease, and shall include a reference to "PSL-510" in the certificate of insurance.

To the extent that there is no Encumbrance (or, otherwise, no secured lender's insurance requirements) in effect at a particular time during the Lease term and the coverage amounts and/or types delineated in Paragraphs A. and/or B. above are substantially less than industry-standard at that time, the insurance coverage amount and/or type shall be upgraded to industry-standard.

Insurance policies shall be furnished by such responsible companies as are rated A or better in the current edition of Best's Insurance Guide and licensed to do business in California, unless otherwise approved by the BIA. A current certificate of insurance or copy of said policy and all renewals shall be furnished to the Bureau of Indian Affairs, Palm Springs Agency. Subject to BIA approval, if Lessee causes the County of Riverside as sublessee under the County Sublease to provide the required insurance, the County may satisfy such insurance requirement by providing self-insurance on the same terms as the insurance otherwise required by this Lease.

Lessee shall notify the BIA without delay if Lessee becomes aware of any occurrence which might precipitate the filing of a claim against the insured.

Neither Lessor nor the United States, nor their officers, agents, and employees shall be liable for any loss, damage or injury of any kind whatsoever to the person or property of the Lessee, sublessees, invitees, or any other person whomsoever, caused by any use or condition of the Leased Premises, or by any defect in any structure erected thereon, or arising from any accident, fire, or other casualty on or about the Leased Premises or from any other cause whatsoever, except to the extent proximately caused by Lessor's or Lessor's agent's negligence or willful misconduct. Lessee hereby releases and waives all claims against Lessor, the BIA and the United States and agrees to indemnify and hold Lessor, the BIA and the United States free and harmless from and to defend them against any death or injury to person or, loss or damage of property, whatsoever kind or nature, arising from the use or condition of the Leased Premises, together with all costs and expenses in connection therewith, except to the extent proximately caused by Lessor's or Lessor's agent's negligence or willful misconduct. Lessor makes no representation that the limits or forms of insurance coverage specified herein are adequate to cover Lessor's or any sublessee's business operations or obligations under this Lease.

ARTICLE XXII
FIRE AND CASUALTY INSURANCE; DAMAGE/RECONSTRUCTION

A. Fire and Casualty Insurance; Builder's Risk Insurance. Lessee shall, commencing on the Effective Date and throughout the Lease term, carry, or cause to be carried by sublessees under approved subleases, at its/their cost and expense, (i) "all risk" or "special form" property insurance, with extended coverage endorsements to include vandalism and malicious mischief, covering the full replacement cost of all improvements on the Leased Premises, and (ii) builder's risk insurance on an "all risk" or "special form" basis, providing coverage against fire, theft, vandalism and malicious mischief and loss of stored materials, in such commercially reasonable coverage amount as the BIA shall approve, during all periods of time in which any improvements are under construction, provided, however, any such coverage amount that is required under an Approved Encumbrance shall be deemed to be reasonable for these purposes.

All insurance policies shall include Lessee (and the sublessee, as applicable) as the named insured and name Lessor, the United States and the Bureau of Indian Affairs (and, if required by an Approved Encumbrance, the Encumbrancer) as additional insureds. Insurance policies shall be furnished by such responsible companies as are rated A or better in the current edition of Best's Insurance Guide and licensed to do business in California, unless otherwise approved by the BIA. A current certificate of insurance or copy of said policy and all renewals shall be furnished to the Bureau of Indian Affairs, Palm Springs Agency. If Lessee causes the County of Riverside as sublessee under the County Sublease to provide the required insurance, the County may satisfy such insurance requirement by providing self-insurance on the same terms as the insurance otherwise required by this Lease, and shall provide Lessor and the BIA with a certificate of self insurance and satisfactory evidence of self-insurability.

Lessee shall notify the BIA without delay if Lessee becomes aware of any occurrence which might precipitate the filing of a claim against the insured.

B. Damage/Reconstruction. Lessee hereby agrees that damage to or destruction of any building or improvement on the Leased Premises at any time by fire or any other casualty whatsoever shall not cause termination of this Lease or authorize Lessee or those claiming by, through, or under Lessee to quit or surrender possession of the Leased Premises or any part thereof, and shall not release Lessee in any way from its liability to pay Lessor the rents hereinabove provided for or from any other agreements, covenants, or conditions of this Lease. In the event of damage to any improvement on the Leased Premises, Lessee shall reconstruct, or cause to be reconstructed, the improvement in compliance with applicable laws and building regulations and (i) in material accordance with the original plans with such revisions as required by updated building codes (in which case Lessor or Secretary approval is not required), or (ii) in accordance with the General Plan approved pursuant to Article VIII [Plans and Designs] above or otherwise as approved by the Secretary. Such reconstruction shall commence within one (1) year after the damage occurs (or sooner, to the extent insurance proceeds are made available) and shall be pursued diligently. During the period between the occurrence of the damage and the completion of reconstruction, Lessee shall take reasonable steps to monitor and maintain the affected area to protect public health and safety.

Insurance proceeds shall be deposited in escrow with an institution approved by

Secretary. Lessee shall also deposit, or cause its sublessee to deposit, in said escrow as needed all additional funds required to reconstruct the damaged improvement. Escrow instructions shall include provisions that all funds so deposited shall be used to reconstruct the damaged improvement, and funds shall be disbursed during the progress of reconstruction on receipt of industry-standard architect's, engineer's and/or contractor's certificates.

If Lessee is not in default under this Lease beyond the expiration of any applicable notice and cure periods, all money in escrow after reconstruction has been completed shall be paid to Lessee (subject to the terms of an Approved Encumbrance and/or an approved sublease). If Lessee is in default, said money shall remain in escrow as security for performance by Lessee until said default is corrected, after which, funds remaining shall be paid to Lessee (subject to the terms of an Approved Encumbrance and/or approved sublease). If Lessee does not correct the default within the cure period specified in this Lease, said funds shall be paid to the Lessor up to the amount needed to remedy such default.

An Approved Encumbrancer may be named as a loss payee under the insurance required under this Article XXII, and in the event of loss or damage to the improvements on the Leased Premises while an Approved Encumbrance remains unpaid, the proceeds of such insurance shall be paid to the Approved Encumbrancer and held pending disbursement for repair or restoration of the loss or damage. If such amount paid to the Approved Encumbrancer is sufficient to repair the loss or damage with respect to which it was paid, or if insufficient to repair the loss or damage and Lessor, Lessee and/or a sublessee elect within three (3) months after such payment by the insurer to the Approved Encumbrancer deposit with the Approved Encumbrancer sufficient funds to completely repair or restore the loss or damage when added to the amount paid by the insurer to the Approved Encumbrancer, then the Approved Encumbrancer shall, in compliance with commercially reasonable disbursement procedures established by the Approved Encumbrancer, pay such monies for such repair, and it shall not be deemed a payment or credit on the Approved Encumbrance. However, if prior to the expiration of such three (3) month period, the Lessor, Lessee and/or sublessee shall not so deposit money with the Approved Encumbrancer, or, if the repair of the loss or damage is not commenced as required by this Lease, the said sum so paid by the insurer to the Approved Encumbrancer shall be applied and credited to the Approved Encumbrance, but only to the extent of the outstanding balance of the Approved Encumbrance.

Lessee shall be obligated to continue to pay rent in a timely manner in accordance with this Lease regardless of whether any damage or casualty has occurred.

ARTICLE XXIII INDEMNIFICATION

Lessee agrees to (and, as to any subleasehold interests, if any, all sublessees shall also) indemnify, defend and hold Lessor, the United States and the BIA harmless from and against any claims, liabilities, damages, losses, judgments, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from or in connection with the use or occupation of the Leased Premises, or any portion thereof, including, without limitation, all claims arising from Lessee's or such sublessee's failure to construct or maintain the Leased Premises and all improvements thereon in accordance with Article X [Construction, Maintenance, Repair, Alteration] above, or from Lessee's or such sublessee's violation of any law, ordinance or regulation, or from Lessee's or such sublessee's use

of the Leased Premises, or from the acts or omissions of Lessee's or sublessee's employees, contractors, agents, representatives, or invitees.

Except for claims arising from Lessor's negligence or willful misconduct, Lessee agrees to (and, as to their subleasehold interests, if any, all sublessees shall also) indemnify Lessor, the United States and the Bureau of Indian Affairs against all liabilities or costs relating to the use, handling, treatment, removal, storage, transportation, or disposal of hazardous materials, or the release or discharge of any hazardous material on, under or from the Leased Premises that occurs during the Lease term, regardless of fault.

Neither Lessor nor the United States Government, nor their officers, agents, contractors or employees shall be liable for any loss, damage, or injury of any kind whatsoever (including without limitation, death) to the person or property of Lessee, any sublessee, renter, occupant, invitee, guest or any other person whomsoever, caused by any use of the Leased Premises, or by any defect in any structure erected thereon, or arising from any accident, fire or other casualty on said Premises or from any other cause whatsoever, excepting from Lessor's material breach of this Lease. Lessee, as a material part of the consideration for this Lease, hereby waives all claims against Lessor, the United States and the Bureau of Indian Affairs.

ARTICLE XXIV **UNLAWFUL USE**

Lessee and all sublessees shall use the Leased Premises and keep the Leased Premises, and all improvements located thereon, in full compliance with all applicable laws, including applicable Tribal laws. Without limiting the generality of the foregoing, Lessee shall comply with all applicable laws, ordinances, rules, regulations, and other legal requirements under 25 CFR Section 162.014. Lessee shall not use, or suffer to permit any sublessee or other person(s) to use, the Leased Premises or any part thereof for any use or purpose in violation of the applicable laws of the United States of America, or the applicable laws, ordinances, regulations and requirements of the Agua Caliente Band of Cahuilla Indians or of the State, County or City where the Leased Premises is situated, or of any other applicable governmental authorities. There must not be any unlawful conduct, creation of a nuisance, illegal activity, or negligent use or waste of the Leased Premises.

ARTICLE XXV **EMINENT DOMAIN**

If, at any time during the term of this Lease, the Leased Premises or any part thereof is taken or condemned under the laws of eminent domain, then, and in every such case, the leasehold estate and interest of Lessee in the portion of the Leased Premises so taken shall forthwith cease and terminate. All compensation awarded by reason of the taking of the Leased Premises shall be awarded to Lessee and Lessor, as between them, as their interests appear at the time of such taking, unless an Approved Encumbrance of the leasehold exists, in which case the compensation or award, only insofar as it is awarded for damages to the improvements on the Leased Premises, to the extent of the unpaid balance of the Approved Encumbrance, shall be paid to the Approved Encumbrancer if so provided under the terms of the Approved Encumbrance. As between Lessor and Lessee (or sublessor and sublessee, as the case may be), any amount paid to the Encumbrancer shall be deemed paid to Lessee or the sublessee, and if such amount exceeds the amount to which Lessee or the sublessee is entitled under the terms of

this Lease, Lessee (or sublessee) shall pay any such excess to Lessor (or sublessor), as appropriate.

The GMAR thereafter payable hereunder for the remainder of the term of this Lease shall be reduced proportionately based on the percent of total square feet in the Leased Premises so taken or as otherwise reasonably agreed to by Lessor and Lessee, subject to the approval of the Secretary. If only a portion of the Leased Premises is taken, the percentage interest(s) of the individual Lessor(s) whose allotment(s) is/are taken in part or whole shall not be modified, and such individual(s) shall continue on this Lease as a Lessor, with the same percentage interest as such individual(s) had before the taking. If after condemnation, continuation of this Lease is no longer feasible, this Lease may be terminated by agreement of the parties, subject to the approval of the Secretary.

Any disputes arising under this Article which cannot be resolved by the parties, shall be arbitrated pursuant to Article XXVI [Arbitration] below.

This Article XXV shall apply solely to takings or condemnations of this Lease, and not to takings or condemnations of subleases.

ARTICLE XXVI **ARBITRATION**

If the parties are unable to resolve a dispute under any provision of this Lease which expressly provides for arbitration of such dispute, then such dispute shall be settled by arbitration by either of the following: (1) If the parties agree in writing, a three-member Arbitration Board shall be established, one member to be selected by Lessor and one member to be selected by Lessee with the two members thereafter to select a third member, or, otherwise (2) a demand for arbitration may be submitted to the American Arbitration Association or a comparable entity by either Lessor or Lessee, or (3) if the parties agree in writing, a retired federal judge may be appointed as the sole arbitrator. Notwithstanding the foregoing, nothing herein is intended to, and shall not, require arbitration of any dispute relating to an alleged material breach of any term of this Lease.

Upon written notice to the Secretary that Lessee and Lessor are seeking resolution of a dispute by arbitration, the Arbitrator or Arbitration Board shall be established as soon as possible but no later than forty-five (45) days thereafter. The costs of such arbitration or Arbitration Board shall be shared equally by Lessee and Lessor. It is understood and agreed that the Secretary shall be expected to accept decisions reached by said Arbitration Board, but the Secretary shall not be bound by any decision that is in conflict with federal law and/or the interests of Lessor or the United States Government. If the Secretary does not accept the arbitration ruling, the parties must exhaust their administrative rights pursuant to applicable federal regulations.

ARTICLE XXVII **DEFAULT**

Time is of the essence of this Lease. Lessee shall be in default under this Lease if:

a. Lessee fails to timely and completely perform any monetary obligations or to post any required bond under this Lease, and such failure shall continue uncured for a period of thirty (30) days after written notice thereof by the Secretary or Lessor to Lessee; or

b. Lessee is in violation of any other (non-monetary) covenant of this Lease, and such violation shall continue uncured for a period of sixty (60) days after written notice thereof by the Secretary or Lessor to Lessee, provided that, if the violation is of a nature that it cannot reasonably be cured within sixty (60) days, Lessee does not promptly undertake to cure the violation and diligently prosecute such cure to completion within a commercially reasonable period; or

c. a petition or other filing is made by or against Lessee in any bankruptcy, insolvency or custodianship proceeding; or

d. Lessee as an entity is dissolved, or is suspended and not reinstated within thirty (30) days from the date of suspension.

In the event of Lessee's default, then Lessor and/or the Secretary may either:

- (1) Collect, by suit or otherwise, all monies as they become due hereunder, or enforce, by suit or otherwise, Lessee's compliance with other provision of this Lease; or
- (2) Reenter the Leased Premises and remove all persons and property therefrom, excluding the persons and property belonging to approved sublessees, and either:
 - (a) Relet the Leased Premises without terminating this Lease, as the agent and for the account of Lessee, but without prejudice to the right to terminate this Lease at any time, and without waiving or invalidating any right of Lessor and the Secretary or any obligation of Lessee hereunder. Terms and conditions of such reletting shall be at the discretion of Lessor and the Secretary, who shall have the right to alter and repair the Leased Premises as they deem advisable, and to relet with or without any equipment or fixtures situated thereon. If a sufficient sum is not thus realized to liquidate the total amount due, including attorneys' fees, administrative fees and real estate commission paid, Lessee shall pay to Lessor, when due, any deficiency, and Lessor may sue thereafter as each deficiency shall arise; or
 - (b) Terminate this Lease at any time even though Lessor and the Secretary have exercised rights as outlined in subparagraphs (1) and/or (2)(a) above, in which case Lessee shall quit and surrender the Leased Premises to Lessor.

No waiver of a breach of any of the covenants of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant. Nothing in this Lease shall prohibit or prevent the Lessor or Secretary from pursuing on its own behalf any remedy it may have under law for the breach of any covenant of this Lease.

Lessor or the BIA will notify the County of Riverside (at its address designated in the County Sublease) in writing in the event of Lessee's default under this Lease prior to exercising any of its remedies under subparagraphs (1) and/or (2) above.

ARTICLE XXVIII
ATTORNEY'S FEES

In the event of any action, proceeding or process (whether legal, equitable, or administrative, or an arbitration under Article XXVI) by Lessor and/or the Secretary on the one hand, or by Lessee on the other, involving the enforcement, interpretation, rights or remedies under this Lease or under applicable law, including without limitation in connection with the collection of any amounts that are payable by Lessee, the losing party shall pay the reasonable attorney's fees of the prevailing party. Nothing herein shall constitute a waiver by the United States of any exemption it may have for the payment of attorney's fees.

ARTICLE XXIX
HOLDING OVER

Holding over by Lessee after the expiration or earlier termination of this Lease shall not constitute a renewal or extension of this Lease or give Lessee any rights hereunder or in or to the Leased Premises. If Lessee holds over after the expiration or termination of this Lease, then Lessee shall be required to pay rent during the holdover period at 125% of the Rent in effect at the expiration/termination date of this Lease.

Lessee agrees to remove all property that is required to be removed by Lessee under the terms of this Lease as specified in Article IX [Improvements and Completion of Development; Ownership and Surrender of Improvements; Reciprocal Easement Agreement with Corner Pad; Relocation of SCE Utilities] above; removal of property in compliance with Article IX shall not be deemed to put Lessee in "holdover" status.

ARTICLE XXX
NO PARTNERSHIP; OPERATION OF BUSINESS

Lessee and Lessor are not joint venturers or in partnership. Lessee is not and shall not be deemed to be an agent or representative of Lessor.

Lessee agrees that at all times during the term of this Lease, it will diligently attempt to keep the Leased Premises and all parts thereof actively used.

All businesses on the Leased Premises shall be conducted during the regular and customary hours of such businesses and on all business days in good faith, so that Lessor will at all times receive the maximum income under the percentage rental provisions of this Lease.

ARTICLE XXXI
TERMINATION OF FEDERAL TRUST

Nothing contained in this Lease shall operate to delay or prevent a termination of federal trust responsibilities with respect to the Leased Premises by the issuance of a fee patent or otherwise during the term of this Lease; however, such termination shall not serve to abrogate this Lease. The owner of the Leased Premises and the Lessee and its Approved Encumbrancer(s) shall be notified of any such change in the status of the Leased Premises.

After termination of federal trust responsibilities, provisions herein providing for Secretary (and/or BIA) approval and/or consent, shall be deemed to be providing for Lessor approval and/or consent (as to Land held by said Lessor which is no longer held in trust by the Secretary and/or BIA).

ARTICLE XXXII
LESSEE'S OBLIGATIONS

While the Leased Premises are held in trust by the United States or subject to a restriction against alienation imposed by the United States, all of Lessee's obligations under this Lease, and the obligations of Lessee's sureties, are to the United States as well as to the beneficial owner(s) of the Land.

ARTICLE XXXIII
PAYMENTS AND NOTICES

All notices, payments and demands shall be sent to the parties hereto at the addresses set forth below, or to such addresses as the parties may hereafter designate in writing in accordance with this paragraph. Notices and demands shall be delivered in person, or sent by overnight mail or certified or registered mail, return receipt requested, or by generally recognized national courier such as USPS or FedEx, or as otherwise agreed in writing by the parties or as otherwise required by applicable regulations. Unless otherwise provided by applicable regulations, delivery of any notice or demand shall be deemed complete ten (10) days after mailing or on the date actually received, whichever occurs first.

Copies of all notices and demands shall be sent to Lessor and the BIA, unless and until Lessee is otherwise instructed in writing by Lessor or the Secretary, at:

c/o Bureau of Indian Affairs, Palm Springs Agency
P.O. Box 2245, Palm Springs CA 92263

With copy to:
Sharyl Walker, Attorney at Law
600 East Tahquitz Canyon Way, Suite 2
Palm Springs CA 92262

Copies of all notices and demands shall be sent to Lessee at:

c/o Laurich Properties, Inc.
10655 Park Run Drive, Suite 160
Las Vegas NV 89144

With copy to:
Slovak, Baron, Empey, Murphy and Pinkney
1800 East Tahquitz Canyon Way
Palm Springs, CA 92262
Attention: Robert L. Patterson, Esq.

ARTICLE XXXIV
INSPECTION

The BIA and Lessor each has the right, at any reasonable time during the term of the Lease and upon reasonable notice, in accordance with 25 CFR Section 162.464, to enter the Leased Premises for inspection and to ensure compliance.

ARTICLE XXXV
DELIVERY OF PREMISES

At the expiration or earlier termination of this Lease, Lessee will peaceably and without legal process deliver up the possession of the Leased Premises and all buildings and other improvements, in good condition, with usual wear and tear and casualty excepted, subject to the provisions of Article IX [Improvements and Completion of Development; Ownership and Surrender of Improvements; Reciprocal Easement Agreement with Corner Pad; Relocation of SCE Utilities] above. Any property which remains on or attached to the Leased Premises following the expiration or earlier termination of this Lease (subject to Article IX above) shall be deemed abandoned and shall become the sole property of Lessor or, at Lessor's option, may be disposed of by Lessor in a commercially reasonable manner and as allowed by law, at Lessee's expense.

ARTICLE XXXVI
LEASE BINDING

This Lease and the covenants, conditions and restrictions hereof shall extend to and be binding upon the successors, heirs, assigns, executors and administrators of the parties hereto. The BIA may treat any provision of the Lease that violates Federal law as a violation of the Lease (25 CFR § 162.413(e)).

ARTICLE XXXVII
INTEREST OF MEMBER OF CONGRESS

No member of, or delegate to, Congress shall be admitted to any share or part of this Lease or to any benefit that may arise from this Lease, but this provision shall not be construed to extend to this Lease if made with a corporation or company for its general benefit.

ARTICLE XXXVIII
VALIDITY

This Lease, and any modification of or amendment to this Lease, shall not be valid or binding upon either party hereto until approved by the BIA.

ARTICLE XXXIX
LESSOR'S DETERMINATIONS, CONSENTS OR APPROVALS

Subject to the consent requirements of 25 CFR Section 162.012, whenever in this Lease it is provided that the Lessor may exercise any rights or discretions or make any determinations, consents or approvals, in the event there is more than one person constituting Lessor, the action of those Lessors holding the majority of percentage interest in the ownership of the Leased Premises shall constitute the

action of the "Lessor" for the purpose of this Lease and any extension thereof.

ARTICLE XL
TAX IMMUNITY

Nothing contained in this Lease shall be deemed to constitute a waiver of applicable laws providing tax immunity to trust or restricted Indian property or any interest therein or income therefrom.

ARTICLE XLI
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Where applicable, Lessor hereby consents to Lessee's execution of a Declaration of Covenants, Conditions and Restrictions (or similar document(s)) in accordance with governing laws, rules, regulations and ordinances, provided that said declaration shall not contain any provisions in conflict with the provisions of this Lease and the subleases with which it is to be used.

ARTICLE XLII
APPROVAL BY LESSOR

Whenever under the terms of this Lease the acceptance, consent or approval of Lessor is required, said acceptance, consent or approval shall not be unreasonably withheld, delayed or conditioned.

ARTICLE XLIII
FORCE MAJEURE

If any party is rendered unable, wholly or in part, by force majeure to carry out its non-financial obligations under this Lease, other than the obligation to indemnify or make money payments or furnish surety or provide the necessary bond, that party shall give to all other parties prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon the obligations of the party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but no longer than, the continuance of the force majeure. The term "force majeure", as here employed, shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood or other act of nature, explosion, restraint or inaction, unavailability of equipment, and any other cause, whether of the kind specifically enumerated above or otherwise, which the party claiming suspension cannot reasonably foresee or control. The affected party shall use all reasonable diligence to remove the force majeure situation as quickly as practicable. Any question of fact, or disputes, arising under this Article, which cannot be resolved by the parties, shall be arbitrated pursuant to Article XXVI [Arbitration] above. Force majeure shall not apply to excuse or delay any monetary obligations.

ARTICLE XLIV
ENVIRONMENTAL PROTECTION REQUIREMENTS; HAZARDOUS MATERIALS

A. Environmental Protection Requirements. Lessee shall comply with 40 CFR, Parts 1500 through 1508, Council on Environmental Quality Regulations and all other regulations and Tribal laws applicable to environmental protection requirements on Federal lands. No ground disturbing activities on any portion of the Leased Premises shall occur until National Environmental Policy Act (NEPA) compliance has been met and this Lease has been approved by the BIA.

B. Hazardous Materials. No Hazardous Materials can be brought upon, kept, used, stored, or released on the Leased Premises, except in compliance with all applicable laws and further excepting those that are incidental to the permitted use of the leased Premises under this Lease and in negligible quantities used in the ordinary course of such permitted uses. If Lessee breaches the obligations stated in the preceding sentence and contamination of the Leased Premises occurs and results thereby, or if contamination of the Leased Premises by Hazardous Material otherwise occurs for which Lessee is legally liable, then Lessee shall promptly take all actions, at its expense, as may be necessary to return the Leased Premises to substantially the same condition existing prior to the introduction of any such Hazardous Material. For purposes of this Lease, the term "**Hazardous Materials**" shall include, without limitation, asbestos, petroleum, petroleum products, storage tanks, substances defined as "hazardous substances", "hazardous waste", and/or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601 et seq., Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801, Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq., and/or any other applicable federal, state or local laws, statutes, rules, ordinances, orders and/or requirements related to hazardous materials, hazardous waste and/or toxic substances, and any publications promulgated pursuant thereto.

i. Notification. The parties shall immediately advise each other in writing as soon as they become aware of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any applicable Federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials affecting the Premises ("**Hazardous Materials Laws**"); (ii) any and all claims made or threatened by third parties claiming or regulating damage, contribution, cost recovery compensation, loss or injury as a result of Hazardous Materials on or emanating from the Leased Premises (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "**Hazardous Materials Claims**"); and (iii) all occurrences or conditions on any real property adjoining or in the vicinity of the Leased Premises that could cause the Leased Premises or any part thereof to be classified as "border zone property" under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Leased Premises under any Hazardous Materials Laws.

ii. Indemnity. Lessee shall indemnify the United States and the Indian landowners (Lessor) against all liabilities or costs relating to the use, handling, treatment, removal, storage, transportation, or disposal of Hazardous Materials, or the release or discharge of any Hazardous Material from the Leased Premises that occurs during the Lease term, regardless of fault, with the exception that Lessee is not required to indemnify Lessor for liability or cost arising from Lessor's negligence or willful misconduct.

The foregoing indemnity shall further apply to any residual contamination on or under the Premises, or affecting any natural resources, and to any contamination of any property or

natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances.

The BIA and/or Lessor shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims regardless of whether Lessor is legally liable or responsible therefor, and, if Lessee is liable or responsible therefor pursuant to this Article XLIV, Lessor's reasonable attorneys' fees in connection therewith shall be paid by Lessee.

iii. Remediation. Without Lessor's prior written consent, which shall not be unreasonably withheld, and subject further to any applicable governmental oversight or other governmental requirements, if Lessee is responsible for any remedial action in response to the presence of any Hazardous Materials on, under, or about the Leased Premises, then Lessee shall not take any such remedial action, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent or compromise might, in Lessor's reasonable judgment impair the value of Lessor's interest hereunder; provided, however (and subject to any applicable governmental requirements), Lessor's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Leased Premises either poses an immediate threat to the health safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Lessor's consent before taking such action, provided that in such event Lessee shall notify Lessor and the BIA as soon as practicable of any action so taken. Lessor agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, or (i) Lessee establishes to the reasonable satisfaction of Lessor that there is no reasonable alternative to such remedial action which would result in less impairment of Lessor's security hereunder.

iv. Closure. Three (3) years prior to the end of the Lease term, and then one (1) year prior to the end of the Lease term, Lessee shall prepare and submit to Lessor and the BIA a closure plan, subject to Lessor's reasonable approval and the BIA's approval, specifying the actions to be taken by Lessee to return any affected portions of the Leased Premises to the conditions existing prior to the introduction of Hazardous Materials. Lessee shall also, at its expense, complete and deliver to Lessor and the BIA any environmental assessments or similar studies that are required by the BIA. Upon Lessor's and the BIA's approval of such cleanup plan, Lessee shall, at its expense, and without limitation of any rights and remedies of Lessor under this Lease or at law or in equity, immediately implement such plan and proceed to clean up such Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease. Lessee shall complete all such remediation before the end of the term, or pay to Lessor rental to the extent of rental loss resulting from the Lessee's continued remediation of the Leased Premises required after the Lease term.

ARTICLE XLV ARCHAEOLOGICAL, CULTURAL AND HISTORIC RESOURCES PROTECTION

Lessee agrees that in the course of construction on the Leased Premises involving ground disturbing activities, a qualified archaeologist (specified at 43 CFR 7.8) will monitor the construction site to insure that if archaeological or historical resources are uncovered, the construction activity shall

immediately be halted and the involved area evaluated regarding the significance of the discovered resource. If historic properties, archeological resources, human remains, or other cultural items not previously reported are encountered during the course of any activity associated with this Lease, all activity in the immediate vicinity of the properties, resources, remains, or items will cease and Lessee will contact the Bureau of Indian Affairs and the Agua Caliente Band of Cahuilla Indians to determine how to proceed and appropriate disposition.

Without limiting the foregoing, within twelve (12) hours after the discovery, the Superintendent, Bureau of Indian Affairs, Palm Springs Agency, shall immediately be notified by the Lessee's archaeologist. Unless otherwise determined by the BIA and/or the Tribe, upon notification of the discovery, the Superintendent, or her designee, will initiate a preliminary resource assessment, and at the completion of the assessment, the Bureau of Indian Affairs will initiate consultation with the State Historic Preservation Officer and the Advisory Council on Historic Preservation pursuant to the required procedures at 36 CFR Part 800 [Protection of Historic Properties] to determine the disposition of the resource. Lessee will comply with any mitigation measures determined appropriate as a result of the consultation completed pursuant to 36 CFR Part 800. The cost of any required archaeological evaluation, mitigation, analysis, and duration shall be borne by the Lessee.

ARTICLE XLVI **LESSEE'S OBLIGATIONS**

The obligations of Lessee and its sureties to the Indian landowners (Lessor) are also enforceable by the United States, so long as the land remains in trust or restricted status.

ARTICLE XLVII **GENERAL PROVISIONS**

- A. **No Merger.** There shall be no merger of this Lease, nor of the leasehold estate created by this Lease, with the fee estate in the Land or with the interest or estate of any Encumbrance by reason of the fact that this Lease/leasehold estate or such Encumbrance may be held, directly or indirectly, by or for the account of any person or persons who shall own a beneficial interest in the Land. No such merger shall occur unless and until all persons at the time holding the estates or interests to be merged shall join in a written instrument effecting such merger and shall duly record the same.
- B. **Entire Agreement.** This Lease, including all Exhibits attached hereto (each of which is hereby fully incorporated into this Lease, except for **Exhibit C** (County Sublease), which is attached only for informational purposes) sets forth all of the agreements, conditions and understandings between Lessor and Lessee relative to the leasing of the Leased Premises, and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, between them other than as set forth or as referred to herein.
- C. **No Oral Modification.** No statement, action or agreement hereafter made shall be effective to change, amend, waive, modify, discharge, terminate or effect an abandonment of this Lease in whole or in part unless such agreement is in writing and signed by the party against whom such change, amendment, waiver, modification, discharge, termination of abandonment is sought to

be enforced. No modification or amendment of this Lease shall be valid without the approval of the BIA.

- D. Headings. The Table of Contents, Article and Paragraph headings are inserted herein only for convenience and are no way to be construed as part of this Lease, or as indicative of the meaning of the provisions of this Lease or the intention of the parties, or as a limitation in the scope of the particular provisions to which they refer.
- E. Severability, Invalidity of Particular Provisions. If any term or provision of this Lease, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each other term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
- F. Time of the Essence. Except as otherwise specifically provided in this Lease, time is of the essence in this Lease and in each and every provisions hereof on Lessor's and Lessee's parts to be performed.
- G. Construction. The parties agree that each party has reviewed and revised this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in their interpretation of this Lease or any amendments or exhibits thereto.
- H. Governing Law. This Lease shall be governed exclusively by the provisions hereof and by the laws of the United States and, to the extent applicable, California law and/or Tribal law.
- I. Quiet Enjoyment. Lessor covenants and agrees that upon Lessee's paying the rent reserved herein and timely performing and observing all of the covenants and provisions of this Lease on Lessee's part to be performed and observed, Lessee shall peaceably and quietly enjoy the Leased Premises without disturbance by Lessor or anyone claiming by, through or under Lessor (subject to the terms and conditions of this Lease, Encumbrances and applicable laws).
- J. No Third Party Beneficiary. The covenants and obligations set forth in this Lease are to benefit the parties hereto, and any Approved Encumbrancer as specified in this Lease, and shall not be for the benefit of any other third party.
- K. Estoppel Certificates. Lessor and Lessee agree at any time and from time to time, upon reasonable prior notice not to exceed thirty (30) days, and at Lessee's expense, to execute, acknowledge and deliver to the requesting party a statement in writing certifying that (i) this Lease is unmodified and in full force and effect (or if there have been modifications that this Lease is in full force and effect as modified and stating the modifications), (ii) the dates to which the rent has been paid, and (iii) whether or not, to the then current, actual knowledge of the signer of such statement, either party is then in default or may be in default with notice or the passage of time, or both, in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease, and, if in default, specifying each such default; it being intended that any such statement delivered pursuant to this Section may be relied

upon by the receiving party, the receiving party's lender or any prospective purchaser of the interest of such party.

- L. Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and such counterparts shall constitute but one and the same instrument.
- M. Authority to Sign. The persons whose signatures are affixed below represent and covenant that they are authorized and empowered to enter into this Lease in their respective capacities.
- N. Recording Short-Form Memorandum of Lease. This Lease shall not be recorded. Lessee shall have the right to record a Short-Form Memorandum of this Lease, in a form reasonably agreed to by Lessor and Lessee, and which shall be executed by the parties in recordable form. Lessee shall provide Lessor and the BIA with copies of any recorded documents.

THIS BUSINESS LEASE NO. PSL-510 IS EXECUTED by the parties as of the dates set forth opposite their signatures below.

LESSOR:

MILDRED L. BROWNE

May 10, 2019

LESSEE:

SUNQUITZ EMC, LLC,
a California Limited Liability Company

By: Laurich Properties, Inc. its Manager

By: _____
Name:

Date

Title:

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of Riverside

On _____, 2019, before me, _____, a notary public, personally appeared **MILDRED L. BROWNE**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of Riverside

On _____, 2019, before me, _____, a notary public, personally appeared **HANK GORDON**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____(Seal)
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF LAND

[Attached]

**LEGAL DESCRIPTION
PARCEL 1
TENTATIVE PARCEL MAP NO. 37738
CITY OF PALM SPRINGS, RIVERSIDE COUNTY, CA**

THAT PORTION OF THE EAST ONE-HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, ACCORDING TO THE MAP OF AGUA CALIENTE INDIAN RESERVATION ON SCHEDULE 2, BLOCK 225, CHANGED BY BLM DEPENDENT RESURVEY DATED JULY 8, 1988 FROM BLOCK 225 TO GOVERNMENT LOT 164, AND A PORTION OF ALLOTMENT NO. PS-22B;

EXCEPTING THEREFROM A PORTION OF SAID LOT 164 DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 164, SAID CORNER BEING ON THE CENTERLINE INTERSECTION OF TAHQUITZ CANYON WAY (FORMERLY MCCALLUM WAY) AND SUNRISE WAY AS SHOWN ON SAID BLM DEPENDENT RESURVEY;

THENCE ALONG THE CENTERLINE OF TAHQUITZ CANYON WAY SOUTH $89^{\circ}48'20''$ WEST 165.99 FEET;

THENCE LEAVING SAID CENTERLINE NORTH $00^{\circ}11'40''$ WEST 197.25 FEET;

THENCE NORTH $89^{\circ}54'00''$ EAST 166.32 FEET TO A POINT IN THE EAST LINE OF SAID GOVERNMENT LOT 164;

THENCE SOUTH $00^{\circ}06'00''$ EAST ALONG SAID EAST LINE 196.97 FEET; TO THE SOUTHEAST CORNER OF SAID LOT 164 AND THE POINT OF BEGINNING.

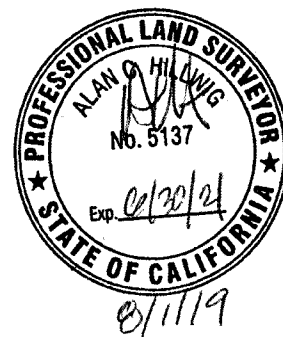
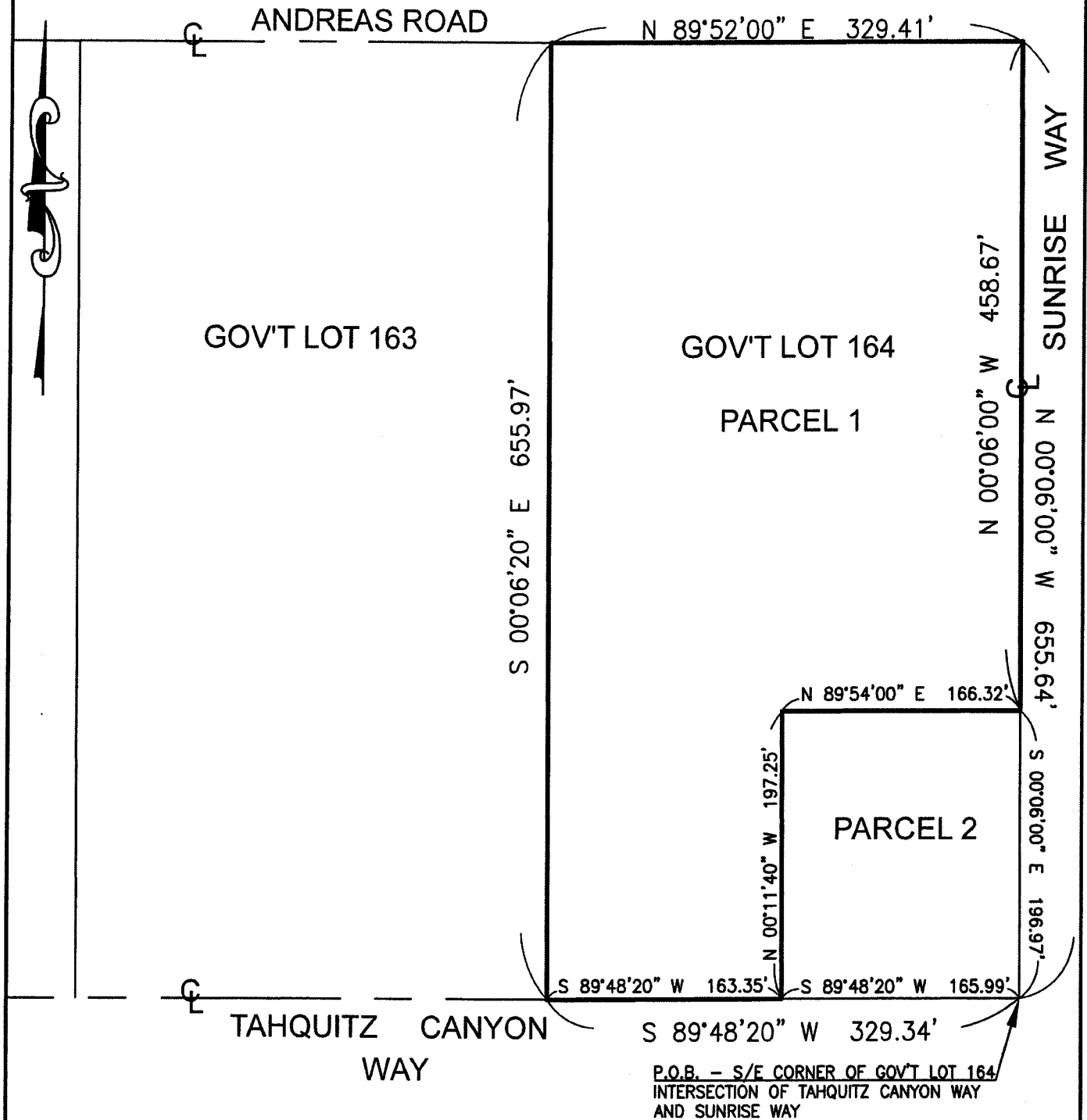


EXHIBIT "B"
PARCEL 1



Prepared by HILLWIG-GOODROW, INC.:
31407 Outer Hwy. 10, Redlands, CA 92373 (888) 626-5137

Alan C. Hillwig 8/1/19
ALAN C. HILLWIG, PLS 5137
LICENSE EXPIRES: 6-30-21

DATE

SCALE: 1" = 100'

FILE NO.: 228-183

DATE: AUGUST 1, 2019

SHEET 1 OF 1

LEGAL DESCRIPTION
PARCEL 2
TENTATIVE PARCEL MAP NO. 37738
CITY OF PALM SPRINGS, RIVERSIDE COUNTY, CA

THAT PORTION OF THE EAST ONE-HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, ACCORDING TO THE MAP OF AGUA CALIENTE INDIAN RESERVATION ON SCHEDULE 2, BLOCK 225, CHANGED BY BLM DEPENDENT RESURVEY DATED JULY 8, 1988 FROM BLOCK 225 TO GOVERNMENT LOT 164, AND A PORTION OF ALLOTMENT NO. PS-22B;

SAID PARCEL 2 IS SPECIFICALLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 164, SAID CORNER BEING ON THE CENTERLINE INTERSECTION OF TAHQUITZ CANYON WAY (FORMERLY MCCALLUM WAY) AND SUNRISE WAY AS SHOWN ON SAID BLM DEPENDENT RESURVEY;

THENCE ALONG THE CENTERLINE OF TAHQUITZ CANYON WAY SOUTH $89^{\circ}48'20''$ WEST 165.99 FEET;

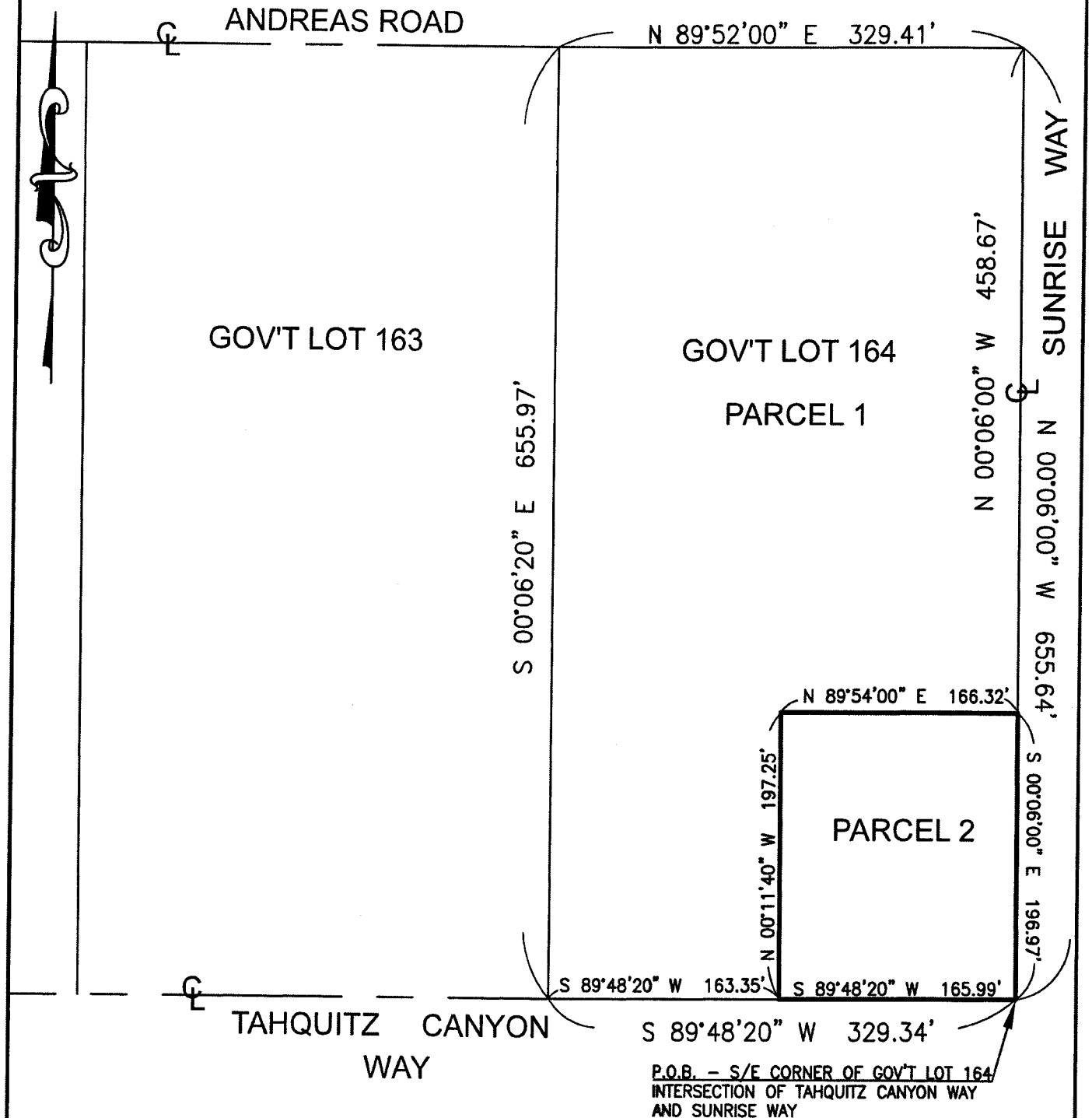
THENCE LEAVING SAID CENTERLINE NORTH $00^{\circ}11'40''$ WEST 197.25 FEET;

THENCE NORTH $89^{\circ}54'00''$ EAST 166.32 FEET TO A POINT IN THE EAST LINE OF SAID GOVERNMENT LOT 164;

THENCE SOUTH $00^{\circ}06'00''$ EAST ALONG SAID EAST LINE 196.97 FEET; TO THE SOUTHEAST CORNER OF SAID LOT 164 AND THE POINT OF BEGINNING.



EXHIBIT "B" PARCEL 2



Prepared by HILLWIG-GOODROW, INC.:
31407 Outer Hwy. 10, Redlands, CA 92373 (888) 626-5137

Alan C. Hillwig
ALAN C. HILLWIG, PLS 5137
LICENSE EXPIRES: 6-30-21

8/1/19
DATE

SCALE: 1" = 100'
FILE NO.: 228-183
DATE: AUGUST 1, 2019
SHEET <u>1</u> OF <u>1</u>

EXHIBIT C

COUNTY SUBLEASE

[Attached]

EXHIBIT J

PURCHASE OPTION AND ASSUMPTION OF MASTER LEASE SCHEDULE

Exhibit J

PURCHASE OPTION AND ASSUMPTION OF MASTER LEASE SCHEDULE

As set forth in Section 7 of the Lease, County shall have the option to purchase the Building and Improvements and assume Lessor's interest in the Master Lease. County may exercise its option to purchase the Building and Improvements and assume the Master Lease by giving notice thereof to Lessor not later than three hundred sixty-five (365) days prior to the Purchase Date, at the times shown below and in the dollar amounts so indicated:

1. If the Purchase Date falls within Lease years sixteen (16) to twenty (20), the Option Price shall be \$15,340,000.
2. If the Purchase Date falls within Lease years twenty-one (21) to twenty-five (25), the Option Price shall be \$12,255,000.
3. If the Purchase Date falls within Lease years twenty-six (26) to twenty-nine (29), the Option Price shall be \$9,142,000.
4. If the County does not exercise the Purchase Option pursuant to Section 3 above and the Purchase Date falls after the expiration of the Lease, the Option Price shall be \$1.00; provided, however, that County exercises the Purchase Option during Lease year thirty (30). If County elects to exercise the Purchase Option set forth in this Section 4, the Parties agree to cooperate in good faith and work diligently towards closing escrow and recording the Bill of Sale by the end of the Original Term.

EXHIBIT K
DISPUTE RESOLUTION PROCEDURE

Exhibit K

Dispute Resolution Procedure

1. Lessor and County agree to follow the dispute resolution process set forth below in this **Exhibit "K"** to resolve disputes pertaining to the Lease.
2. In the event that a dispute arises between Lessor and County as set forth in Section 1 of this **Exhibit "K"**, the Parties shall attempt to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of any services or repairs that must be performed, or payments that must be made, are not delayed. If, however, the Parties are unable to resolve the dispute within thirty (30) business days, either Party may, by delivering written notice to the other Party, refer the matter to a dispute resolution mediator as set forth in Section 3 below.
3. In the event a dispute is not resolved in accordance with Section 2 of this **Exhibit "K"**, the Parties agree to participate in neutral, non-binding mediation prior to the filing of litigation or any other legal action or any other proceeding before a trier of fact. Lessor or County shall provide sixty (60) days written notice to the other Party of the desire to mediate. The mediation shall be conducted in Riverside County, California. Lessor and County shall choose a mutually agreeable mediator within fifteen (15) days of notice of the desire to mediate and shall thereafter attend the mediation in good faith. The mediator chosen must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. Mediation fees will be divided evenly between parties.

The Parties recognize that mediation proceedings are settlement negotiations, and that all offers, promises, conduct and statements, whether written or oral, made in the course of the proceedings, are inadmissible in any arbitration or court proceeding, to the extent allowed by applicable state law. The Parties agree to not subpoena or otherwise require the mediator to testify or produce records, notes or work product in any future proceedings, and no recording or stenographic record will be made of the mediation session. Evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation session. In the event the Parties do reach a settlement agreement, the terms of that settlement will be admissible in any court or arbitration proceedings required to enforce it, unless the Parties agree otherwise. Information disclosed to the mediator in a private caucus shall remain confidential unless the Party authorizes disclosure.

4. If mediation is unsuccessful, either the Lessor or the County may file litigation or any other legal action or proceeding pursuant to California law.