

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 ($\frac{1}{2}$ ") 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. PAINING

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.

4. All interior painted surfaces shall receive two (2) coats of semi-gloss enamel.
5. Wall coverings other than painted surfaces (i.e., wood paneling, vinyl material, etc.) shall be permitted. Location and colors must be approved by the Department of Facilities Management.
6. Parking strips four inches (4") wide of highway traffic paint are to be provided.
7. Street number - Minimum six inches (6") high number - by Lessor.

L. **WINDOW TREATMENT**

1. Minimum treatment - Vertical blinds or other as specified by the Department of Facilities Management.

M. **SIGNS**

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

N. **ASBESTOS & LEAD BASED PAINT**

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

O. **PLUMBING FIXTURES AND FITTINGS**

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

6. Health Clinics-provide hot water in examination rooms, labs, 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-

handling units.

2. Filters shall be replaceable types and changed a minimum of four (4) times a year.
3. A location map showing filter locations shall be provided to County.

F. PIPING

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

G. AIR DISTRIBUTION

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

H. BALANCING AND ADJUSTING

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

I. NOISE AND VIBRATION

1. Particular care shall be exercised in the design, selection and installation of all mechanical equipment and components to attain reasonable noise levels in

occupied space. In general, sound levels for various spaces shall be maintained in accordance with the recommendations of the ASHRAE Guide.

J. **OPERATING INSTRUCTIONS**

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

(ELECTRICAL)

A. **GENERAL REQUIREMENTS**

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

B. **INTERIOR LIGHTING**

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

C. **EXTERIOR LIGHTING**

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

(TELEPHONE AND COMMUNICATIONS)

(Updated November 10, 2008)

A. GENERAL REQUIREMENTS

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

B. TELECOMMUNICATIONS ROOM SPECIFICATIONS

1. **Dedicated Use: 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 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 – AV:** **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 area from a 4 in. by 4 in. by 2.5 in. deep outlet box. Ream all conduit ends and fit with insulated bushings. In-feed location will be accessible either by cutout or access panel in furniture or placed next to furniture where location will be accessible for service. Consult RCIT Communications Bureau Telecommunications Engineer for location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.
3. **System Furniture Floor Poke-Thru In-Feeds:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC9FFTC Poke-Thru's 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 within 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 all 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 serviced 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 ¼-inch nylon pull rope. All four inch conduits over 400 feet should have a minimum 3/8-inch nylon pull rope. The size and requirements of pull boxes, vaults, or maintenance holes can only be determined by the scope of the project and will be defined by the RCIT Communications Bureau Telecommunications Engineer.

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

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

E. CABLE TRAYS:

1. If the structural ceiling height is greater than 16' AFF or the occupied space is greater than 25,000 square feet, a cable tray system will be required to support the voice and data wiring. Consult with the RCIT Communications Bureau Telecommunications Engineer 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 Mortgage 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)

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)

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]

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 4.21 gross 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. **“2020 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 April 10, 2020, the first Lease Year will begin on April 10, 2020 and end on April 30, 2021, and each subsequent Lease Year shall begin on May 1st and end on April 30th, 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 April 10, 2020, then the first payment of GMAR would be due by April 20, 2020 and would cover the period from April 10, 2020 through July 31, 2020, and then quarterly payments of GMAR thereafter would be due on August 1st, November 1st, February 1st, and May 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 April 10, 2020, then the first GMAR Adjustment Date would be May 1, 2021, and each May 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 May 1st, then the GMAR increase would be based on the February-to-February 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 percent (10%) 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 April 10, 2020, and therefore each Lease Year were to end on April 30th, the Percentage Rent (if any) attributable to each Lease Year would be due and payable no later than July 31st.

D. Rental Payments. All rent shall be paid to Lessor c/o the Bureau of Indian Affairs lockbox as stated on the most recent invoice, unless Lessee is otherwise notified in writing by the BIA or Lessor. Failure of the BIA to provide an invoice shall not excuse or waive Lessee’s obligation to timely pay rent.

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 0.75-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.

With respect to the improvements to be constructed as described in Article IX.A. above [Improvements and Completion of Development], Lessee shall obtain, or cause to be obtained, a payment and performance bond for all construction work to be undertaken pursuant to the County Sublease, from a surety that is acceptable to the County and to Lessee's lender, which shall name Lessor and the BIA as additional obligees, and provide copies of same to Lessor and the BIA.

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.

Notwithstanding the foregoing, Lessor agrees to waive a rental bond, provided that, and only for so long as, Lessee is not delinquent on rent and Lessee is not in violation of any other provisions of this Lease.

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 of 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; this waiver shall apply only if the County of Riverside is the assignee, and not if any other entity or person is the assignee. 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)(1) 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 2020 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 Lessee (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 Lessee'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 or on behalf of Lessor 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 to be fixed by the court, arbitrator or other applicable tribunal in said proceeding. 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

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 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
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 Date

LESSEE:

SUNQUITZ EMC, LLC,
a California Limited Liability Company

By: _____
Richard E. Boureston, Manager Date

By: _____
Hank Gordon, Manager Date

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

By: _____
Richard S. Gordon, President Date

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 _____, 2020, 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 _____, 2020, before me, _____, a notary public, personally appeared **RICHARD E. BOURESTON**, 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 _____

County of _____

On _____, 2020, 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.

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 _____, 2020, before me, _____, a notary public, personally appeared **RICHARD S. 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.

Notary Public (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF LAND

[Attached]

EXHIBIT B

SITE PLAN

[Attached]

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.