

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



Contract Number

21-1039

SAP Number

## San Bernardino County Fire Protection District

<b>Department Contract Representative</b>	Terry W. Thompson, Director
<b>Telephone Number</b>	(909) 387-5000
<b>Contractor</b>	SBD Corporate Center II, LLC, as assignee of IVDA
<b>Contractor Representative</b>	Jian Torkan
<b>Telephone Number</b>	(323) 932-7777
<b>Contract Term</b>	6/1/2024 – 5/31/204
<b>Original Contract Amount</b>	\$20,794,000.00
<b>Amendment Amount</b>	
<b>Total Contract Amount</b>	\$20,794,000.00
<b>Cost Center</b>	
<b>GRC/PROJ/JOB No.</b>	78003934
<b>Internal Order No.</b>	
<b>Grant Number (if applicable)</b>	

### Briefly describe the general nature of the contract:

San Bernardino County Fire Protection District ("DISTRICT"), as tenant, and SBD Corporate Center II, LLC, as assignee of Inland Valley Development Agency, (the, LANDLORD) entered into Lease Agreement dated March 1, 2022, wherein LANDLORD leases certain real property, located at 1111 East Mill Street, Building 2 in San Bernardino, CA 92415 ("Premises") as more specifically described in the Lease, to DISTRICT for a term that commenced on June 1, 2024 and is set to terminate on May 31, 2049, and the title to the Premises, including all the land and improvements, will transfer to DISTRICT.

#### FOR COUNTY USE ONLY

Approved as to Legal Form

Reviewed for Contract Compliance

Reviewed/Approved by Department

Signed by:  
Jolena Ginder

Jolena Ginder, Deputy County Counsel

Date 5/1/2025

Date

Lyle Ballard, Real Property Manager, RESD

Date



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**LEASE AGREEMENT**

by and between

**INLAND VALLEY DEVELOPMENT AGENCY,**  
as Lessor

and

**SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT,**  
as Lessee

Dated as of March 1, 2022

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EXHIBIT A DEFINITIONS

EXHIBIT B LEGAL DESCRIPTION OF SITE

EXHIBIT C RENTAL PAYMENTS

EXHIBIT D MEMORANDUM OF LEASE COMMENCEMENT AND  
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EXHIBIT E WORK LETTER

EXHIBIT F PREVAILING WAGE REQUIREMENTS

EXHIBIT G AVIGATION EASEMENT

EXHIBIT H ENVIRONMENTAL REPORTS



## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (this “Lease Agreement”), is made and entered into as of the 1st day of March 2022, by and between **INLAND VALLEY DEVELOPMENT AGENCY**, a joint exercise of powers agency established pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “JPA Act”) and that certain Amended Joint Exercise of Powers Agreement (Inland Valley Development Agency), dated as of February 12, 1990, by and among the City of San Bernardino, the City of Colton, the City of Loma Linda and San Bernardino County, as amended (with its successors and assigns, hereinafter referred to as the “Lessor”), and the **SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT**, a fire protection district created pursuant to the Fire Protection District Law of 1987 (Part 2.7 of Division 12 of the California Health and Safety Code) governed *ex officio* by the San Bernardino County Board of Supervisors (with its successors and assigns, hereinafter referred to as the “Lessee”). Capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A hereto.

### WITNESSETH:

WHEREAS, the Lessee acknowledges that the leasing, operation and maintenance of facilities to accommodate the Lessee’s governmental functions is properly the Lessee’s burden;

WHEREAS, the Lessee desires to lease a building and accompanying parking facilities to house various functions of the Lessee;

WHEREAS, the Lessor owns the real property located at 1111 East Mill Street, Building 2, San Bernardino, California 92408, which consists of an approximately 4.86 acre parcel of land and an approximately 79,834 square foot building, located at the southwest corner of Mill Street and Tippecanoe Avenue;

WHEREAS, the Lessee desires to lease the Premises to serve as the Lessee’s headquarters and the Lessor agrees to cause the design, development, construction, improvement, equipping and furnishing of the Premises and to lease the Premises to the Lessee pursuant to the terms of this Lease Agreement;

WHEREAS, as consideration for the Lessee’s use and possession of the Premises, the Lessee agrees to make certain Rental Payments consisting of Base Rent payments and Supplemental Rent payments to the Lessor, or an assignee thereof, and Additional Rent payments directly to the person or persons to whom such amounts shall be payable, in each case during the term of this Lease Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in due time, form, and manner as required by law, and the parties hereto are duly authorized to execute and enter into this Lease Agreement.



NOW THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises contained in this Lease Agreement, the Lessor and the Lessee agree as follows:

**Section 1. Representations, Covenants and Warranties of the Lessee.** The Lessee represents, covenants and warrants to the Lessor as follows:

(a) ***Due Organization and Existence.*** The Lessee is a special district established pursuant to San Bernardino County Local Agency Formation Commission Resolution No. 2986/2989, adopted on January 16, 2008, and is duly organized and validly operating as such under the Constitution and laws of the State.

(b) ***Authorization, Enforceability.*** The Constitution and laws of the State authorize the Lessee to enter into this Lease Agreement and to carry out its obligations under this Lease Agreement, and the Lessee has duly authorized the execution and delivery of this Lease Agreement. This Lease Agreement constitutes a legal, valid and binding obligation of the Lessee, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally or limitations on legal remedies against governmental entities such as the Lessee in the State.

(c) ***No Violations.*** None of the execution and delivery of this Lease Agreement or the fulfillment of or compliance with the terms and conditions hereof conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessee, which conflict, breach, default, creation or imposition would have a material adverse effect on the Lessee's ability to perform its obligations hereunder.

(d) ***Execution and Delivery.*** The Lessee has taken all actions required to authorize and execute this Lease Agreement in accordance with the Constitution and laws of the State and all acts, conditions and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by the Lessee of this Lease Agreement, do exist, have happened and have been performed in due time, form and manner as required by law.

(e) ***Binding Effect.*** Assuming due authorization, execution and delivery by the Lessor, this Lease Agreement constitutes the legal, valid and binding obligation of the Lessee enforceable against the Lessee in accordance with its terms, subject, as to enforceability, to applicable bankruptcy, moratorium, insolvency or similar laws affecting the rights of creditors generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).



(f) **No Default.** The Lessee is not, in any material respect, in violation of any applicable law or administrative regulation of the State or of the United States of America, relating, in each case, to the issuance of debt securities by it, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject.

(g) **Litigation.** There is no action, suit or proceeding against, or to the knowledge of the Lessee threatened against or affecting, the Lessee before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which could materially adversely affect the financial condition of the Lessee or which in any manner draws into question the validity or enforceability of this Lease Agreement.

(h) **Legislation.** No legislation has been enacted which would materially adversely affect or prohibit (i) the execution and delivery of this Lease Agreement, or (ii) the performance by the Lessee of its obligations under this Lease Agreement.

(i) **Hazardous Materials.** The Lessee hereby warrants and represents that it shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of Hazardous Materials on the Premises.

**Section 2. Representations, Covenants and Warranties of the Lessor.** The Lessor represents, covenants and warrants to the Lessee as follows:

(a) **Due Organization and Existence; Authorization, Enforceability.** The Lessor is a joint exercise of powers agency, existing and in good standing under and by virtue of the laws of the State, and has the full power to enter into this Lease Agreement and to enter into the transactions contemplated by and to carry out its obligations under this Lease Agreement; is possessed of full power to own and hold real and personal property, and to lease the same; and the Lessor has duly authorized the execution and delivery of this Lease Agreement. This Lease Agreement constitutes a legal, valid and binding obligation of the Lessor, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) **No Violations.** None of the execution and delivery of this Lease Agreement or the fulfillment of or compliance with the terms and conditions hereof, conflicts with or results in a breach of the terms, conditions or provisions of the Act or provisions of any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessor, which conflict, breach, default, creation or imposition would have a material adverse effect on the Lessor's ability to perform its obligations hereunder.



(c) ***Execution and Delivery.*** The Lessor has taken all actions required to authorize and execute this Lease Agreement in accordance with the Act and other laws of the State and all acts, conditions and things required by the Act and other laws of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by the Lessor of this Lease Agreement, do exist, have happened and have been performed in due time, form and manner as required by the Act and by other laws of the State.

(d) ***Zoning Laws and Regulations.*** The facilities that comprise the Premises, when fully completed, will comply with all applicable building and zoning laws and regulations, the use of such facilities will not violate any zoning, building or other ordinance, regulation, law, restrictive covenant or agreement applicable thereto, and the Lessor will promptly apply for or cause to be applied for, and secure or cause to be secured, any necessary land use approvals pertaining to such facilities. The Premises will be subject to an aviation easement, substantially in the form attached hereto as Exhibit G. The Lessee's proposed office use of the Premises ensures airport land use compatibility in compliance with the State of California Department of Aeronautics and Federal Aviation Administration requirements.

(e) ***Permits and Licenses.*** All building permits and other permits, certificates, licenses and authorizations, if any, required or necessary for completion of the Premises and for the use of the facilities that comprise the Premises for their intended uses have been obtained or will be obtained in a timely manner, and all such permits, certificates, licenses and other authorizations shall be valid and effective on the Lease Commencement Date. On and after the Lease Commencement Date, the Lessor shall, at the written direction and expense of the Lessee, exercise any right the Lessor has, contractual or otherwise, to cause compliance with all conditions and requirements necessary to preserve such permits, certificates, licenses and other authorizations.

(f) ***Utility Services.*** All utility services (including water, gas, electric, telephone, broadband and storm and sanitary sewer facilities) necessary for the operation of the facilities that comprise the Premises for their intended purposes are available, or will be made available, to such facilities, and the Lessor has procured or will use all commercially reasonable efforts to procure and exercise any right, contractual or otherwise, to cause to be procured from the appropriate governmental and quasi-governmental authorities, all necessary connection and discharge arrangements for the supply of water, gas, electricity and other utilities and for sewage and waste disposal.

(g) ***Easements.*** The Lessor has acquired or will acquire all easements, rights of way and other rights in, to, over and under such property as may be reasonably necessary for ingress and egress to the facilities that comprise the Premises, for proper operation and utilization of such facilities and for utilities required to serve such facilities.

(h) ***Environmental Laws.*** The use of the Premises, as they are proposed to be operated by the Lessee, shall comply with all applicable zoning, development, pollution control, water conservation, environmental, and other laws, regulations, rules and



ordinances of the federal government and the State and their respective agencies in effect as of the Lease Commencement Date.

(i) ***Hazardous Materials Laws.***

(i) As of the Lease Commencement Date, the Premises shall comply in all material respects with all applicable Hazardous Materials Laws.

(ii) Neither the Lessor nor the Premises is the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Hazardous Materials Laws or to respond to a release of any Hazardous Materials into the environment.

(iii) The Lessor does not have any material contingent liability with respect to the Premises in connection with any release of any Hazardous Materials into the environment in violation of Hazardous Materials Laws.

(iv) Except as described in writing delivered to the Lessee, including, without limitation, the Environmental Reports delivered to the Lessee and attached hereto as Exhibit H, (i) neither the Lessor nor, to the knowledge of the Lessor, any other Person, has ever caused or permitted any Hazardous Materials to be placed, held, located or disposed of on, under or at the Premises or any part thereof in violation of applicable Hazardous Materials Laws, (ii) no part of the Premises previously contained and does not contain any underground storage tanks other than in compliance with all applicable Hazardous Materials Laws, and (iii) no part of the Premises has ever been used by the Lessor or, to the knowledge of the Lessor, by any other Person, as a temporary or permanent storage or disposal site for any Hazardous Materials in violation of applicable Hazardous Materials Laws.

(v) As of the Lease Commencement Date, the Lessor has complied in all material respects with all Hazardous Materials Laws applicable to the Premises.

(j) ***Covenants with Respect to the Site.*** The legal description of the Site is true and correct as set forth in Exhibit B to this Lease Agreement.

**Section 3. Lease of Premises; Completion of Premises.**

(a) ***Lease of Premises.*** The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, and upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the Premises.

(b) ***Completion of Premises.*** The Lessor covenants and agrees to complete and deliver the Premises in accordance with and in the manner set forth in the Work Letter, substantially in the form set forth in Exhibit E attached hereto and incorporated herein by reference upon execution thereof. The Lessee covenants and agrees to deliver a



Certificate of Acceptance to the Lessor and the Trustee upon Substantial Completion of the Tenant Improvements and Furniture, Fixtures and Equipment in accordance with Section 8.1 of the Work Letter (as each such term is defined in the Work Letter). In the event the Lessor fails to achieve Substantial Completion of the Tenant Improvements and the Furniture, Fixtures and Equipment by the Substantial Completion Deadline (as defined in the Work Letter) and the Lessee incurs any cost to complete the Tenant Improvements and Furniture, Fixtures and Equipment in accordance with the Work Letter or the Lessor fails to pay to the Lessee any liquidated damages specified in Section 10.1.1 of the Work Letter, the Lessee shall be entitled to offset any such amounts against the Supplemental Rent payments component of Rental Payments due to the Lessor until the Lessee shall have recovered all of such costs and/or liquidated damages.

(c) ***Quiet Possession.*** The Lessee shall have quiet possession of the Premises for the Lease Term subject to all the provisions in this Lease Agreement. So long as the Lessee is not in default under this Lease Agreement, if any mortgage or deed of trust on the fee interest in the real property portion of the Premises is foreclosed or a conveyance in lieu of foreclosure is made for any reason, this Lease Agreement shall nevertheless remain in full force and effect and the Lessee at all times shall be entitled to quiet possession and use of the Premises and shall, notwithstanding any subordination, and upon the request of such successor in interest to the Lessor, attorn to and become the Lessee of the successor in interest to the Lessor.

**Section 4. Lease Term.** The Lease Term begins on the Lease Commencement Date and shall terminate on the Lease Termination Date, or at such time as the Premises, or so much thereof as to render the remainder of the Premises unusable, shall be taken by eminent domain as provided in Section 8 hereof. If the Rental Payments hereunder are abated at any time during the Lease Term as a result of an abatement as provided in Section 8 hereof, such that on the Lease Termination Date (other than a Lease Termination Date as a result of a default by the Lessee), all of the Rental Payments shall not be fully paid, or provision therefor made in accordance with the terms hereof, then in each such event, the Lease Termination Date shall not occur and the Lease Term shall be automatically extended for a period of time equal to the time period from and after the date that Rental Payments are abated under this Lease Agreement to the date that the Lessee resumes payments of the Rental Payments due hereunder until the date upon which all Rental Payments shall be fully paid, or provision therefor made, except that the Lease Term shall in no event be extended more than 10 years beyond the Lease Termination Date specified in paragraph (a) of the definition thereof.

**Section 5. Transfer of Title.** Upon the termination of the Lease Term as provided in Section 4 hereof, all right, title and interest of the Lessor in the Premises shall terminate and shall be transferred directly to and vested in the Lessee or, at the option of the Lessee, to any assignee or nominee of the Lessee of whom Lessor is notified in writing, in accordance with the provisions of this Lease Agreement. In furtherance of the foregoing, and concurrently with any payment required by the Lessee under this Lease Agreement to terminate the Lease Term, the Lessor shall execute and deliver a form of termination agreement, grant or quitclaim deed with respect to the real property comprising part of the Premises and a bill of sale with respect to all personal property comprising part of the Premises, each in form and substance sufficient to transfer the Lessor's right, title and interest in the Premises to the Lessee. From and after the



recordation of the termination agreement, grant or quitclaim deed in the Official Records of San Bernardino County and the effectiveness of the bill of sale, the Lessor shall be fully released from all obligations under this Lease Agreement but for those which expressly survive the expiration of the Lease Term. The Lessee covenants and agrees to pay all costs in connection with the transfer of title to the Premises as contemplated herein including, the cost of title insurance, any transfer or recordation fees, escrow fees, and all other reasonable and customary costs and expenses of the Lessor and the Trustee.

**Section 6. Rental Payments.** This Lease Agreement is a triple net lease and the Lessee hereby agrees that, except as otherwise specifically provided in this Lease Agreement, the Rental Payments are an absolute net return to the Lessor, free and clear of any expenses, charges or set-offs whatsoever.

(a) **Rental Payments.** The Lessee hereby agrees, subject to the provisions of Section 8 hereof, to pay Base Rent payments and Supplemental Rent payments, each after receipt of invoice or payment schedule therefor, for the use and possession of the Premises during the Lease Term. Attached hereto as Exhibit C is an estimated Base Rent payment schedule based on certain assumptions set forth in Exhibit C. On or prior to the Lease Commencement Date, the Lessor and the Lessee shall amend Exhibit C to reflect the final cost of the design, development, construction, improvement, equipping and furnishing of the Premises and the application of any prepayment of Base Rent by the Lessee. Such amended Exhibit C shall be attached to the Memorandum of Lease Commencement and Lease Termination Date, the form of which is attached hereto as Exhibit D. The Base Rent payments and Supplemental Rent payments shall be payable in monthly installments and due in advance on the first day of each and every month commencing on the first day of the month immediate succeeding the month in which the Lease Commencement Date occurs and continuing thereafter throughout the Lease Term, without prior demand, offset or deduction. If any date on which Base Rent payments and Supplemental Rent payments is originally due under this Lease Agreement is not a Business Day, then such payment shall be due and payable on the next succeeding Business Day. On and after the date that interest on the Bonds is determined to be taxable solely as a result of the breach by the Lessee of its covenants in Section 7(g) hereof, the interest component of the Base Rent payments shall be calculated using the Taxable Rate.

(b) **Additional Rent.** In addition to the payments set forth in subsection (a) of this Section, commencing on the Lease Commencement Date and continuing thereafter throughout the Lease Term, the Lessee hereby agrees, subject to the provisions of Section 8 hereof, to pay as Additional Rent payments for the use and possession of the Premises:

- (i) Operating Costs;
- (ii) Utility Costs (to be paid to utility);
- (iii) Taxes (not to include property transfer taxes resulting from the transfer of the Site from the Lessor to the Assignee);



- (iv) Insurance Premiums;
- (v) Indemnification Claims;
- (vi) Bond Related Charges; and
- (vii) All other necessary costs and expenses required to operate and maintain the Premises in accordance with this Lease Agreement.

Amounts constituting Additional Rent payable hereunder shall be paid by the Lessee directly to the person or persons to whom such amounts shall be payable. The Lessee shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 30 days after notice in writing from the Trustee to the Lessee stating the amount of Additional Rent payments then due and payable and the purpose thereof.

(c) ***Delinquent Rental Payments.*** Should the Lessee fail to pay any part of the Rental Payments herein within 15 days from the due date thereof, the Lessee shall upon the Lessor's written request, pay interest on such delinquent Rental Payment from the date said Rental Payment was due until paid at the Default Rate.

(d) ***Consideration.*** The Lessee and the Lessor have agreed and determined that the Rental Payments due under this Lease Agreement in each Lease Year represent fair consideration for the beneficial use and possession, and the continued quiet use and enjoyment, of the Premises by the Lessee for and during such Lease Year. In making such determination, consideration has been given to the value of the Premises, other obligations of the parties under this Lease Agreement, the uses and purposes which may be served by the Premises and the benefits therefrom which will accrue to the Lessee and the general public by reason of the Lessee's use and possession of the Premises.

(e) ***Covenant to Budget and Annually Appropriate.*** The Lessee hereby covenants to take such action as may be necessary to include all Rental Payments due and payable hereunder in its annual budget and to make the necessary annual appropriations for all such Rental Payments. The covenants on the part of the Lessee herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the Lessee to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the Lessee to carry out and perform the covenants and agreements on the part of the Lessee contained in this Lease Agreement. The obligation of the Lessee to make Rental Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to levy or pledge any form of taxation or for which the Lessee has levied or pledged any form of taxation. The obligation of the Lessee to make Rental Payments does not constitute indebtedness of the Lessee, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

(f) ***No Withholding, Setoff or Counterclaim.*** The Lessee's obligation to make Rental Payments in the amounts and on the terms and conditions specified



hereunder shall be absolute and unconditional without any right of setoff or counterclaim, subject only to the provisions of Sections 8 and 10 hereof.

(g) **Payments of Base Rent, Supplemental Rent and Bond Related Charges.** The Lessor and the Lessee agree that Base Rent payments, Supplemental Rent payments and Bond Related Charges shall be paid by the Lessee directly to the Trustee for application by the Trustee pursuant to the Indenture. Upon payment by the Lessee of the Base Rent payments, Supplemental Rent payments and Bond Related Charges in accordance with this Lease Agreement, the Lessee's obligations with respect to such payments shall be deemed to be satisfied under this Lease Agreement.

## **Section 7. Use of Premises.**

### **(a) *Limitations on Use of Premises.***

(i) The Lessee shall use the Premises as its headquarters facility or for any other governmental purpose of the Lessee without restriction as to the days or hours of any such use.

(ii) Subject to subsection (g) of this Section and applicable laws, rules and regulations and any recorded restrictions or matters then affecting the Premises, the Lessee may use the Premises for any other lawful purposes as the Lessee may desire. Not later than sixty (60) days prior to the change in use of the Premises, the Lessee shall notify the Lessor of such proposed change in use with sufficient information related to the change in use. Prior to the effective date of the Lessee's change in use under this subsection (a)(ii), the Lessee shall deliver or cause to be delivered to the Lessor and the Trustee a Favorable Opinion of Bond Counsel with respect to such change in use. All costs incurred by the Lessor, the Trustee and the Lessee in connection with any change in use permitted hereunder shall be paid by the Lessee prior to or concurrently with the effective date of such change in use including, without limitation, costs, fees and expenses (including reasonable attorneys' fees) in obtaining a Favorable Opinion of Bond Counsel.

(b) ***Conduct of Operations.*** The Lessee covenants to conduct its operations in such a manner as to keep the sidewalks, driveways, and passageways on or adjacent to the Premises, and the entrance and stairs to the Premises, clean and free of dirt, debris, obstacles, graffiti, and any substance or condition which would endanger persons using the sidewalks, driveways, or passageways.

(c) ***Chemicals, Nuisance and Hazardous Materials.*** The Lessee covenants not to injure, overload the capacity of the Building, or deface the Premises, nor permit on the Premises any inflammable fluids or chemicals (other than fluids and chemicals customarily used for cleaning purposes and in connection with the Lessee's operation) or any nuisance or emission therefrom of any objectionable noise or odor, nor permit any use of the Premises which is improper, offensive, contrary to law or ordinance, or liable to invalidate (or increase the premiums for) any insurance on the Premises or its contents above what would normally apply in light of the intended uses of the Premises or liable to



render necessary any alterations or additions to the Premises. Unless otherwise permitted by law and by virtue of the Lessee's intended use of the Premises, the Lessee shall not permit to be released on the Premises any Hazardous Materials.

(d) ***Safe and Sanitary Condition.*** The Lessee covenants to keep or cause to keep the Premises in a safe and sanitary condition and to comply with and to keep the Premises in compliance with, all legal and insurance requirements now or hereafter existing and as required by the use and possession of the Premises by the Lessee.

(e) ***Misuse of Premises.*** The Lessee shall not itself use or permit any other person to use the Premises, or any portion thereof, for any purposes which may materially damage or harm the Premises or any improvements on, or the image or attractiveness thereof, or for any improper or offensive use or purpose, or in any manner which shall constitute material waste, nuisance or public annoyance. The Lessee shall comply with, and use its best efforts to cause all persons using or occupying any part of the Premises to comply in all material respects with, all public laws, ordinances and regulations from time to time applicable thereto and to operations thereon. The Lessee covenants and agrees that on and after the Lease Commencement Date, the Lessee shall thereafter continuously and uninterruptedly use, occupy and do business in the whole of the Premises.

(f) ***Employees, Agents, Invitees and Visitors.*** The Lessee covenants not to permit any employees, agents, subtenants, invitees, or visitors of the Lessee to violate in any material respect any covenant or obligation of the Lessee hereunder.

(g) ***Tax Covenant.*** The Lessee hereby covenants and agrees not to make any use of the Premises which would cause the Bonds to be "federally guaranteed" under Section 149(b) of the Code or "private activity bonds" as described in Section 141 of the Code or to take or omit to take any action which would result in the interest on the Bonds being included in gross income of the owners thereof for federal income tax purposes. Other than this Lease Agreement, no other governmental obligations of the Lessee are being sold, entered into or issued at substantially the same time and sold pursuant to a common plan of financing which will be paid out of (or have substantially the same claim to be paid out of) substantially the same source of funds as the Rental Payments. The Lessee does not expect that the Premises will be purchased and subsequently sold or otherwise disposed of before the last scheduled Base Rent payment due under this Lease Agreement. The Lessee has not created or established, and the Lessee does not expect that there will be created or established, any sinking fund, pledged fund or similar fund, including, without limitation, any arrangement under which money, securities or obligations are pledged directly or indirectly to secure the payment of the Base Rent payments. In the event that interest with respect to the Bonds is determined to be includable in gross income of the owners thereof solely as a result of a breach by the Lessee of the covenants in this subsection, the Lessee shall be solely responsible for the payment of any penalty or settlement amount and the costs incurred by the Lessor, the Authority and the Trustee in connection with such review and determination. The Lessee shall have the right to participate in the discussions and settlement negotiations relating to the determination that the interest on the Bonds is taxable due solely to a breach by the



Lessee of the covenants in this subsection. The Lessee covenants and agrees to provide access to the Premises and any information necessary to evaluate the Lessee's compliance with the covenants contained in this Section. The Lessee covenants and agrees to execute and deliver a tax certificate concurrently with the execution and delivery of the Bonds in form and substance reasonably satisfactory to the Lessee in order to permit bond counsel in connection with the initial issuance of the Bonds to opine that the interest on the Bonds is excluded from gross income for federal income tax purposes. The Lessor and the Lessee hereby agree that the Lessee shall have no responsibility for the determination that interest on the Bonds is taxable other than due to the actions or inactions of the Lessee as set forth in this Lease Agreement and the Lessee's tax certificate referenced above.

(h) **Weight Limitations.** The Lessee shall not exceed the weight limitations for the Premises prescribed by the plans and specifications provided by the Lessor and shall locate safes and other heavy equipment or items in the Premises so as to distribute weight in a manner suitable for the Premises. All damages to the Premises caused by the installation or removal of any property of the Lessee, or done by a Lessee's property while on the Premises shall be repaired at the expense of the Lessee.

(i) **Theft or Loss.** Except for any theft or loss caused by the Lessor or the Lessor's employees, agents, contractors or consultants or by the Lessor's wrongful misconduct or negligence or the wrongful misconduct or negligence of the Lessor's employees, agents, contractors or consultants, the Lessor will not be responsible for personal property, money or jewelry lost or stolen from the Premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

**Section 8. Abatement.** During any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by the Lessee of any portion of the Premises, Rental Payments due hereunder with respect to the Premises shall be abated to the extent that the total fair rental value of the portion of the Premises in respect of which there is no substantial interference is less than the remaining scheduled Rental Payments, in which case the Rental Payments shall be abated only by an amount equal to the difference. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and end with the restoration of the Premises or portion thereof to tenantable condition or correction of title defect or substantial completion of the work of repair or replacement of the portions of the Premises so damaged, destroyed, defective or condemned. For purposes of determining the annual fair rental value available to pay Rental Payments, annual fair rental value of the Premises shall first be allocated to Base Rent payments payable under this Lease Agreement.

Any abatement of Rental Payments pursuant to this Section shall not be considered an Event of Default as defined in Section 13 hereof, but shall result in the extension of the Lease Term by a period equal to the period of abatement for which Rental Payments have not been paid in full (but in no event later than 10 years after the Lease Termination Date), and Rental Payments for such extension period shall be equal to the unpaid Rental Payments during the period of abatement but without interest thereon. The Lessee waives the benefits of Civil Code



Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate this Lease Agreement by virtue of any such interference and this Lease Agreement shall continue in full force and effect.

In the event that Rental Payments are abated, in whole or in part, pursuant to this Section due to damage, destruction, the Premises, or any portion thereof, being taken by eminent domain, a defect in title to the Premises being discovered, or condemnation of any part of the Premises, and the Lessee is unable to repair, replace or rebuild the Premises from the proceeds of insurance or condemnation awards, if any, the Lessee agrees to apply for and to use its best efforts to obtain any appropriate State and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Premises.

The Lessee hereby acknowledges and agrees that during any period of abatement with respect to all or any part of the Premises, the Lessee shall use the proceeds of rental interruption insurance to make Rental Payments.

**Section 9. Lessee's Fixtures.** The Lessee and any sublessee may at any time and from time to time in its sole discretion, and at its sole expense, install or permit to be installed, additional items of equipment or other personal property in or upon the Building in addition to the Furniture, Fixtures and Equipment which are initially installed by the Lessor as part of the Premises, provided such installation does not affect the building systems or structural portions of the Premises. All such additional equipment or other personal property shall remain the sole property of the Lessee. The Lessor agrees that the Lessee may remove, at its own expense, at any time during the Lease Term, any or all of such equipment or other personal property of the Lessee; provided, however, that the Lessee shall, at its own expense, repair any damage to the Building caused by such removal.

#### **Section 10. Warranty.**

(a) The Lessor warrants that the entire Premises shall be free of defects and all building systems shall be fully operational in accordance with manufacturers' specifications for a period of one year from the Lease Commencement Date (the "Warranty Period"). If a defective item or component of the Premises requires repair or replacement within the Warranty Period, the Lessor shall, at its sole cost and expense, repair or replace such defective item or component. The Lessor agrees to obligate any general or subcontractor hired by the Lessor to warranties and guarantees of workmanship imposed by state law or state agency at the time of contracting, including, without limitation, written manufacturer's warranty for the heating, ventilation and air conditioning system. Following the Warranty Period, the Lessor shall assign or cause to be assigned to the Lessee any warranty and guarantee of any contract or subcontract for the construction, installation, equipping and furnishing of the Premises. Notwithstanding anything herein to the contrary, in the event the Lessor fails to perform its obligations pursuant to this subsection (a), the Lessee may, following prior written notice to the Lessor specifying the nature of such failure, withhold amounts due the Lessor as Supplemental Rent payments, and apply such withheld amounts as an offset to any costs incurred by the Lessee or its representative in undertaking the obligations imposed on the Lessor pursuant to this subsection (a). All amounts received by the Lessor or the Lessee



from the enforcement of any warranty or guaranty shall be applied to the repair or replacement of the defective item or component.

(b) In the event that any portion of the Premises shall require repair or replacement during the Warranty Period, the Lessee shall deliver written notice to the Lessor specifying in detail the required repair or replacement. In the event the Lessor should fail, neglect or refuse to seek and diligently pursue any permits required or otherwise to commence the repair or replacement of any damaged or defective portion of the Premises within thirty (30) days after written notice has been delivered to the Lessor by the Lessee, the Lessee shall provide written notice to the Trustee of the Lessor's failure to seek and diligently pursue any permits required or otherwise to commence such repair and replacement. Within ten (10) Business Days of the receipt of such written notice, the Trustee shall notify the Lessee of the actions to be taken by or at the direction of the Trustee to seek and diligently pursue any permits required or otherwise to commence such repair and replacement. In the event the Trustee is unable to seek and diligently pursue any permits required or otherwise to commence such repair and replacement, the Lessee shall have the right to undertake the repair and replacement of the defective item or component of the Premises and to deduct the cost of such repair or replacement from the Supplemental Rent payments due to the Lessor.

(c) In the event that during the Warranty Period any damaged or defective component of the Premises results in an emergency, upon the Lessor's failure, neglect or refusal to seek and diligently pursue any permits required to commence the repair or replacement of any such damaged or defective portion of the Premises, or fail, neglect or refuse to pursue said repair or replacement work with reasonable diligence to completion, within 24 hours or such longer period of time as may be reasonable under the circumstances, after notice has been delivered by the Lessee, the Lessee, at its sole election, may repair or replace such damaged or defective component of the Premises and deduct the cost of such repair or replacement from the Supplemental Rent payments due to the Lessor.

(d) The term "commence" means that the Lessor shall show reasonably satisfactory progress in performing the work or, if required, in procuring any required permits and entering into contracts in pursuance of doing the work. An "emergency" means (a) a situation creating an immediate risk to life, health or safety or (b) the Premises or a portion thereof being rendered unusable because of a utility disruption, including, without limitation, the HVAC system, water, electricity or sewer lines or more than one elevator in the Building being inoperable.

(e) In the event that during the Warranty Period the Lessee undertakes the repair or replacement of a defective component of the Premises following the Lessor's failure or refusal to complete such repair or replacement, the Lessee shall provide the Lessor and the Trustee with a detailed accounting of the costs of such repair and replacement within forty-five (45) days of the completion of the repair and replacement. The Lessee shall, to the extent permitted by law, defend, indemnify and hold the Lessor harmless from any and all claims, damages, judgments, suits, causes of action or



liabilities in connection with the Lessee's exercise of its rights to repair or replace a defective component of the Premises pursuant to this Section.

(f) The Lessor agrees to indemnify, defend and hold harmless the Lessee, and its members, officers, employees and agents from and against any and all liability, claims, loss, damages or expenses (including disbursements costs and reasonable legal fees), arising during the Warranty Period by reason of bodily injury, death, personal injury, property damage or claims for damages of any nature whatsoever, arising solely from or resulting solely from the Lessor's construction, installation, equipping and furnishing of the Premises.

#### **Section 11. Assignment by Lessor.**

(a) The Lessor and the Lessee agree that the Lessor will assign and transfer the Lessor's right, title and interest in and to this Lease Agreement to the Assignee pursuant to the Assignment and Assumption Agreement. The Lessee agrees to accept the performance of the Lessor's obligations under this Lease Agreement by the Assignee. On and after the assignment referenced in this subsection (a), the Assignee shall be deemed the Lessor hereunder and all references to the Lessor shall be references to the Assignee.

(b) In addition to the assignment permitted by subsection (a) above, the Lessor may assign, transfer, mortgage, hypothecate or encumber the Lessor's right, title and interest in and to this Lease Agreement and the Premises, but excluding its duties and obligations hereunder to cause the construction, installation, furnishing and equipping of the Premises), and the Lessor may execute any and all instruments providing for the payment of Rental Payments directly to an assignee or transferee. The Lessee hereby consents to the assignment of the Lease Agreement (including the right to receive Rental Payments) by the Lessor to the Trustee. Any subsequent assignment of the Lessor's right, title and interest in and to this Lease Agreement shall require the written consent of the Lessee.

**Section 12. Lessor's Access.** Upon the delivery of reasonable prior notice, the Lessee agrees to permit the Lessor or the Lessor's authorized employees or agents access to the Premises at all reasonable times for the purpose of inspection or for making necessary repairs pursuant to Section 10 hereof.

**Section 13. Events of Default.** The following shall be "Events of Default" under this Lease Agreement and the terms "Events of Default" and "Default" shall mean, whenever they are used in this Lease Agreement, with respect to the Premises, any one or more of the following events:

(a) failure by the Lessee to pay any Rental Payment required to be paid hereunder at the time specified herein, and the continuation of such failure for a period of 10 days; provided, that failure to deposit any Rental Payments abated pursuant to Section 8 shall not constitute an Event of Default;



(b) failure by the Lessee to observe and perform any covenant, condition or agreement in this Lease Agreement on its part to be observed or performed, other than as referred to in clause (a) of this Section, for a period of 60 days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Lessor; provided, however, if the failure stated in the notice can be corrected, but not within the applicable period, the Lessor shall not unreasonably withhold its consent to an extension of such time if the Lessor receives a certificate from an authorized representative of the Lessee to the effect that corrective action is being instituted by the Lessee within the applicable period and is being diligently pursued to correct the default;

(c) an Event of Bankruptcy shall have occurred;

(d) any statement, representation or warranty made by the Lessee in or pursuant to this Lease Agreement or its execution, delivery or performance proves to have been false, incorrect, misleading, or breached in any material respect on the date made, and is continuing for a period of thirty (30) days after written notice specifying such misrepresentation or breach and requesting that it be remedied has been given to the Lessee by the Lessor; provided, however, that the Lessor and the Lessee may agree that action by the Lessee to cure such failure may be extended beyond such thirty-day period;

(e) this Lease Agreement or any material provision of this Lease Agreement shall at any time for any reason cease to be the legal, valid and binding obligation of the Lessee or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the Lessee, or the Lessee shall renounce the same or deny that it has any further liability hereunder; or

(f) dissolution, termination of existence or insolvency of the Lessee.

**Section 14. Remedies on Default.** Upon the happening of any Event of Default, the Lessor may exercise those remedies granted to it pursuant to law or hereunder, subject to the terms of this Lease Agreement. The Lessor, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(a) to terminate this Lease Agreement in the manner hereinafter provided, notwithstanding any retaking of possession or re-letting of the Premises as hereinafter provided for in clause (b), and to retake possession of the Premises. In the event of such termination, the Lessee agrees to surrender immediately possession of the Premises, without let or hindrance, and to pay the Lessor all damages recoverable at law that the Lessor may incur by reason of default by the Lessee, including, without limitation, any reasonable costs, loss or damage whatsoever arising out of, in connection with, or incident to any such retaking possession of the Premises. Neither notice to pay rent nor to deliver up possession of the Premises given pursuant to law nor any proceeding in unlawful detainer, or otherwise, brought by the Lessor for the purpose of obtaining possession of the Premises nor the appointment of a receiver upon initiative of the Lessor to protect the Lessor's interest under this Lease Agreement shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account



of default by the Lessee shall be or become effective by operation of law or acts of the parties hereto, unless and until the Lessor shall have given written notice to the Lessee of the election on the part of the Lessor to terminate this Lease Agreement; or

(b) without terminating this Lease Agreement, (i) to collect each installment of Rental Payments as it becomes due and enforce any other term or provision hereof to be kept or performed by the Lessee, and/or (ii) to exercise any and all rights to retake possession of the Premises as provided by law. In the event the Lessor does not elect to terminate this Lease Agreement in the manner provided for in subsection (a) above, the Lessee shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the Lessee and to pay the Rental Payments to the end of the Lease Term or, in the event that the Premises is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or any deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding any retaking of possession of the Premises by the Lessor or suit in unlawful detainer, or otherwise, brought by the Lessor for the purpose of obtaining possession of the Premises.

Should the Lessor elect to retake possession of the Premises as herein provided, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney-in-fact of the Lessee to re-let the Premises, or any items thereof, from time to time, either in the Lessor's name or otherwise, upon such terms and conditions and for such use and period as the Lessor may deem advisable and the Lessee hereby indemnifies and agrees to save harmless the Lessor from any reasonable costs, loss or damage whatsoever arising out of, in connection with, or incident to any retaking of possession of and re-letting of the Premises by the Lessor or its duly authorized agents in accordance with the provisions herein contained. The Lessee agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Lessor to re-let the Premises in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Lessor in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that on the contrary, in the event of such default by the Lessee, the right to terminate this Lease Agreement shall vest in the Lessor to be effected in the sole and exclusive manner provided for in subsection (a). The Lessee further waives the right to Rental Payments obtained by the Lessor in excess of the Rental Payments herein specified and hereby conveys and releases such excess to the Lessor as compensation to the Lessor for its services in re-letting the Premises or any items thereof.

Notwithstanding anything herein to the contrary, future Rental Payments due hereunder shall not be accelerated and become immediately due and payable upon a default by the Lessee hereunder. The Lessor shall be required to sue for each Rental Payment as each such Rental Payment becomes due under this Lease Agreement.

(c) In addition to the other remedies set forth in this Section, upon the occurrence of an Event of Default as described in this Section, the Lessor shall be entitled



to proceed to protect and enforce the rights vested in the Lessor by this Lease Agreement or by law. The provisions of this Lease Agreement and the duties of the Lessee shall be enforceable by the Lessor by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Lessor shall have the right to bring the following actions:

(i) By action or suit in equity to require the Lessee to account as the trustee of an express trust.

(ii) By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Lessor.

(iii) By mandamus or other suit, action or proceeding at law or in equity to enforce the Lessor's rights against the Lessee and to compel the Lessee to perform and carry out its duties and obligations under the law and its covenants and agreements with the Lessee as provided herein.

Each and all of the remedies given to the Lessor hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Lessor to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. If any statute or rule of law validly shall limit the remedies given to the Lessor hereunder, the Lessor nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Lessor shall prevail in any action brought to enforce any of the terms and provisions of this Lease Agreement, the Lessee agrees to pay for the reasonable attorney's fees and costs of suit incurred by the Lessor in attempting to enforce any of the remedies available to the Lessor hereunder.

**Section 15. Default by the Lessor.** (a) If the Lessor shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by the Lessor; or (b) if there is an Event of Bankruptcy with respect to the Lessor prior to the Lease Commencement Date, the Lessor shall be deemed to be in default hereunder and, it shall be lawful for the Lessee to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement.

The Lessor shall not be in default in the performance of any obligation required to be performed under this Lease Agreement unless the Lessor has failed to perform such obligation within thirty (30) days (except in the case of an emergency pursuant to Section 10(c) hereof) after the receipt of written notice of default from the Lessee specifying in detail the Lessor's failure to perform. Concurrently with the delivery of written notice to the Lessor, the Lessee shall delivery a copy of such written notice to the Trustee. The Lessor shall not be deemed to be in default under this Lease Agreement if (i) the Lessor performs and meets the obligation within the thirty (30) day period after notice of default is given, or (ii) the obligation cannot reasonably be performed within thirty (30) days after notice of default is given, but the Lessor reasonably



commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

In the event that the Lessor shall have failed to cure or diligently pursue the cure of a default hereunder, the Lessor and the Lessee hereby agree that the Trustee shall have the right, but not the obligation, to cure such default under this Lease Agreement, and the Lessee shall accept such performance by the Trustee as if the same had been made by the Lessor, subject to all of the terms and conditions of this Lease Agreement. In the event the Trustee elects to cure such default, it shall give the Lessee written notice within ten (10) Business Days after the expiration of the period that the Lessor is required to cure such default of its election to cure such default and shall commence such cure and diligently proceed to cure the default. Any contractor retained by the Trustee to perform any obligation of the Lessor shall be subject to the reasonable approval of the Lessee.

If the Lessor shall have failed to cure or diligently pursue the cure of a default hereunder and the Trustee shall not have assumed the obligations of the Lessor hereunder, the Lessee may, at its election, undertake the cure of such default and deduct the cost of the same from the Rental Payments due under this Lease Agreement. The Lessee shall provide the Lessor and the Trustee with a written statement and accompanying invoices detailing the cost of curing such default.

**Section 16. Assignment; Subletting.** During the Lease Term, the Lessee shall, subject to the provisions of Section 7(g) hereof and the further provisions of this Section, have the right to assign this Lease Agreement or sublease the Premises to the State, any political subdivision of the State, any municipal corporation or any agency of the State so long as the Premises are used in the same manner as provided in Section 7(a) hereof; provided that (a) the rights of any assignee, transferee or sublessee shall be subordinate to all rights of the Lessor hereunder; (b) no such assignment, transfer or sublease shall relieve the Lessee of any of its obligations hereunder; (c) the assignment, transfer or sublease shall not result in a breach of any covenant of the Lessee contained in any other section hereof; (d) any such assignment, transfer or sublease shall by its terms expressly provide that the fair rental value of the Premises for all purposes shall be first allocated to this Lease Agreement, as the same may be amended from time to time before or after any such assignment, transfer or sublease; and (e) no such assignment, transfer or sublease shall confer upon the parties thereto any remedy which allows re-entry upon the Premises unless concurrently with granting such remedy the same shall be also granted hereunder by an amendment to this Lease Agreement which shall in all instances be prior to and superior to any such assignment, transfer or sublease. Except as expressly provided in this Section, the Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Lessee shall reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

**Section 17. Alterations.** Neither the Lessor nor the Lessee shall make any structural, mechanical, electrical or plumbing alterations which may materially affect the Premises' primary systems without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any party seeking to make structural alterations to the Premises shall furnish the other party with detailed plans and specifications relating to such structural



alterations concurrently with such written request. The party from whom such consent is sought shall reject such request within forty-five (45) days of the receipt of the request; and each party shall make efforts to respond in a timely manner. A structural alteration shall be any modification to the Premises which results in a change in the structural integrity of the Premises or alters the gross square footage of the Building.

#### **Section 18. Insurance Maintained by Lessor.**

(a) Upon the execution and delivery of this Lease Agreement and during the period of construction, installation, equipping and furnishing of the Premises, to the date of the final completion of the Premises, as certified by the Tenant Improvements Architect, the Lessor shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by the Lessee, and, except for workers' compensation insurance, shall name the Lessee and the Trustee as additional insureds, and the Trustee as loss payee, and shall include:

(i) prior to the commencement of construction, a policy or policies of property insurance against loss or damage to the Building with coverage and in amounts reasonably determined by the Lessor.

(ii) upon commencement of construction, Builders Special Form Causes of Loss insurance, but excluding earthquake, flood, terrorism and mold coverage, covering the entire work, against loss or damage. Insurance shall be in an amount for the replacement value of the Premises, breach of warranty, explosion, collapse and underground hazards with a deductible limit not exceeding \$25,000;

(iii) commercial comprehensive general liability and automobile liability insurance against claims arising in, on or about the Premises, including in, on or about the sidewalks or premises adjacent to the Premises, providing coverage limits not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate; and

(iv) a program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of the Lessor and all risks to such persons under this Lease Agreement.

(b) Proceeds of any insurance maintained pursuant to subsection (a)(i) of this Section shall be deposited with the Trustee and applied to repair or replace the portion of the Premises damaged.

(c) On and after date of the final completion of the Premises, as certified by the Tenant Improvements Architect, and through the termination of this Lease Agreement, the Lessor shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any



other insurance maintained by the Lessee, and shall name the Lessee and the Trustee as additional insureds, and shall include, but not be limited to:

(i) commercial comprehensive general liability and automobile liability insurance against claims arising in, on or about the Premises, including in, on or about the sidewalks or premises adjacent to the Premises, providing coverage limits not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate; and

(ii) a program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of the Lessor and all risks to such persons under this Lease Agreement.

(d) All of the insurance policies required hereunder shall be issued by corporate insurers licensed to do business in the State and rated "A" or better by A.M. Best Company.

#### **Section 19. Insurance Maintained by Lessee.**

(a) On and after the Lease Commencement Date, the Lessee shall provide, or cause to be provided during the Lease Term, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by the Lessor, and shall name the Lessor and the Trustee as additional insureds, and shall include, but not be limited to:

(i) a policy or policies of property insurance against loss or damage to the Premises known as special form insurance, including, but not limited to, fire and extended coverage (in an amount not less than the full replacement cost of the Premises, without deductions for depreciation, and including all fixtures and personal property, and endorsements for any non-conforming uses), and flood (if the Premises are located in a flood zone), in amounts and with deductible amounts customary for the Lessee's operations. Such insurance shall be maintained with respect to the Premises at any time in an amount not less than the aggregate principal component of Base Rent payments and the Supplemental Rent payments due under this Lease Agreement;

(ii) commercial general liability coverage against claims for damages including death, personal injury, bodily injury, or property damage arising from operations involving the Premises. Such insurance shall afford protection with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate with respect to bodily injury, death or property damage liability, or such greater amount as may from time to time be recommended by the Lessee's risk management officer or an independent insurance consultant retained by the Lessee for that purpose;

(iii) rental interruption insurance from a provider rated at least "A" by A.M. Best & Company to cover loss, total or partial, of the use of the Premises as



a result of any of the hazards covered by the insurance required pursuant to clause (a) above in an amount not less than the product of two times the maximum amount of Rental Payments scheduled to be paid during any Lease Year, the proceeds of which shall be applied to the payment of Rental Payments during the period in which, as a result of the damage or destruction to the Premises that resulted in the receipt of such proceeds, there is substantial interference with the Lessee's right to the use or occupancy of the Premises; provided, however, that the Lessee's obligations under this subsection may not be satisfied by self-insurance;

(iv) workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Workers' Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto;

(v) boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Premises in an amount not less than \$2,000,000 per accident;

(b) The Lessee's obligations under Sections 19(a)(i), (ii), (iv), and (v) may be satisfied by the Lessee's participation in an insurance pooling arrangement or by self-insurance.

(c) All policies or certificates of insurance issued by the respective insurers or insurance with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be canceled or materially changed without at least 30 days' prior written notice to the Lessor. A certificate executed by an Authorized Representative of the Lessee certifying that such policies required or self-insurance permitted by this Section 19 have been obtained and that the requirements of this Section 19 have been fulfilled shall be deposited with the Lessor by the Lessee on the Lease Commencement Date and before each anniversary of the Lease Commencement Date throughout the Lease Term. To the extent to which the Lessee self-insures, the Lessee's risk manager, or an independent insurance consultant, shall certify to the Lessor before the Lease Commencement Date and each anniversary of the Lease Commencement Date throughout the Lease Term, the sufficiency of such self-insurance. Certificates of commercial general liability and workers' compensation insurance shall be furnished by applicable insurers, unless the Lessee chooses to self-insure against such liability (in which case the Lessee shall provide the Lessor evidence of such self-insurance), and, at least 10 days prior to the expiration dates of such policies, if any, evidence of renewals or self-insurance shall be deposited with the Lessor.

(d) All policies or certificates of insurance provided for herein shall name the Lessee as a named insured, and the Lessor and the Trustee and their successors and assigns as additional insureds. All insurance policy claims payments received under



Sections 19(a)(i), (iii), (v) and (vi) above shall be deposited with the Lessor and applied pursuant to Section 20 hereof.

(e) All of the insurance policies required hereunder (other than insurance provided pursuant to subsection (b) of this Section) shall be issued by corporate insurers licensed to do business in the State and rated "A" or better by A.M. Best Company.

(f) The replacement value of the Premises shall be reviewed by the Lessee at least every 36 months or more frequently as determined by the Lessee to assure sufficient coverage as required hereby.

#### **Section 20. Insurance Proceeds, Condemnation Awards and Title Insurance.**

(a) Upon the occurrence of any damage, title defect or taking of the Premises or any portion thereof on or after the Lease Commencement Date, subject to the further provisions of Section 8 hereof and this Section, the Lessee shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the Lessee elects not to repair or replace the Premises or the affected portion thereof to the extent permitted by the provisions hereof. Proceeds of any policy of insurance, title insurance or condemnation award received by the Lessee in respect of the Premises shall be applied and disbursed as follows:

(i) if the Lessee determines that the damage, title defect or taking giving rise to such proceeds or condemnation award has not materially affected the operation of the Premises and will not result in an abatement of Rental Payments payable by the Lessee under this Lease Agreement, such proceeds shall, at the election of the Lessee, as set forth in a Written Request of the Lessee to the Lessor, be applied: (A) to prepay Base Rent payments due under this Lease Agreement; or (B) to improve or enhance the Premises;

(ii) if any portion of the Premises has been affected by such damage, title defect or taking, and if the Lessee determines that such damage, title defect or taking will result in an abatement of Rental Payments payable by the Lessee under this Lease Agreement, and the Lessee has not within 90 days of such damage, title defect or taking elected to repair or replace the damaged, defective or taken portion of the Premises, then the Lessee shall immediately apply such insurance proceeds or condemnation award to the prepayment of Base Rent payments due under this Lease Agreement; or

(iii) if the Lessee desires to repair or replace the damaged, defective or taken portion of the Premises, and such repair or replacement will take less than 24 months, and sufficient rental interruption insurance proceeds will be available during such repair or replacement to make Rental Payments due under this Lease Agreement and, upon completion, the Premises will have a fair rental value at least equal to the fair rental value of the Premises prior to the damage, defect or taking, the insurance proceeds or condemnation award shall be deposited into an account with the Lessee and used for the purpose of repairing, reconstructing or



replacing the Premises. Any insurance proceeds or condemnation award remaining after the repair, reconstruction or replacement of the Premises shall, at the election of the Lessee, as set forth in a Written Request of the Lessee, be applied to: (A) the cost of additional Furniture, Fixtures and Equipment; (B) the cost of other or additional capital improvements constituting part of the Premises; (C) prepay Base Rent due under this Lease Agreement; or (D) any other lawful purpose as approved in an opinion of nationally recognized bond counsel addressed to the Lessor, the Lessee, the Issuer, and the Trustee.

(b) The Lessor shall not be responsible for the sufficiency of any insurance required by this Lease Agreement and shall be fully protected in accepting payment (whether payable to the Trustee or accepted and applied as agent for repairing, reconstructing, or replacing the Premises) on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Lessee.

**Section 21. Indemnification.** Subject to California law concerning contribution and enforceability of indemnifications, the Lessee shall indemnify the Lessor and its officers, directors, employees, agents and affiliates (together, the "Lessor Indemnified Parties") against and hold the Lessor Indemnified Parties harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorneys' fees, arising out of, connected with or resulting from any acts of omission or commission by the Lessee's employees and agents or claims resulting from incidents or occurrences involving third parties on the Premises, including without limitation, the possession, use or operation of the Premises and further, the Lessee agrees, to the extent allowed by law, to indemnify the Lessor Indemnified Parties against and hold the Lessor Indemnified Parties harmless from and against any and all claims, actions, suits, proceedings, cost, expenses, damages, and liabilities, including attorney's fees, arising out of, connected with or resulting from the clean-up of any Hazardous Materials from the Premises attributable to the Lessee or the Lessee's employees, agents, invitees or subcontractors; provided, however, that the Lessee shall not be required to indemnify the Lessor Indemnified Parties in the event that such liability or damages are caused by the gross negligence or willful misconduct of the Lessor Indemnified Parties. The indemnity provided herein shall survive the expiration of the Lease Term.

If any legal action is instituted to enforce or declare a party's rights hereunder, each party, including the prevailing party, must bear its own attorneys' fees and costs. This paragraph shall not apply to those attorneys' fees and costs directly arising from any third party legal action against Lessee, including such attorneys' fees and costs payable under Section 19 and this Section 21.

**Section 22. Option to Prepay Base Rent and Supplemental Rent.**

(a) The Lessee shall have the exclusive right and option, which shall be irrevocable during the Lease Term, to prepay all or a portion of the Base Rent due under this Lease Agreement, but only if the Lessee is not in default under this Lease Agreement and only in the manner provided in this Section.



(b) The Lessee shall exercise its option to prepay all or a portion of the Base Rent due under this Lease Agreement by giving notice thereof to the Lessor and the Trustee not later than 60 days prior to the Business Day on which it desires to make such prepayment (the "Prepayment Date").

(c) On or prior to the Prepayment Date, the Lessee shall deposit or cause to be deposited with the Trustee an amount equal to the following:

(i) to the extent the Lessee elects to prepay only a portion of the Base Rent due under this Lease Agreement, (A) the principal component of Base Rent to be prepaid on the Prepayment Date; (B) except as provided below, a prepayment premium (expressed as a percentage of the principal component of Base Rent to be prepaid), if any, due on the Prepayment Date in accordance with the table below and (C) interest accrued on the outstanding principal component of Base Rent to be prepaid on the Prepayment Date. Such deposit shall be in addition to the Base Rent, if any, due on such Prepayment Date.

<b>Prepayment Date</b>	<b>Prepayment Premium</b>
On and after Lease Commencement Date to but excluding first anniversary of Lease Commencement Date	3.00%
On and after first anniversary of Lease Commencement Date to but excluding second anniversary of Lease Commencement Date	2.00%
On and after second anniversary of Lease Commencement Date to but excluding third anniversary of Lease Commencement Date	1.00%
On and after third anniversary of Lease Commencement Date	0.00%

Notwithstanding anything herein to the contrary, there shall be no prepayment premium due with respect to any partial prepayment of up to \$8,500,000 of principal component of Base Rent within 90 days of the Lease Commencement Date.

Following a partial prepayment of Base Rent pursuant to this Section, the Lessor and the Lessee shall revise the Base Rent payments schedule to reflect such prepayment and remaining substantially equal annual Base Rent payments.

(ii) to the extent the Lessee elects to prepay all Base Rent due under this Lease Agreement, (A) the outstanding principal component of Base Rent on the Prepayment Date; (B) a prepayment premium (expressed as a percentage of the principal component of Base Rent to be prepaid), if any, due on such



Prepayment Date in accordance with the table below; and (C) interest accrued on the outstanding principal component of Base Rent to be prepaid on the Prepayment Date.

<b>Prepayment Date</b>	<b>Prepayment Premium</b>
On and after Lease Commencement Date to but excluding first anniversary of Lease Commencement Date	3.00%
On and after first anniversary of Lease Commencement Date to but excluding second anniversary of Lease Commencement Date	2.00%
On and after second anniversary of Lease Commencement Date to but excluding third anniversary of Lease Commencement Date	1.00%
On and after third anniversary of Lease Commencement Date	0.00%

(d) if the Lessee elects to prepay all Base Rent due under this Lease Agreement, the Lessor and Inland Valley Development Agency shall reasonably cooperate with the Lessee in the prepayment of Supplemental Rent and the amendment of this Lease Agreement as may be necessary to accommodate such prepayment.

(e) The Lessee agrees and covenants to pay all reasonable and customary costs and charges incurred by the Lessor and the Trustee in connection with any prepayment by the Lessee pursuant to this Section 22.

**Section 23. Binding on Successors.** Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the permitted successors in interest and assigns of the Lessor and the Lessee.

#### **Section 24. General Provisions.**

(a) **Waiver.** The waiver by Lessor or Lessee of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition.

(b) **Headings.** The Section titles in this Lease Agreement are not a part thereof and shall have no effect upon the construction or interpretation of any part hereof.

(c) **Time.** Time is of the essence with regard to all provisions of this Lease Agreement in which performance is a factor.



(d) **Recordation.** Either party may record this Lease Agreement or a memorandum of this Lease Agreement at any time without the prior written consent of the other party; provided, however, that each party shall cooperate with the other in the execution and delivery of a memorandum of this Lease Agreement.

(e) **Prior Agreements.** This Lease Agreement contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease Agreement and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease Agreement may be amended or added to except by an agreement in writing signed by the parties hereto, together with the prior written consent or acknowledgement of the Trustee. This Lease Agreement shall not be effective or binding on any party until fully executed by both parties hereto.

(f) **Force Majeure.** In the event that either the Lessor or the Lessee is delayed or hindered from the performance of any act required hereunder by reason of acts of God, strikes, boycotts, lock-outs, pandemics, labor troubles, inability to procure materials at a reasonable price due to events beyond of the control of the Lessor or the Lessee, as applicable, failure of power, restrictive governmental laws and regulations enacted after the Lease Commencement Date, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency or other reasons of a like nature not the fault of the Lessor or the Lessee, as applicable, then performance of such acts shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; *provided, however,* that no force majeure event (except in accordance with Section 8 herein) shall excuse the Lessee from making Rental Payments hereunder when due; *provided, further, however,* that force majeure shall not be deemed to exist to the extent that materials and supplies are not available from the Lessor's preferred providers due to strikes, boycotts, lock-outs or labor troubles if such materials and supplies are otherwise available from other reputable suppliers at comparable costs and the Lessor is permitted to obtain such materials and supplies from such suppliers under this Lease Agreement and any applicable laws, ordinances and regulations.

(g) **Severability.** Any provision of this Lease Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

(h) **Choice of Law.** This Lease Agreement shall be governed by the laws of the State of California, exclusive of conflict of law provisions.

(i) **Impairment of Title.** The Lessor hereby covenants to notify the Lessee in writing within thirty (30) days of each and every occurrence which may impair the Lessor's title to the Premises. Such occurrences include, but are not limited to, default on a trust deed, transfer of any interest in any trust deed, notification of any lien recordation, and notification of any foreclosure.

(j) **Mediation.** Before filing any litigation or making any administrative claim, the parties agree to engage in nonbinding mediation for a minimum of thirty (30)



days. The mediator shall be selected by mutual agreement or, if no agreement can be reached, by the Presiding Judge, San Bernardino Superior Court, upon petition by either party. The mediation shall be conducted at the discretion of the mediator or pursuant to rules adopted by the parties. The mediation shall be conducted in San Bernardino County, California. The cost of mediation shall be borne equally by Lessor and Lessee, and each shall pay one-half of any estimated fees required by the mediator in advance. Before the date of mediation, each side shall provide the mediator and the other party with a statement of its position and copies of all supporting documents. If a subsequent dispute will involve third parties, such as insurers or subcontractors, they shall also be asked to participate in the mediation. No one who has ever had any business, financial, family or social relationship with any party to this Lease shall serve as mediator unless the related party informs the other party of the relationship and the other party consents in writing to the use of that mediator.

(k) **Construction.** In the event the Lessor contracts for the construction of any portion of the Tenant Improvements, the Lessor shall, if applicable, comply with the California Public Contract Code 22000 through 22045 regarding bidding procedures and Labor Code Sections 1720.2 and 1770 et seq. regarding general prevailing wages as set forth in Exhibit F attached hereto and incorporated herein by reference. The Lessor shall indemnify and hold harmless the Lessee and its officers, employees, and agents from any claims, actions, losses, damages and/or liability arising out of the obligations set forth in this subparagraph. The Lessor's indemnity obligations shall survive the expiration of the Lease Term, and shall not be limited by the existence or availability of insurance. The Lessor shall require the Tenant Improvements Contractor to include in all construction contracts recitations or provisions requiring the following:

(i) Labor Code §1700: Provisions requiring all Contractors employed on the Premises to be responsible to pay the prevailing rate of wages as defined in California Labor Code Sections 1700 et seq. and available on the Department of Industrial Relations websites (but expressly excluding the Davis-Bacon Act and any rules and regulations promulgated thereunder), and to indemnify and hold harmless the Lessee and its officers, employees, and agents and the Trustee from any claims, actions, losses, damages and/or liability arising out of failure to pay proper wages;

(ii) Safety: Provisions for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Premises; and

(iii) Indemnity: Provisions for indemnifying the Lessee and its officers, employees, and agents from any claims, actions, losses, damages and/or liability arising out of the negligence or willful misconduct of such contractor and its employees and agents.

(iv) Assignment: Provisions for assignment to the Trustee upon an Event of Default under this Lease Agreement for which Lessor has received written notice from the Trustee.



**Section 25. Estoppel Certificate.** Either party shall at any time upon not less than thirty (30) days' prior written notice from the other party execute, acknowledge and deliver to the requesting party a statement in writing (a) certifying that this Lease Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease Agreement, as so modified, is in full force and effect) and the date to which the Base Rent payments and other charges are paid in advance, if any, and (b) acknowledging that there are not to the declarant's knowledge, any uncured defaults on the part of either party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or any other interested party. Failure to deliver such statement within such time shall be conclusive evidence (i) that this Lease Agreement is in full force and effect without modification except as may be represented by the requesting party in the written request for the certificate, (ii) that there are no uncured defaults in either party's performance, and (iii) that not more than one month's Base Rent and Supplemental Rent have been paid in advance.

**Section 26. Miscellaneous Provisions.** The Lessee hereby covenants and agrees to provide the Lessor and the Trustee, (a) within 210 days after the close of each fiscal year, a copy of the Lessee's annual financial statements audited by an independent certified public accountant or firm of certified public accountants, (b) within 60 days after the close of each fiscal year, a copy of the Lessee's annual budget for subsequent fiscal year and (c) such additional information relating to the Lessee as the Lessor or the Trustee may reasonably request. The Lessee hereby further covenants and agrees to furnish the Lessor and the Trustee with such customary closing certificates as such parties deem reasonably necessary in connection with this Lease Agreement and the Bonds.

**Section 27. Notices.** All notices, certificates, requests, demands and other communications provided for hereunder or under this Lease Agreement shall be in writing and shall be (a) personally delivered; (b) sent by registered United States mail; (c) sent by overnight courier of national reputation; or (d) transmitted by facsimile or other telecommunication, in each case addressed to the party to whom notice is being given at its address as set forth below and, if transmitted by facsimile or other telecommunication, transmitted to that party at its facsimile number or email address as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section; provided that notices by facsimile or email shall be confirmed by the recipient by facsimile or email response to the sender. All such notices, requests, demands and other communications shall be deemed to have been given on (i) the date received if personally delivered; (ii) when deposited in the mail if delivered by mail; (iii) the date sent if sent by overnight courier; or (iv) the date of transmission if delivered by facsimile.

If to the Lessor  
Prior to  
Assignment:

Inland Valley Development Agency  
1601 East Third Street, Suite 100  
San Bernardino, California 92408  
Attention: Executive Director



with a copy to:	Mirau, Edwards, Cannon, Lewin & Tooke 1806 Orange Tree Lane, # C Redlands, California 92374 Attention: Michael Lewin, Esq.
If to the Lessee:	San Bernardino County Fire Protection District 157 W. 5th Street, 2nd Floor San Bernardino, California 92415-0451 Attention: Deputy Chief of Administration
with a copy to:	San Bernardino County 385 N. Arrowhead Avenue San Bernardino, California 92415 Attention: Chief Executive Officer
If to the Lessor After the Assignment:	SBD Corporate Center II, LLC 4221 Wilshire Blvd. Suite 380 Los Angeles, California 90010 Attention: Jian Torkan
With a copy to:	Kutak Rock LLP 777 South Figueroa Street, Suite 4550 Los Angeles, California 90017 Attention: Sam S. Balisy

**Section 28. New Lease Agreement.** In the event this Lease Agreement is rejected as a result of the bankruptcy of the Lessor, the Lessee hereby agrees to enter into a new lease agreement with the Trustee with substantially the same terms and provisions as provided in this Lease Agreement.



IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Lease Agreement by their duly authorized officers or officials as of the date set forth above.

**LESSOR:**

**INLAND VALLEY  
DEVELOPMENT AGENCY**

By   
Michael Burrows, Chief Executive Officer

**LESSEE:**

**SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT**

By \_\_\_\_\_  
Leonard X. Hernandez  
Chief Executive Officer of San Bernardino  
County for the San Bernardino County Fire  
Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

By \_\_\_\_\_  
Jolena E. Grider  
Deputy County Counsel



IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Lease Agreement by their duly authorized officers or officials as of the date set forth above.


**LESSOR:**

**INLAND VALLEY  
DEVELOPMENT AGENCY**

By \_\_\_\_\_  
Michael Burrows, Chief Executive Officer


**LESSEE:**

**SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT**

By  \_\_\_\_\_  
Leonard X. Hernandez  
Chief Executive Officer of San Bernardino  
County for the San Bernardino County Fire  
Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

By  \_\_\_\_\_  
Jolena E. Grider  
Deputy County Counsel



## EXHIBIT A

### DEFINITIONS

“*Act*” means the Fire Protection District Law of 1987 (Part 2.7 of Division 12 of the California Health and Safety Code), as now in effect and as it may from time to time hereafter be amended or supplemented.

“*Additional Rent*” means the amounts payable by the Lessee under the Lease Agreement in consideration for the use and possession of the Premises, as set forth in Section 6(b) of the Lease Agreement.

“*Assignee*” means SBD Corporate Center II, LLC, a California limited liability company, and its successors and assigns.

“*Assignment and Assumption Agreement*” means the assignment and assumption agreement entered into between the Lessor and the Assignee and consented to by the Lessee.

“*Authorized Representative of the Lessee*” means any of the Fire Chief, the Deputy Fire Chief of Administration, the Deputy Fire Chief of Business Operations, the Chief Executive Officer of San Bernardino County, the Director of Real Estate Services of San Bernardino County and/or any officer or employee of the Lessee authorized to perform specific acts or duties by resolution duly adopted by the Board of Directors of the Lessee and any other Person designated as an Authorized Representative of the Lessee in a Written Request of the Lessee filed with the Trustee.

“*Base Rent*” means all amounts payable to the Lessor by the Lessee as Base Rent payments pursuant to Section 6(a) of the Lease Agreement, commencing on the Lease Commencement Date as a component of Rental Payments pursuant to the Lease Agreement.

“*Bond Counsel*” means any firm of nationally recognized municipal bond attorneys, selected by the Issuer or Lessee, as the context suggests, experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for federal income tax purposes.

“*Bond Related Charges*” means, the fees and expenses of the Issuer, the fees and expenses of the Trustee, the fees and expenses of the owner of the Bonds incurred in connection with any amendment of the Lease Agreement or the Indenture, and insurance premiums associated with the Lessor’s purchase of insurance required by Section 18(c)(i).

“*Bonds*” means the Series 2022 Bonds and any additional bonds issued by the Issuer for the purpose of refunding Bonds for savings.

“*Building*” means one free standing building with an aggregate of 79,834 Rentable Square Feet of Building Area together with approximately 270 off-street parking spaces on the Site.



*“Building Area”* means the area within the Building where the Lessee normally houses personnel and/or furniture.

*“Business Day”* means a day which is not a Saturday or Sunday or a day on which banking institutions located in New York, New York, or Los Angeles, California are authorized or required by executive or other governmental order or law to be closed for commercial banking purposes.

*“Certificate of Acceptance”* means the written notification of the Lessee to the Lessor and the Trustee evidencing the Lessee’s acceptance and occupancy of the Premises.

*“Charges”* means all fees, charges, and/or any other things of value, if any, contracted for, charged, taken, received, or reserved by the Issuer or the Trustee in connection with the transactions relating to the Bonds, which are treated as interest under applicable law.

*“Code”* means the Internal Revenue Code of 1986, as amended.

*“Default Rate”* means the lesser of the rate of interest per annum equal to the interest rate on the Bonds plus 5.00% or the Maximum Lawful Rate.

*“Defeasance Securities”* means Federal Securities which are not callable for redemption prior to their maturity by any person other than the owner thereof.

*“Environmental Reports”* means the reports attached hereto as Exhibit H, and any additional or subsequent reports pertaining to the environmental condition of the Premises.

*“Event of Bankruptcy”* means, with respect to a Person (a) that an involuntary proceeding is commenced or an involuntary petition is filed seeking (i) liquidation, reorganization or other relief in respect of such Person or its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, conservator or similar official for such Person or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing is entered, or (b) such Person (i) applies for or consents to the appointment of a receiver, trustee, liquidator, custodian, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally is not paying its debts as they become due, unless such debts are the subject of a bona fide dispute, (iii) makes a general assignment for the benefit of creditors, (iv) consents to the institution of, or fails to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (v) commences a voluntary proceeding under any Insolvency Law, or files a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief, in each case under any Insolvency Law, (vi) files an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (iv), inclusive, of this clause (b), or (vii) takes any action for the purpose of effecting any of the foregoing.

*“Favorable Opinion of Bond Counsel”* means, with respect to any action the occurrence of which requires such an opinion, an opinion of Bond Counsel to the effect that such action is



permitted under the Indenture or the Lease Agreement and will not, in and of itself, cause interest payable with respect to the Bonds to be included in gross income for purposes of federal income taxation or to be subject to California personal income taxation.

*“Federal Securities”* means United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations for which the full faith and credit of the United States of America are unconditionally pledged for the payment of interest and principal (including State and Local Government Securities (“SLGS”)), or securities evidencing direct ownership interests in such obligations or in specified portions of the interest on or principal of such obligations that are held by a custodian in safekeeping on behalf of the owners of such securities, as well as pre-refunded municipal bonds rated “Aaa” by Moody’s Investors Service and “AAA” by S&P Global Ratings.

*“Furniture, Fixtures and Equipment”* means desks, tables, chairs and modular office equipment to be provided by the Lessor hereunder, the make and style of which shall be approved by the Lessee pursuant to the Work Letter.

*“Hazardous Materials”* means any substance or material that is now or in the future included within the definitions of “hazardous substances,” “hazardous materials,” “toxic substances,” “pollutant,” “contaminant,” “hazardous waste,” or “universal waste,” or in any Hazardous Materials Law, including (a) petroleum or petroleum derivatives, including crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products or waste, and waste water, (b) asbestos and asbestos-containing materials (whether friable or non-friable), (c) polychlorinated biphenyls, (d) urea formaldehyde, (e) lead and lead based paint or other lead containing materials (whether friable or non-friable), (f) microbiological pollutants, (g) batteries or liquid solvents or similar chemicals, (h) radon gas, and (i) pesticides and pesticide contaminated materials. The term “Hazardous Materials” shall not include (i) chemicals, lubricants, refrigerants, batteries and other substances kept in amounts typical for, and used as, standard janitorial supplies, office and household supplies, and the like in connection with the routine maintenance and operation of projects similar to the Premises, to the extent kept, used and maintained in strict compliance with all such applicable Hazardous Materials Laws, (ii) gasoline, oil and other automotive products kept and used in an ordinary manner in or for the use of motor vehicles at the Premises, or (iii) any substance or material that would otherwise be a Hazardous Material in environmental media (air, soil or water) in concentrations that does not require release reporting, monitoring or investigation under Hazardous Materials Laws or removal or remediation of Hazardous Materials. Hazardous Materials shall be deemed to include hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316, as amended from time to time, or the same or a related defined term in any successor or companion statutes, and crude oil or byproducts of crude oil other than crude oil which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

*“Hazardous Materials Laws”* means any and all applicable statutes, terms, conditions, limitations, restrictions, regulations, standards, prohibitions, obligations, schedules, plans, and timetables that are contained in or promulgated pursuant to any federal, state or local laws, whether existing now or hereinafter enacted, relating to pollution or the protection of the environment, including laws relating to emissions, discharges, releases, or threatened releases of



Hazardous Materials into ambient or indoor air, surface water, ground water, drinking water, lands (including the surface and subsurface thereof), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, refinement, production, disposal, transport, or handling of Hazardous Materials, including the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA), 42 U.S.C. 9601 et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), 42 U.S.C. 6901 et seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., and the Safe Drinking Water Act, 42 U.S.C. § 300f et seq. “Hazardous Materials Laws” shall not include laws relating to industrial hygiene or worker safety, except to the extent that such laws address asbestos and asbestos-containing materials (whether friable or non-friable) or lead and lead-based paint or other lead containing materials.

“*Insolvency Laws*” means the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

“*Indemnification Claims*” means any claim, demand or complaint against the Lessor or the Trustee arising from the Lessor’s fee interest in the Premises or by virtue of the Lease Agreement.

“*Indenture*” means the indenture, between the Issuer and the Trustee, as amended and supplemented pursuant to the terms thereof.

“*Insurance Premiums*” means the premiums to be paid by the Lessee to procure and maintain the various insurance policies required pursuant to Section 19 of the Lease Agreement.

“*Issuer*” means the California Enterprise Development Authority, or its successors and assigns, a joint exercise of powers authority formed by a Joint Exercise of Powers Agreement, dated as of June 1, 2006, by and among certain California cities, counties and other public agencies, as may be amended from time to time pursuant to the provisions of the Act.

“*Lease Commencement Date*” means the date on which the Lessee delivers a Certificate of Acceptance to the Trustee and the Lessor and as evidenced and memorialized in the Memorandum of Lease Commencement and Termination Date in the form attached as Exhibit D to the Lease Agreement.

“*Lease Term*” means, unless the Lease Agreement is otherwise earlier terminated as provided herein, the period of time commencing on the Lease Commencement Date and terminating on the Lease Termination Date.

“*Lease Termination Date*” means the earliest to occur of (a) the twenty-fifth anniversary of the Lease Commencement Date as set forth in the Memorandum of Lease Commencement and Termination Date, in the form attached as Exhibit D to the Lease Agreement, subject to the provisions of Section 4 of the Lease Agreement relating to the extension of the Lease Term upon the occurrence of an abatement; (b) the date on which the Lease Agreement is terminated pursuant to Section 14 of the Lease Agreement; or (c) the date on which title to the Premises is



transferred to the Lessee following the prepayment of the Rental Payments by the Lessee in accordance with Section 22 of the Lease Agreement.

*“Lease Year”* means the 12-month period set forth in the Memorandum of Lease Commencement and Termination Date.

*“Maximum Federal Corporate Tax Rate”* means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time or, if as a result of a change in the Code the rate of income taxation imposed on corporations generally shall not be applicable to the Original Purchaser, the maximum statutory rate of federal income taxation which could apply to the Original Purchaser. As of the date of the Lease Agreement, the Maximum Federal Corporate Tax Rate is 21%.

*“Maximum Lawful Rate”* means the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by the Issuer in accordance with the applicable laws of the State, taking into account all Charges made in connection with the transaction evidenced by the Bonds and the Bond Documents.

*“Operating Costs”* means all costs and expenses of maintaining and operating the Premises, including, but not limited to, the costs of providing or performing the following: (a) maintenance and repair of the heating, ventilation, air conditioning, plumbing systems, electrical systems, life safety equipment, telecommunication and other communication equipment, elevators and fire detection systems, including sprinkler systems, and replacement of regularly scheduled components within each such system, e.g., light bulbs, filters, belts, etc.; (b) trash disposal; (c) janitorial services; and (d) landscaping services.

*“Original Purchaser”* means (a) Pacific Western Bank, a California state-chartered bank, (b) any surviving, resulting or transferee corporation.

*“Permitted Encumbrances”* means, as of any particular time: (a) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (b) the Lease Agreement (including any amendment thereto); (c) any deed of trust or encumbrance with respect to the Lessor’s fee interest in the portion of the Premises comprising real property; (d) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; or which are being contested in good faith for a period no longer than the ninety (90) days after the due date of such lien; (e) easements, rights-of-way, servitudes, restrictions, deed restrictions, oil, gas, or other mineral reservations and other minor defects, encumbrances, and irregularities in the title to the Site which do not materially impair the use of such real property in the ordinary course by the Lessee or materially and adversely affect the value of the Premises.

*“Person”* means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

*“Premises”* means the Site, the Building and the Furniture, Fixtures and Equipment.



*“Rentable Square Feet of Building Area”* means the aggregate amount of square feet comprising the Building, as calculated in accordance with the method of Measuring Floor Rentable Area as set forth in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-2010, as promulgated by the Building Owners and Managers Association.

*“Rental Payments”* means the amounts payable by the Lessee under the Lease Agreement in consideration for the use and possession of the Premises, as set forth in Exhibit C to the Lease Agreement, comprising the Base Rent payments, Supplemental Rent payments and Additional Rent payments.

*“Series 2022 Bonds”* means the California Enterprise Development Authority Lease Revenue Bonds (San Bernardino County Fire Protection District), Series 2022 issued in accordance with the Indenture in connection with the financing of the acquisition, construction, installation and equipping of the Premises in an aggregate total principal amount not to exceed \$26,000,000.

*“Site”* means the real property identified on Exhibit B to the Lease Agreement.

*“Substantial Completion”* has the meaning ascribed to it in the Work Letter and includes such completion of both the Tenant Improvements and the Furniture, Fixtures and Equipment.

*“Supplemental Rent”* means an amount equal to \$30,000 per month during the Lease Term payable on the first day of each month commencing on the Lease Commencement Date as a component of Rental Payments pursuant to the Lease Agreement.

*“Taxable Rate”* means, for any date of determination, the rate of interest per annum equal to the product of the interest rate on the Bonds then in effect multiplied by the quotient of (a) one divided by (b) one minus the prevailing Maximum Federal Corporate Tax Rate.

*“Taxes”* means all taxes, fees and assessments of any nature whatsoever, including but not limited to excise taxes, fees, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Premises or upon any interest of the Lessor therein or in this Lease Agreement; provided, however, the Lessee may, at the Lessee’s expense and in its name, in good faith contest any such taxes, fees and assessments and, in the event of such contest, may permit such taxes, fees and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Lessor shall notify the Lessee that, in the opinion of the Lessor, by nonpayment of any such items, the interest of the Lessor in the Premises will be materially endangered or the Premises, or any portion thereof, will be subject to loss or forfeiture, in which event the Lessee shall promptly pay such taxes, fees and assessments or provide the Lessor with full security against any loss which may result from nonpayment, in form satisfactory to the Lessor.

*“Tenant Improvements”* has the meaning ascribed to it in the Work Letter.

*“Trustee”* means U.S. Bank Trust Company, National Association, a national banking association, and any successor thereto named under the Indenture pursuant to which the Bonds are issued and delivered.



*“Utility Costs”* means the costs of water, gas, electricity, sewer, telecommunication and any other publicly mandated services being provided to the Premises.

*“Work Letter”* means the agreement between the Lessor and Lessee regarding design and construction of the Building, attached as Exhibit E to the Lease Agreement and made a part hereof.

*“Written Request of the Lessee”* means a written request, certificate or requisition signed in the name of the Lessee by an Authorized Representative of the Lessee.



## **EXHIBIT B**

### **LEGAL DESCRIPTION OF SITE**

The Land referred to herein below is situated in the City of San Bernardino, County of San Bernardino, State of California, and is described as follows:

PARCEL A: APN: 0136-351-18-0-000

PARCEL 2 OF PARCEL MAP 17579 IN THE CITY OF SAN BERNARDINO, DISTRICT OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED IN PARCEL MAP BOOK 219, PAGES 18 THROUGH 21 INCLUSIVE, OF RECORDS OF SAID DISTRICT.

PARCEL B:

RECIPROCAL EASEMENTS OVER PARCELS 1 AND 2 OF SAID PARCEL MAP FOR PARKING, DRAINAGE AND PUBLIC UTILITIES AS DESCRIBED IN THAT CERTAIN DECLARATION OF RECIPROCAL EASEMENTS RECORDED DECEMBER 09, 2009 AS INSTRUMENT NO. 2009-0548456, OF OFFICIAL RECORDS.

PARCEL C:

RECIPROCAL EASEMENTS OVER PARCELS 1, 2 AND 3 OF SAID PARCEL MAP FOR INGRESS, EGRESS AND ACCESS AS SHOWN ON PARCEL MAP NO. 17579 ON FILE IN BOOK 219, PAGES 18 THROUGH 21, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID DISTRICT.



## EXHIBIT C

### RENTAL PAYMENTS

The Rental Payments under the Lease Agreement shall be as set forth below:

1. Base Rent Payment Schedule<sup>1</sup>:

<i>Payment Date</i>	<i>Principal Component</i>	<i>Interest Component</i>	<i>Total Base Rent Payment</i>	<i>Outstanding Balance of Series 2022 Bonds</i>
				17,500,000.00
4/1/2024	37,299.56	50,312.50	87,612.06	17,462,700.44
5/1/2024	35,733.29	51,878.77	87,612.06	17,426,967.15
6/1/2024	37,509.53	50,102.53	87,612.06	17,389,457.62
7/1/2024	35,950.88	51,661.18	87,612.06	17,353,506.74
8/1/2024	36,057.69	51,554.38	87,612.07	17,317,449.05
9/1/2024	37,824.40	49,787.67	87,612.07	17,279,624.65
10/1/2024	36,277.18	51,334.88	87,612.06	17,243,347.47
11/1/2024	38,037.44	49,574.62	87,612.06	17,205,310.03
12/1/2024	36,497.95	51,114.11	87,612.06	17,168,812.08
1/1/2025	36,606.38	51,005.68	87,612.06	17,132,205.70
2/1/2025	41,640.64	45,971.42	87,612.06	17,090,565.06
3/1/2025	36,838.84	50,773.22	87,612.06	17,053,726.22
4/1/2025	38,582.60	49,029.46	87,612.06	17,015,143.62
5/1/2025	37,062.91	50,549.16	87,612.07	16,978,080.71
6/1/2025	38,800.08	48,811.98	87,612.06	16,939,280.63
7/1/2025	37,288.28	50,323.78	87,612.06	16,901,992.35
8/1/2025	37,399.06	50,213.00	87,612.06	16,864,593.29
9/1/2025	39,126.36	48,485.71	87,612.07	16,825,466.93
10/1/2025	37,626.41	49,985.66	87,612.07	16,787,840.52
11/1/2025	39,347.02	48,265.04	87,612.06	16,748,493.50
12/1/2025	37,855.08	49,756.98	87,612.06	16,710,638.42
1/1/2026	37,967.54	49,644.52	87,612.06	16,672,670.88
2/1/2026	42,873.73	44,738.33	87,612.06	16,629,797.15
3/1/2026	38,207.71	49,404.36	87,612.07	16,591,589.44
4/1/2026	39,911.24	47,700.82	87,612.06	16,551,678.20
5/1/2026	38,439.79	49,172.28	87,612.07	16,513,238.41
6/1/2026	40,136.50	47,475.56	87,612.06	16,473,101.91

<sup>1</sup> The Base Rent payments schedule set forth in this Exhibit C is based on the assumptions that all of the proceeds of the Series 2022 Bonds are applied to the design, development, construction, improvement, equipping and furnishing of the Premises, the Lease Commencement Date is April 1, 2024, and the Lessee, on the Lease Commencement Date, prepays \$8,500,000 of Base Rent payments pursuant to Section 22 of the Lease Agreement.



7/1/2026	38,673.22	48,938.84	87,612.06	16,434,428.69
8/1/2026	38,788.11	48,823.95	87,612.06	16,395,640.58
9/1/2026	40,474.60	47,137.47	87,612.07	16,355,165.98
10/1/2026	39,023.59	48,588.47	87,612.06	16,316,142.39
11/1/2026	40,703.15	46,908.91	87,612.06	16,275,439.24
12/1/2026	39,260.45	48,351.62	87,612.07	16,236,178.79
1/1/2027	39,377.08	48,234.98	87,612.06	16,196,801.71
2/1/2027	44,150.65	43,461.42	87,612.07	16,152,651.06
3/1/2027	39,625.23	47,986.83	87,612.06	16,113,025.83
4/1/2027	41,287.11	46,324.95	87,612.06	16,071,738.72
5/1/2027	39,865.61	47,746.46	87,612.07	16,031,873.11
6/1/2027	41,520.43	46,091.64	87,612.07	15,990,352.68
7/1/2027	40,107.39	47,504.67	87,612.06	15,950,245.29
8/1/2027	40,226.54	47,385.52	87,612.06	15,910,018.75
9/1/2027	41,870.76	45,741.30	87,612.06	15,868,147.99
10/1/2027	40,470.44	47,141.62	87,612.06	15,827,677.55
11/1/2027	42,107.49	45,504.57	87,612.06	15,785,570.06
12/1/2027	40,715.77	46,896.30	87,612.07	15,744,854.29
1/1/2028	40,836.73	46,775.34	87,612.07	15,704,017.56
2/1/2028	43,967.98	43,644.08	87,612.06	15,660,049.58
3/1/2028	41,088.67	46,523.40	87,612.07	15,618,960.91
4/1/2028	42,707.55	44,904.51	87,612.06	15,576,253.36
5/1/2028	41,337.61	46,274.45	87,612.06	15,534,915.75
6/1/2028	42,949.18	44,662.88	87,612.06	15,491,966.57
7/1/2028	41,588.01	46,024.05	87,612.06	15,450,378.56
8/1/2028	41,711.56	45,900.50	87,612.06	15,408,667.00
9/1/2028	43,312.15	44,299.92	87,612.07	15,365,354.85
10/1/2028	41,964.16	45,647.91	87,612.07	15,323,390.69
11/1/2028	43,557.32	44,054.75	87,612.07	15,279,833.37
12/1/2028	42,218.23	45,393.84	87,612.07	15,237,615.14
1/1/2029	42,343.65	45,268.41	87,612.06	15,195,271.49
2/1/2029	46,838.08	40,773.98	87,612.06	15,148,433.41
3/1/2029	42,608.59	45,003.47	87,612.06	15,105,824.82
4/1/2029	44,182.82	43,429.25	87,612.07	15,061,642.00
5/1/2029	42,866.44	44,745.63	87,612.07	15,018,775.56
6/1/2029	44,433.08	43,178.98	87,612.06	14,974,342.48
7/1/2029	43,125.79	44,486.28	87,612.07	14,931,216.69
8/1/2029	43,253.91	44,358.16	87,612.07	14,887,962.78
9/1/2029	44,809.17	42,802.89	87,612.06	14,843,153.61
10/1/2029	43,515.53	44,096.54	87,612.07	14,799,638.08
11/1/2029	45,063.10	42,548.96	87,612.06	14,754,574.98
12/1/2029	43,778.68	43,833.38	87,612.06	14,710,796.30
1/1/2030	43,908.74	43,703.32	87,612.06	14,666,887.56



2/1/2030	48,255.92	39,356.15	87,612.07	14,618,631.64
3/1/2030	44,182.55	43,429.52	87,612.07	14,574,449.09
4/1/2030	45,710.52	41,901.54	87,612.06	14,528,738.57
5/1/2030	44,449.60	43,162.46	87,612.06	14,484,288.97
6/1/2030	45,969.73	41,642.33	87,612.06	14,438,319.24
7/1/2030	44,718.22	42,893.84	87,612.06	14,393,601.02
8/1/2030	44,851.07	42,760.99	87,612.06	14,348,749.95
9/1/2030	46,359.41	41,252.66	87,612.07	14,302,390.54
10/1/2030	45,122.04	42,490.02	87,612.06	14,257,268.50
11/1/2030	46,622.42	40,989.65	87,612.07	14,210,646.08
12/1/2030	45,394.60	42,217.46	87,612.06	14,165,251.48
1/1/2031	45,529.46	42,082.60	87,612.06	14,119,722.02
2/1/2031	49,724.14	37,887.92	87,612.06	14,069,997.88
3/1/2031	45,812.44	41,799.62	87,612.06	14,024,185.44
4/1/2031	47,292.53	40,319.53	87,612.06	13,976,892.91
5/1/2031	46,089.04	41,523.02	87,612.06	13,930,803.87
6/1/2031	47,561.00	40,051.06	87,612.06	13,883,242.87
7/1/2031	46,367.26	41,244.80	87,612.06	13,836,875.61
8/1/2031	46,505.01	41,107.05	87,612.06	13,790,370.60
9/1/2031	47,964.75	39,647.32	87,612.07	13,742,405.85
10/1/2031	46,785.67	40,826.40	87,612.07	13,695,620.18
11/1/2031	48,237.16	39,374.91	87,612.07	13,647,383.02
12/1/2031	47,067.96	40,544.10	87,612.06	13,600,315.06
1/1/2032	47,207.79	40,404.27	87,612.06	13,553,107.27
2/1/2032	49,945.72	37,666.34	87,612.06	13,503,161.55
3/1/2032	47,496.42	40,115.64	87,612.06	13,455,665.13
4/1/2032	48,927.03	38,685.04	87,612.07	13,406,738.10
5/1/2032	47,782.88	39,829.18	87,612.06	13,358,955.22
6/1/2032	49,205.07	38,407.00	87,612.07	13,309,750.15
7/1/2032	48,071.01	39,541.05	87,612.06	13,261,679.14
8/1/2032	48,213.83	39,398.24	87,612.07	13,213,465.31
9/1/2032	49,623.35	37,988.71	87,612.06	13,163,841.96
10/1/2032	48,504.48	39,107.58	87,612.06	13,115,337.48
11/1/2032	49,905.47	37,706.60	87,612.07	13,065,432.01
12/1/2032	48,796.84	38,815.22	87,612.06	13,016,635.17
1/1/2033	48,941.81	38,670.25	87,612.06	12,967,693.36
2/1/2033	52,815.42	34,796.64	87,612.06	12,914,877.94
3/1/2033	49,244.11	38,367.95	87,612.06	12,865,633.83
4/1/2033	50,623.37	36,988.70	87,612.07	12,815,010.46
5/1/2033	49,540.80	38,071.26	87,612.06	12,765,469.66
6/1/2033	50,911.34	36,700.73	87,612.07	12,714,558.32
7/1/2033	49,839.23	37,772.83	87,612.06	12,664,719.09
8/1/2033	49,987.29	37,624.77	87,612.06	12,614,731.80



9/1/2033	51,344.71	36,267.35	87,612.06	12,563,387.09
10/1/2033	50,288.33	37,323.73	87,612.06	12,513,098.76
11/1/2033	51,636.90	35,975.16	87,612.06	12,461,461.86
12/1/2033	50,591.14	37,020.93	87,612.07	12,410,870.72
1/1/2034	50,741.43	36,870.63	87,612.06	12,360,129.29
2/1/2034	54,445.72	33,166.35	87,612.07	12,305,683.57
3/1/2034	51,053.93	36,558.13	87,612.06	12,254,629.64
4/1/2034	52,380.00	35,232.06	87,612.06	12,202,249.64
5/1/2034	51,361.21	36,250.85	87,612.06	12,150,888.43
6/1/2034	52,678.26	34,933.80	87,612.06	12,098,210.17
7/1/2034	51,670.30	35,941.77	87,612.07	12,046,539.87
8/1/2034	51,823.80	35,788.26	87,612.06	11,994,716.07
9/1/2034	53,127.25	34,484.81	87,612.06	11,941,588.82
10/1/2034	52,135.59	35,476.47	87,612.06	11,889,453.23
11/1/2034	53,429.89	34,182.18	87,612.07	11,836,023.34
12/1/2034	52,449.21	35,162.85	87,612.06	11,783,574.13
1/1/2035	52,605.03	35,007.03	87,612.06	11,730,969.10
2/1/2035	56,133.96	31,478.10	87,612.06	11,674,835.14
3/1/2035	52,928.07	34,683.99	87,612.06	11,621,907.07
4/1/2035	54,199.08	33,412.98	87,612.06	11,567,707.99
5/1/2035	53,246.33	34,365.73	87,612.06	11,514,461.66
6/1/2035	54,507.99	33,104.08	87,612.07	11,459,953.67
7/1/2035	53,566.45	34,045.61	87,612.06	11,406,387.22
8/1/2035	53,725.59	33,886.48	87,612.07	11,352,661.63
9/1/2035	54,973.16	32,638.90	87,612.06	11,297,688.47
10/1/2035	54,048.51	33,563.55	87,612.06	11,243,639.96
11/1/2035	55,286.60	32,325.46	87,612.06	11,188,353.36
12/1/2035	54,373.33	33,238.73	87,612.06	11,133,980.03
1/1/2036	54,534.86	33,077.20	87,612.06	11,079,445.17
2/1/2036	56,820.44	30,791.62	87,612.06	11,022,624.73
3/1/2036	54,865.68	32,746.38	87,612.06	10,967,759.05
4/1/2036	56,079.76	31,532.31	87,612.07	10,911,679.29
5/1/2036	55,195.28	32,416.78	87,612.06	10,856,484.01
6/1/2036	56,399.67	31,212.39	87,612.06	10,800,084.34
7/1/2036	55,526.81	32,085.25	87,612.06	10,744,557.53
8/1/2036	55,691.77	31,920.29	87,612.06	10,688,865.76
9/1/2036	56,881.57	30,730.49	87,612.06	10,631,984.19
10/1/2036	56,026.21	31,585.85	87,612.06	10,575,957.98
11/1/2036	57,206.18	30,405.88	87,612.06	10,518,751.80
12/1/2036	56,362.60	31,249.46	87,612.06	10,462,389.20
1/1/2037	56,530.05	31,082.01	87,612.06	10,405,859.15
2/1/2037	59,689.67	27,922.39	87,612.06	10,346,169.48
3/1/2037	56,875.32	30,736.75	87,612.07	10,289,294.16



4/1/2037	58,030.34	29,581.72	87,612.06	10,231,263.82
5/1/2037	57,216.68	30,395.38	87,612.06	10,174,047.14
6/1/2037	58,361.68	29,250.39	87,612.07	10,115,685.46
7/1/2037	57,560.05	30,052.02	87,612.07	10,058,125.41
8/1/2037	57,731.05	29,881.01	87,612.06	10,000,394.36
9/1/2037	58,860.93	28,751.13	87,612.06	9,941,533.43
10/1/2037	58,077.42	29,534.64	87,612.06	9,883,456.01
11/1/2037	59,197.13	28,414.94	87,612.07	9,824,258.88
12/1/2037	58,425.83	29,186.24	87,612.07	9,765,833.05
1/1/2038	58,599.40	29,012.66	87,612.06	9,707,233.65
2/1/2038	61,564.32	26,047.74	87,612.06	9,645,669.33
3/1/2038	58,956.39	28,655.68	87,612.07	9,586,712.94
4/1/2038	60,050.26	27,561.80	87,612.06	9,526,662.68
5/1/2038	59,309.94	28,302.13	87,612.07	9,467,352.74
6/1/2038	60,393.42	27,218.64	87,612.06	9,406,959.32
7/1/2038	59,665.56	27,946.51	87,612.07	9,347,293.76
8/1/2038	59,842.81	27,769.25	87,612.06	9,287,450.95
9/1/2038	60,910.64	26,701.42	87,612.06	9,226,540.31
10/1/2038	60,201.55	27,410.51	87,612.06	9,166,338.76
11/1/2038	61,258.84	26,353.22	87,612.06	9,105,079.92
12/1/2038	60,562.39	27,049.67	87,612.06	9,044,517.53
1/1/2039	60,742.31	26,869.75	87,612.06	8,983,775.22
2/1/2039	63,505.60	24,106.46	87,612.06	8,920,269.62
3/1/2039	61,111.43	26,500.63	87,612.06	8,859,158.19
4/1/2039	62,141.98	25,470.08	87,612.06	8,797,016.21
5/1/2039	61,477.59	26,134.47	87,612.06	8,735,538.62
6/1/2039	62,497.39	25,114.67	87,612.06	8,673,041.23
7/1/2039	61,845.90	25,766.16	87,612.06	8,611,195.33
8/1/2039	62,029.64	25,582.43	87,612.07	8,549,165.69
9/1/2039	63,033.21	24,578.85	87,612.06	8,486,132.48
10/1/2039	62,401.18	25,210.89	87,612.07	8,423,731.30
11/1/2039	63,393.84	24,218.23	87,612.07	8,360,337.46
12/1/2039	62,774.89	24,837.17	87,612.06	8,297,562.57
1/1/2040	62,961.39	24,650.68	87,612.07	8,234,601.18
2/1/2040	64,726.73	22,885.33	87,612.06	8,169,874.45
3/1/2040	63,340.73	24,271.34	87,612.07	8,106,533.72
4/1/2040	64,305.78	23,306.28	87,612.06	8,042,227.94
5/1/2040	63,719.94	23,892.12	87,612.06	7,978,508.00
6/1/2040	64,673.85	22,938.21	87,612.06	7,913,834.15
7/1/2040	64,101.38	23,510.68	87,612.06	7,849,732.77
8/1/2040	64,291.82	23,320.25	87,612.07	7,785,440.95
9/1/2040	65,228.92	22,383.14	87,612.06	7,720,212.03
10/1/2040	64,676.60	22,935.46	87,612.06	7,655,535.43



11/1/2040	65,602.40	22,009.66	87,612.06	7,589,933.03
12/1/2040	65,063.64	22,548.43	87,612.07	7,524,869.39
1/1/2041	65,256.93	22,355.13	87,612.06	7,459,612.46
2/1/2041	67,595.44	20,016.63	87,612.07	7,392,017.02
3/1/2041	65,651.61	21,960.45	87,612.06	7,326,365.41
4/1/2041	66,548.76	21,063.30	87,612.06	7,259,816.65
5/1/2041	66,044.36	21,567.71	87,612.07	7,193,772.29
6/1/2041	66,929.97	20,682.10	87,612.07	7,126,842.32
7/1/2041	66,439.40	21,172.66	87,612.06	7,060,402.92
8/1/2041	66,636.78	20,975.28	87,612.06	6,993,766.14
9/1/2041	67,504.99	20,107.08	87,612.07	6,926,261.15
10/1/2041	67,035.30	20,576.77	87,612.07	6,859,225.85
11/1/2041	67,891.79	19,720.27	87,612.06	6,791,334.06
12/1/2041	67,436.14	20,175.92	87,612.06	6,723,897.92
1/1/2042	67,636.48	19,975.58	87,612.06	6,656,261.44
2/1/2042	69,751.10	17,860.97	87,612.07	6,586,510.34
3/1/2042	68,044.64	19,567.42	87,612.06	6,518,465.70
4/1/2042	68,871.47	18,740.59	87,612.06	6,449,594.23
5/1/2042	68,451.39	19,160.67	87,612.06	6,381,142.84
6/1/2042	69,266.28	18,345.79	87,612.07	6,311,876.56
7/1/2042	68,860.53	18,751.53	87,612.06	6,243,016.03
8/1/2042	69,065.10	18,546.96	87,612.06	6,173,950.93
9/1/2042	69,861.95	17,750.11	87,612.06	6,104,088.98
10/1/2042	69,477.83	18,134.23	87,612.06	6,034,611.15
11/1/2042	70,262.56	17,349.51	87,612.07	5,964,348.59
12/1/2042	69,892.98	17,719.09	87,612.07	5,894,455.61
1/1/2043	70,100.62	17,511.45	87,612.07	5,824,354.99
2/1/2043	71,983.38	15,628.69	87,612.07	5,752,371.61
3/1/2043	70,522.73	17,089.34	87,612.07	5,681,848.88
4/1/2043	71,276.75	16,335.32	87,612.07	5,610,572.13
5/1/2043	70,943.99	16,668.07	87,612.06	5,539,628.14
6/1/2043	71,685.63	15,926.43	87,612.06	5,467,942.51
7/1/2043	71,367.72	16,244.35	87,612.07	5,396,574.79
8/1/2043	71,579.74	16,032.32	87,612.06	5,324,995.05
9/1/2043	72,302.70	15,309.36	87,612.06	5,252,692.35
10/1/2043	72,007.19	15,604.87	87,612.06	5,180,685.16
11/1/2043	72,717.59	14,894.47	87,612.06	5,107,967.57
12/1/2043	72,437.14	15,174.92	87,612.06	5,035,530.43
1/1/2044	72,652.34	14,959.72	87,612.06	4,962,878.09
2/1/2044	73,819.40	13,792.67	87,612.07	4,889,058.69
3/1/2044	73,087.48	14,524.58	87,612.06	4,815,971.21
4/1/2044	73,766.15	13,845.92	87,612.07	4,742,205.06
5/1/2044	73,523.76	14,088.30	87,612.06	4,668,681.30



6/1/2044	74,189.60	13,422.46	87,612.06	4,594,491.70
7/1/2044	73,962.59	13,649.47	87,612.06	4,520,529.11
8/1/2044	74,182.32	13,429.74	87,612.06	4,446,346.79
9/1/2044	74,828.82	12,783.25	87,612.07	4,371,517.97
10/1/2044	74,625.01	12,987.05	87,612.06	4,296,892.96
11/1/2044	75,258.50	12,353.57	87,612.07	4,221,634.46
12/1/2044	75,070.29	12,541.77	87,612.06	4,146,564.17
1/1/2045	75,293.31	12,318.75	87,612.06	4,071,270.86
2/1/2045	76,687.49	10,924.58	87,612.07	3,994,583.37
3/1/2045	75,744.82	11,867.24	87,612.06	3,918,838.55
4/1/2045	76,345.40	11,266.66	87,612.06	3,842,493.15
5/1/2045	76,196.66	11,415.41	87,612.07	3,766,296.49
6/1/2045	76,783.96	10,828.10	87,612.06	3,689,512.53
7/1/2045	76,651.14	10,960.93	87,612.07	3,612,861.39
8/1/2045	76,878.85	10,733.21	87,612.06	3,535,982.54
9/1/2045	77,446.11	10,165.95	87,612.06	3,458,536.43
10/1/2045	77,337.33	10,274.74	87,612.07	3,381,199.10
11/1/2045	77,891.12	9,720.95	87,612.07	3,303,307.98
12/1/2045	77,798.49	9,813.58	87,612.07	3,225,509.49
1/1/2046	78,029.61	9,582.45	87,612.06	3,147,479.88
2/1/2046	79,166.33	8,445.74	87,612.07	3,068,313.55
3/1/2046	78,496.62	9,115.45	87,612.07	2,989,816.93
4/1/2046	79,016.34	8,595.72	87,612.06	2,910,800.59
5/1/2046	78,964.56	8,647.50	87,612.06	2,831,836.03
6/1/2046	79,470.53	8,141.53	87,612.06	2,752,365.50
7/1/2046	79,435.24	8,176.82	87,612.06	2,672,930.26
8/1/2046	79,671.23	7,940.83	87,612.06	2,593,259.03
9/1/2046	80,156.44	7,455.62	87,612.06	2,513,102.59
10/1/2046	80,146.05	7,466.01	87,612.06	2,432,956.54
11/1/2046	80,617.31	6,994.75	87,612.06	2,352,339.23
12/1/2046	80,623.66	6,988.41	87,612.07	2,271,715.57
1/1/2047	80,863.18	6,748.89	87,612.07	2,190,852.39
2/1/2047	81,733.28	5,878.79	87,612.07	2,109,119.11
3/1/2047	81,346.22	6,265.84	87,612.06	2,027,772.89
4/1/2047	81,782.22	5,829.85	87,612.07	1,945,990.67
5/1/2047	81,830.85	5,781.21	87,612.06	1,864,159.82
6/1/2047	82,252.60	5,359.46	87,612.06	1,781,907.22
7/1/2047	82,318.31	5,293.75	87,612.06	1,699,588.91
8/1/2047	82,562.87	5,049.20	87,612.07	1,617,026.04
9/1/2047	82,963.11	4,648.95	87,612.06	1,534,062.93
10/1/2047	83,054.62	4,557.45	87,612.07	1,451,008.31
11/1/2047	83,440.41	4,171.65	87,612.06	1,367,567.90
12/1/2047	83,549.25	4,062.82	87,612.07	1,284,018.65



1/1/2048	83,797.46	3,814.61	87,612.07	1,200,221.19
2/1/2048	84,276.45	3,335.61	87,612.06	1,115,944.74
3/1/2048	84,296.78	3,315.29	87,612.07	1,031,647.96
4/1/2048	84,646.08	2,965.99	87,612.07	947,001.88
5/1/2048	84,798.68	2,813.38	87,612.06	862,203.20
6/1/2048	85,133.23	2,478.83	87,612.06	777,069.97
7/1/2048	85,303.52	2,308.55	87,612.07	691,766.45
8/1/2048	85,556.94	2,055.12	87,612.06	606,209.51
9/1/2048	85,869.21	1,742.85	87,612.06	520,340.30
10/1/2048	86,066.22	1,545.84	87,612.06	434,274.08
11/1/2048	86,363.53	1,248.54	87,612.07	347,910.55
12/1/2048	86,578.48	1,033.58	87,612.06	261,332.07
1/1/2049	86,835.69	776.37	87,612.06	174,496.38
2/1/2049	87,143.83	468.23	87,612.06	87,352.55
3/1/2049	87,352.55	259.51	87,612.06	
<hr/>				
	17,500,000.00	8,783,618.97	26,283,618.97	
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2. Supplemental Rent: a monthly amount equal to \$30,000 per month, payable on the first day of each month during the Lease Term.

3. Additional Rent: as set forth in Section 6(b) of the Lease Agreement.



## EXHIBIT D

### MEMORANDUM OF LEASE COMMENCEMENT AND TERMINATION DATE

**THIS MEMORANDUM OF LEASE COMMENCEMENT AND TERMINATION DATE** is dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, for reference purposes only, by and between **SBD CORPORATE CENTER II, LLC**, a California limited liability company as assignee of Inland Valley Development Agency, a joint exercise of powers agency, as lessor (the “Lessor”), and the **SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT**, as lessee (the “Lessee”).

1. Inland Valley Development Agency (the “Agency”) and the Lessee are parties to a Lease Agreement, dated as of March 1, 2022 (the “Lease Agreement”), for the leasing by the Agency to the Lessee of the Premises (as defined in the Lease Agreement).

2. The Lessor is the assignee of the Agency pursuant to that certain Assignment and Assumption Agreement, dated as of March 1, 2022, between the Agency and the Lessor.

3. The Lessor and the Lessee hereby confirm the following:

(a) that all construction, installation, equipping and furnishing by the Lessor required to be done pursuant to the terms of the Lease Agreement has been completed in all respects subject to the following remaining punch list items \_\_\_\_\_;

(b) that the Lessee has accepted possession of the Premises and now occupies the same;

(c) that the Lease Term of the Lease Agreement commenced \_\_\_\_\_;

(d) that the Lease Year as defined in the Lease Agreement means the 12 month period commencing \_\_\_\_\_;

(e) that except as otherwise provided under the definition of Lease Termination Date, the Lease Termination Date of the Lease Agreement shall be \_\_\_\_\_, 20\_\_\_\_; and

(f) that attached hereto is an amended Exhibit C to the Lease Agreement.



IN WITNESS WHEREOF, the Lessor and the Lessee have respectfully signed this Lease Agreement.

**LESSOR:**

**SBD CORPORATE CENTER II, LLC**

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**LESSEE:**

**SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT**

By \_\_\_\_\_  
Leonard X. Hernandez  
Chief Executive Officer of San Bernardino  
County for the San Bernardino County Fire  
Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

By \_\_\_\_\_  
Jolena E. Grider  
Deputy County Counsel



**EXHIBIT E**  
**WORK LETTER**

[See Attached]



## **EXHIBIT F**

### **PREVAILING WAGE REQUIREMENTS**

- A. All or a portion of the Tenant Improvements in the Contract or Purchase Order (as applicable) requires the payment of prevailing wages and compliance with the following requirements. As used in this Attachment, the term “Contractor” shall include Lessor or Lessor’s contractor and/or subcontractors.**

#### **1. Determination of Prevailing Rates:**

Pursuant to Labor Code sections 1770, et seq., the Lessee has obtained from the Director of the Department of Industrial Relations (DIR) pursuant to the California Labor Code, the applicable general prevailing rates of per diem wages and the prevailing rates for holiday and overtime work in the locality in which the Tenant Improvements is to be performed. Copies of said rates are on file with the Lessee, will be made available for inspection during regular business hours, may be included elsewhere in the specifications for the Tenant Improvements, and are also available online at [www.dir.ca.gov](http://www.dir.ca.gov). The wage rate for any classification not listed, but which may be required to execute the Tenant Improvements, shall be commensurate and in accord with specified rates for similar or comparable classifications for those performing similar or comparable duties. In accordance with Labor Code section 1773.2, the Contractor shall post, at appropriate and conspicuous locations on the jobsite, a schedule showing all applicable prevailing wage rates and shall comply with the requirements of Labor Code sections 1773, et seq.

#### **2. Payment of Prevailing Rates**

Each worker of the Contractor, or any subcontractor, engaged in the Tenant Improvements, shall be paid not less than the general prevailing wage rate, regardless of any contractual relationship which may be alleged to exist between the Contractor or any subcontractor, and such worker.

#### **3. Prevailing Rate Penalty**

The Contractor shall, as a penalty, forfeit not more than two hundred dollars (\$200.00) to the Lessee for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of the DIR for such work or craft in which such worker is employed by the Contractor or by any subcontractor in connection with the Tenant Improvements. Pursuant to California Labor Code section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day, or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by the Contractor.

#### **4. Ineligible Contractors:**

Pursuant to the provisions of Labor Code section 1777.1, the Labor Commissioner publishes and distributes a list of contractors ineligible to perform work as a contractor or subcontractor on a



public works project. This list of debarred contractors is available from the DIR website at <http://www.dir.ca.gov/Public-Works/PublicWorks.html>. Any contract entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract, and any public money that may have been paid to a debarred subcontractor by a contractor on the project shall be returned to the Lessee. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the Tenant Improvements.

## **5. Payroll Records:**

Pursuant to California Labor Code section 1776, the Contractor and each subcontractor, shall keep accurate certified payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the reasonable actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by them in connection with the Tenant Improvements. The payroll records enumerated herein shall be verified by a written declaration made under penalty of perjury that the information contained in the payroll record is true and correct and that the Contractor or subcontractor has complied with the requirements of the California Labor Code sections 1771, 1811, and 1815 for any Tenant Improvements performed by his or her employees. The payroll records shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:

- (1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or his/her authorized representative on request;
- (2) A certified copy of all payroll records shall be made available for inspection or furnished upon request to the Lessee, the Division of Labor Standards Enforcement of the DIR;
- (3) A certified copy of payroll records shall be made available upon request to the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through either the Lessee or the Division of Labor Standards Enforcement. If the requested payroll records have not been previously provided to the Lessee or the Division of Labor Standards Enforcement, the requesting party shall, prior to being provided the records, reimburse the cost of preparation by the Contractor, subcontractor and the entity through which the request was made; the public shall not be given access to such records at the principal office of the Contractor;
- (4) The Contractor shall file a certified copy of the payroll records with the entity that requested such records within ten (10) days after receipt of a written request; and



- (5) Copies provided to the public, by the Lessee or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor or any subcontractor, performing a part of the Tenant Improvements shall not be marked or obliterated. The Contractor shall inform the Lessee of the location of payroll records, including the street address, city and Lessee and shall, within five (5) working days, provide a notice of a change of location and address.

The Contractor shall have ten (10) days from receipt of the written notice specifying in what respects the Contractor must comply with the above requirements. In the event Contractor does not comply with the requirements of this section within the ten (10) day period, the Contractor shall, as a penalty to the Lessee, forfeit one-hundred dollars (\$100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, such penalty shall be withheld from any portion of the payments then due or to become due to the Contractor.

#### **6. Limits on Hours of Work:**

Pursuant to California Labor Code section 1810, eight (8) hours of labor shall constitute a legal day's work. Pursuant to California Labor Code section 1811, the time of service of any worker employed at any time by the Contractor or by a subcontractor, upon the Tenant Improvements or upon any part of the Tenant Improvements, is limited and restricted to eight (8) hours during any one calendar day and forty (40) hours during any one calendar week, except as provided for under Labor Code section 1815. Notwithstanding the foregoing provisions, work performed by employees of Contractor or any subcontractor, in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1½) times the basic rate of pay.

#### **7. Penalty for Excess Hours:**

The Contractor shall pay to the Lessee a penalty of twenty-five dollars (\$25.00) for each worker employed on the Tenant Improvements by the Contractor or any subcontractor, for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and forty (40) hours in any one calendar week, in violation of the provisions of the California Labor Code, unless compensation to the worker so employed by the Contractor is not less than one and one-half (1½) times the basic rate of pay for all hours worked in excess of eight (8) hours per day.

#### **8. Senate Bill 854 (Chapter 28, Statutes of 2014) Requirements:**

(1) Contractor shall comply with Senate Bill 854 (signed into law on June 20, 2014). The requirements include, but are not limited to, the following:

- a. No contractor or subcontractor may be listed on a bid proposal (submitted on or after March 1, 2015) for a public works project unless registered with the DIR pursuant to



Labor Code section 1725.5, with limited exceptions from this requirements for bid purposes only as allowed under Labor Code section 1771.1(a).

- b. No contractor or subcontractor may be awarded a contract for public work or perform work on a public works project (awarded on or after April 1, 2015) unless registered with the DIR pursuant to Labor Code section 1725.5.
- c. This project is subject to compliance monitoring and enforcement by the DIR.
- d. As required by the DIR, Contractor is required to post job site notices, as prescribed by regulation, regarding compliance monitoring and enforcement by the DIR.
- e. Contractors and all subcontractors must submit certified payroll records online to the Labor Commissioner for all new public works projects issued on or after April 1, 2015, and for all public works projects, new or ongoing, on or after January 1, 2016.
  - i. The certified payroll must be submitted at least monthly to the Labor Commissioner.
  - ii. The Lessee reserves the right to require Contractor and all subcontractors to submit certified payroll records more frequently than monthly to the Labor Commissioner
  - iii. The certified payroll records must be in a format prescribed by the Labor Commissioner.

**(2)** Labor Code section 1725.5 states the following:

A contractor shall be registered pursuant to this section to be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any public work contract that is subject to the requirements of this chapter. For the purposes of this section, "contractor" includes a subcontractor as defined by Section 1722.1.

**(a)** To qualify for registration under this section, a contractor shall do all of the following:

**(1)** Beginning July 1, 2014, register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee of three hundred dollars (\$300) to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The annual renewal fee shall be in a uniform amount set by the Director of Industrial Relations, and the initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

**(2)** Provide evidence, disclosures, or releases as are necessary to establish all of the following:



(A) Workers' Compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation Insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with this section, within the preceding 12 months or since the effective date of the requirements set forth in subdivision (e), whichever is earlier. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars (\$2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from



bidding on or engaging in the performance of any contract for public work until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

**(d)** If, after a body awarding a contract accepts the contractor's bid or awards the contract, the work covered by the bid or contract is determined to be a public work to which Section 1771 applies, either as the result of a determination by the director pursuant to Section 1773.5 or a court decision, the requirements of this section shall not apply, subject to the following requirements:

**(1)** The body that awarded the contract failed, in the bid specification or in the contract documents, to identify as a public work that portion of the work that the determination or decision subsequently classifies as a public work.

**(2)** Within 20 days following service of notice on the awarding body of a determination by the Director of Industrial Relations pursuant to Section 1773.5 or a decision by a court that the contract was for public work as defined in this chapter, the contractor and any subcontractors are registered under this section or are replaced by a contractor or subcontractors who are registered under this section.

**(3)** The requirements of this section shall apply prospectively only to any subsequent bid, bid proposal, contract, or work performed after the awarding body is served with notice of the determination or decision referred to in paragraph (2) of this subdivision.

**(e)** The requirements of this section shall apply to any bid proposal submitted on or after March 1, 2015, and any contract for public work, as defined in this chapter, entered into on or after April 1, 2015.

**(3)** Labor Code section 1771.1 states the following:

**(a)** A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

**(b)** Notice of the requirement described in subdivision (a) shall be included in all bid invitations and public works contracts, and a bid shall not be accepted nor any contract or



subcontract entered into without proof of the contractor or subcontractor's current registration to perform public work pursuant to Section 1725.5.

(c) An inadvertent error in listing a subcontractor who is not registered pursuant to Section 1725.5 in a bid proposal shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any of the following apply:

(1) The subcontractor is registered prior to the bid opening.

(2) Within 24 hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee specified in subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.5.

(3) The subcontractor is replaced by another registered subcontractor pursuant to Section 4107 of the Public Contract Code.

(d) Failure by a subcontractor to be registered to perform public work as required by subdivision (a) shall be grounds under Section 4107 of the Public Contract Code for the contractor, with the consent of the awarding authority, to substitute a subcontractor who is registered to perform public work pursuant to Section 1725.5 in place of the unregistered subcontractor.

(e) The department shall maintain on its Internet Web site a list of contractors who are currently registered to perform public work pursuant to Section 1725.5.

(f) A contract entered into with any contractor or subcontractor in violation of subdivision (a) shall be subject to cancellation, provided that a contract for public work shall not be unlawful, void, or voidable solely due to the failure of the awarding body, contractor, or any subcontractor to comply with the requirements of Section 1725.5 or this section.

(g) This section shall apply to any bid proposal submitted on or after March 1, 2015, and any contract for public work entered into on or after April 1, 2015.

(4) Labor Code section 1771.4 states the following:

(a) All of the following are applicable to all public works projects that are otherwise subject to the requirements of this chapter:

(1) The call for bids and contract documents shall specify that the project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(2) The awarding body shall post or require the prime contractor to post job site notices, as prescribed by regulation.



**(3)** Each contractor and subcontractor shall furnish the records specified in Section 1776 directly to the Labor Commissioner, in the following manner:

**(A)** At least monthly or more frequently if specified in the contract with the awarding body.

**(B)** In a format prescribed by the Labor Commissioner.

**(4)** The department shall undertake those activities it deems necessary to monitor and enforce compliance with prevailing wage requirements.

**(b)** The Labor Commissioner may exempt a public works project from compliance with all or part of the requirements of subdivision (a) of this section if either of the following occurs:

**(1)** The awarding body has enforced an approved labor compliance program, as defined in Section 1771.5, on all public works projects under its authority, except those deemed exempt pursuant to subdivision (a) of Section 1771.5, continuously since December 31, 2011.

**(2)** The awarding body has entered into a collective bargaining agreement that binds all contractors performing work on the project and that includes a mechanism for resolving disputes about the payment of wages.

**(c)**

**(1)** The requirements of paragraph (1) of subdivision (a) shall only apply to contracts for public works projects awarded on or after January 1, 2015.

**(2)** The requirements of paragraph (3) of subdivision (a) shall only apply to the following projects:

**(A)** Projects that were subject to a requirement to furnish records to the Compliance Monitoring Unit pursuant to Section 16461 of Title 8 of the California Code of Regulations, prior to the effective date of this section.

**(B)** Projects for which the initial contract is awarded on or after April 1, 2015.

**(C)** Any other ongoing project in which the Labor Commissioner directs the contractors or subcontractors on the project to furnish records in accordance with paragraph (3) of subdivision (a).

**(D)** All projects, whether new or ongoing, on or after January 1, 2016.



## **B. STATE PUBLIC WORKS APPRENTICESHIP REQUIREMENTS**

### **1. State Public Works Apprenticeship Requirements:**

The Contractor is responsible for compliance with Labor Code section 1777.5 and the California Code of Regulations, title 8, sections 230 – 230.2 for all apprenticeable occupations (denoted with “#” symbol next to craft name in DIR Prevailing Wage Determination), whether employed by the Contractor, subcontractor, vendor or consultant. Included in these requirements is (1) the Contractor’s requirement to provide notification (i.e. DAS-140) to the appropriate apprenticeship committees; (2) pay training fund contributions for each apprenticeable hour employed on the Contract; and (3) utilize apprentices in a minimum ratio of not less than one apprentice hour for each five journeyman hours by completion of Contract work (unless an exception is granted in accordance with Labor Code section 1777.5) or request for the dispatch of apprentices.

Any apprentices employed to perform any of the Tenant Improvements shall be paid the standard wage to apprentices under the regulations of the craft or trade for which such apprentice is employed, and such individual shall be employed only for the work of the craft or trade to which such individual is registered. Only apprentices, as defined in California Labor Code section 3077, who are in training under apprenticeship standards and written apprenticeship agreements under California Labor Code sections 3070 et seq. are eligible to be employed for the Tenant Improvements. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which such apprentice is training.

### **2. Compliance with California Labor Code section 1777.5 requires all public works contractors to:**

Submit Contract Award Information (DAS-140)

- a. Although there are a few exemptions (identified below), all Contractors, regardless of union affiliation, must submit contract award information when performing on a California public works project.
- b. The DAS-140 is a notification “announcement” of the Contractor’s participation on a public works project—*it is not a request for the dispatch of an apprentice.*
- c. Contractors shall submit the contract award information (you may use form DAS 140) within 10 days of the execution of the prime contract or subcontract, but in no event later than the first day in which the Contractor has workers employed on the public work.
- d. Contractors who are already approved to train apprentices (i.e. check “Box 1” on the DAS-140) shall only be required to submit the form to their approved program.
- e. Contractors who are NOT approved to train apprentices (i.e. those that check either “Box 2” or “Box 3” on the DAS-140) shall submit the DAS-140 TO EACH of the apprenticeship program sponsors in the area of your public works project. For a listing of apprenticeship programs see <http://www.dir.ca.gov/Databases/das/pwaddrstart.asp>.



## Employ Registered Apprentices

- a. Labor Code section 1777.5 requires that a contractor performing work in an “apprenticeable” craft must employ one (1) hour of apprentice work for every five (5) hours performed by a journeyman. This ratio shall be met prior to the Contractor’s completion of work on the project. “Apprenticeable” crafts are denoted with a pound symbol “#” in front of the craft name on the prevailing wage determination.
- b. All Contractors who do not fall within an exemption category (see below) must request for dispatch of an apprentice from an apprenticeship program (for each apprenticeable craft or trade) by giving the program actual notice of at least 72 hours (business days only) before the date on which apprentices are required.
- c. Contractors may use the “DAS-142” form for making a request for the dispatch of an apprentice.
- d. Contractors who are participating in an approved apprenticeship training program and who did not receive sufficient number of apprentices from their initial request must request dispatch of apprentices from ALL OTHER apprenticeship committees in the project area in order to fulfill this requirement.
- e. Contractor should maintain and submit proof (when requested) of its DAS-142 submittal to the apprenticeship committees (e.g. fax transmittal confirmation). A Contractor has met its requirement to employ apprentices only after it has successfully made a dispatch request to all apprenticeship programs in the project area.
- f. Only “registered” apprentices may be paid the prevailing apprentice rates and must, at all times work under the supervision of a Journeyman (Cal. Code Regs., tit 8, § 230.1).

## Make Training Fund Contributions

- a. Contractors performing in apprenticeable crafts on public works projects, must make training fund contributions in the amount established in the prevailing wage rate publication for journeymen and apprentices.
- b. Contractors may use the “CAC-2” form for submittal of their training fund contributions.
- c. Contractors who do not submit their training fund contributions to an approved apprenticeship training program must submit their contributions to the California Apprenticeship Council (CAC), PO Box 420603, San Francisco, CA 94142-0603.
- d. Training fund contributions to the CAC are due and payable on the 15th day of the month for work performed during the preceding month.
- e. The “training” contribution amount identified on the prevailing wage determination shall not be paid to the worker, unless the worker falls within one of the exemption categories listed below.



### **3. Exemptions to Apprenticeship Requirements:**

The following are exempt from having to comply with California apprenticeship requirements. These types of contractors do not need to submit a DAS-140, DAS-142, make training fund contributions, or utilize apprentices.

- a. When the Contractor holds a sole proprietor license (“Owner-Operator”) and no workers were employed by the Contractor. In other words, the contractor performed the entire work from start to finish and worked alone.
- b. Contractors performing in non-apprenticeable crafts. “Apprenticeable” crafts are denoted with a pound symbol “#” in front of the craft name on the prevailing wage determination.
- c. When the Contractor has a direct contract with the Public Agency that is under \$30,000.
- d. When the project is 100% federally-funded and the funding of the project does not contain any city, Lessee, and/or state monies (unless the project is administered by a state agency in which case the apprenticeship requirements apply).
- e. When the project is a private project not covered by the definition of public works as found in Labor Code section 1720.

### **4. Exemption from Apprenticeship Ratios:**

The Joint Apprenticeship Committee shall have the discretion to grant a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the Contractor from the 1-to-5 ratio set forth in this Section when it finds that any one of the following conditions are met:

- a. Unemployment for the previous three-month period in such area exceeds an average of fifteen percent (15%); or
- b. The number of apprentices in training in such area exceeds a ratio of 1-to-5 in relation to journeymen; or
- c. The Apprenticeable Craft or Trade is replacing at least one-thirtieth (1/30) of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis; or
- d. If assignment of an apprentice to any work performed under the Contract Documents would create a condition which would jeopardize such apprentice's life or the life, safety or property of fellow employees or the public at large, or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman.



When such exemptions from the 1-to-5 ratio between apprentices and journeymen are granted to an organization which represents contractors in a specific trade on a local or statewide basis, the member contractors will not be required to submit individual applications for approval to local Joint Apprenticeship Committees, provided they are already covered by the local apprenticeship standards.

#### **5. Contractor's Compliance:**

The responsibility of compliance with this Section for all Apprenticeable Trades or Crafts is solely and exclusively that of the Contractor. All decisions of the Joint Apprenticeship Committee(s) under this Section are subject to the provisions of California Labor Code section 3081 and penalties are pursuant to Labor Code section 1777.7 and the determination of the Labor Commissioner.



**EXHIBIT G**

**AVIGATION EASEMENT**

WHEN RECORDED MAIL TO:

San Bernardino International Airport Authority  
1601 East Third Street  
San Bernardino, California 92408

This is to certify that the interest in real property conveyed by this agreement to the San Bernardino International Airport Authority, a joint powers authority, is hereby accepted by order of its governing Commission.

Dated: March 31, 2022

Secretary/Assistant Secretary of the  
Commission for the San Bernardino  
International Airport Authority

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(Space Above For Use By Recorder)

**GRANT EASEMENT  
(AVIGATION)**

FEE EXEMPT UNDER  
GOVERNMENT CODE  
SECTION 6103

**KNOW ALL MEN BY THESE PRESENTS:**

That SBD Corporate Center II, LLC, a California limited liability company, in the County of San Bernardino, State of California, for its heirs, executors, administrators, successors and assigns (hereinafter referred to as "Grantor"), for reasonable consideration, receipt and sufficiency are hereby confessed and acknowledged, hereby grants and conveys unto the San Bernardino International Airport Authority (hereinafter referred to as "Grantee"), a joint powers authority organized and existing under the laws of the State of California, its successors and assigns forever, a perpetual public-use avigation and flight easement and right-of-way for the free and unobstructed passage and flight of aircraft, of the class, size and category operationally compatible with a certified public airport pursuant to 14 CFR Part-139 as set forth by the Federal Aviation Administration ("FAA") with respect to the San Bernardino International Airport (the "Airport") over and above the federally approved Transitional, Horizontal and Approach Surfaces lying within the Airport Influence Area of the San Bernardino International Airport (the



“Airspace”) of the following described parcel of real property (the “Parcel”), lying, being and situated in the County of San Bernardino, State of California, to wit:

PARCEL A:

PARCEL 2 OF PARCEL MAP 17579 IN THE CITY OF SAN BERNARDINO, DISTRICT OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED IN PARCEL MAP BOOK 219, PAGES 18 THROUGH 21 INCLUSIVE, OF RECORDS OF SAID DISTRICT.

PARCEL B:

RECIPROCAL EASEMENTS OVER PARCELS 1 AND 2 OF SAID PARCEL MAP FOR PARKING, DRAINAGE AND PUBLIC UTILITIES AS DESCRIBED IN THAT CERTAIN DECLARATION OF RECIPROCAL EASEMENTS RECORDED DECEMBER 09, 2009 AS INSTRUMENT NO. 2009-0548456, OF OFFICIAL RECORDS.

PARCEL C:

RECIPROCAL EASEMENTS OVER PARCELS 1, 2 AND 3 OF SAID PARCEL MAP FOR INGRESS, EGRESS AND ACCESS AS SHOWN ON PARCEL MAP NO. 17579 ON FILE IN BOOK 219, PAGES 18 THROUGH 21, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID DISTRICT.

Assessor Parcel No.: 0136-351-18-0-000

The aforesaid easement and right-of-way described in the preceding paragraph includes but is not limited to:

1. For the use and benefit of the public, the easement and continuing right to fly, or cause or permit the flight by any and all persons or aircraft, of the class, size and category as is now or hereinafter may be operationally compatible and commensurate with the requirements for the San Bernardino International Airport, a certified public airport pursuant to 14 CFR Part-139, in, through, across or about any portion of the Airspace hereinabove described.

2. The easement and right to cause or create, or permit or allow to be caused or created within the Airspace, such noise, dust, turbulence, vibration, illumination, air currents, fumes, fuel consumption, exhaust, smoke and all other effects as may be inherent in the proper operation of aircraft, now known or hereafter used for navigation of or flight in air.

3. The continuing and perpetual right to clear and keep clear the Airspace of any portions of buildings, structures, or improvements of any and all kinds, and of trees, vegetation, or other objects, including the right to remove or demolish those portions of such buildings, structures, improvements, trees or any other objects which extend into said Airspace and the right to cut to the ground level and remove any trees which extend into said Airspace as of the Effective Date of this Grant Easement and continuing thereafter.



4. The right to mark and light, or cause or require to be marked or lighted, as obstructions to air navigation, any and all buildings, structures, or other improvements, and trees or other objects now upon which extend into the Airspace.

5. The right of ingress to, passage within, and egress from said Parcel, solely for the above stated purposes; reserving, however, to the Grantor, during the term of said easement, such use, rights and privileges in said land or real property as may be exercised and enjoyed without interference with or abridgment of the rights hereby granted.

6. In the event that the Grantor proposes a building modification and/or remodel, construction of any new building or buildings, improvements, appurtenances, infrastructure, telecommunications equipment and/or facilities on property within the Airport Influence Area of the San Bernardino International Airport which exceed elevations as previously reviewed and approved pursuant to a FAA Obstruction Evaluation, the Grantor shall be responsible for the preparation and submittal of such architectural plans, specifications and scaled engineering drawings and associated submittals (the "Proposed Plans") as required by the San Bernardino International Airport Authority, the State of California and the FAA. Such Proposed Plans shall be submitted to the Grantee together with an executed copy of this Grant Easement. In the event that additional design reviews and/or technical studies are required in order to obtain reviews and/or approvals as applicable from the State of California and/or the FAA, such costs shall be borne by the Grantor. The Grantee shall, upon receipt of sufficient documentation, submit to the President, Vice-President and/or Executive Director or their designee of the San Bernardino International Airport Authority Commission all pertinent and/or required supporting plans, specifications, documents, certifications, permit applications, as may be required by applicable local, State and Federal regulatory agencies. Upon receipt, the Grantee shall submit such information to all applicable regulatory agencies for review and/or approval or disapproval. In the event that such approvals by the applicable regulatory agencies are granted, the Grantee shall submit this Grant Easement document, executed by the Grantor and together with all applicable supporting documentation, plans and applicable regulatory approvals to the Grantee for acceptance, execution and recordation.

The Grantor, together with its successors in interest and assigns, hereby waives its right to legal action against the Grantee, its successors, or assigns for monetary damages or other redress due to impacts, as described in the above Paragraphs 1-6, inclusive, of the granted rights of easement, associated with aircraft operations in the air or on the ground at the Airport, including future increases in the volume or changes in location of said operations. Furthermore, the Grantor, its successors, and assigns shall have no duty to avoid or mitigate such damages through physical modification of Airport facilities or establishment or modification of aircraft operational procedures or restrictions. This grant of aviation or flight easement (hereafter, "Aviation Easement") shall not operate to deprive the Grantor, his successor or assigns, of any rights which it may from time to time have against any individual or private operator for negligent or unlawful operation of aircraft.

For and on behalf of itself, its successors and assigns, the Grantor hereby covenants with the San Bernardino International Airport Authority as the Grantee, for the direct benefit of the real property constituting the San Bernardino International Airport, that neither the Grantor nor



its successors in interest or assigns will construct, install or erect any permanent structure, (e.g., buildings, infrastructure, radio, telecommunications equipment or TV antennae tower) which extends into the Airspace within the Airport Influence Area of the San Bernardino International Airport, subject to the conditions of Paragraph 6 above, or which constitutes an obstruction to air navigation, or which obstructs or interferes with the use of the flight easements and rights-of-way herein granted. Furthermore, the Grantor, its successors and assigns, will not hereafter use or permit the use of said Parcel in such a manner as to create electrical or electronic interference with radio communication or radar operation between any installation upon the San Bernardino International Airport and any aircraft.

The easements and rights-of-way herein granted shall be deemed both appurtenant to and for the direct benefit of the real property described as San Bernardino International Airport, and shall further be deemed in gross, being conveyed to the Grantee for the benefit of the Grantee and any and all members of the general public who may use said easements or rights-of-way in landing at taking off from or operating such aircraft in or about the said San Bernardino International Airport.

These covenants and agreements run with the land and are binding upon the heirs, administrators, executors, successors and assigns of the Grantor, and for the purpose of this instrument, the real property first herein above described as the Parcel is the servient tenement and said San Bernardino International Airport is the dominant tenement.

#### **GENERAL PROVISIONS**

1. **Attorneys' Fees.** Should Grantor or Grantee or any of their respective successors or assigns retain counsel to enforce any of the provisions herein or protect their interests in any matter arising under this Avigation Easement, or to recover damages by reason of any alleged breach of any provision of this Avigation Easement, the losing party in any action pursued in a court of competent jurisdiction shall pay to the prevailing party all costs, damages, and expenses incurred by the prevailing party, including, but not limited to, attorneys' fees and costs incurred in connection therewith.

2. **Waiver.** No violation or breach of any provision of this Avigation Easement may be waived unless in writing. Waiver of any one violation or breach of any provision of this Avigation Easement shall not be deemed to be a waiver of any other violation or breach of the same or any other provision of this Avigation Easement.

3. **Severability.** In the event that any one or more covenant, condition, right or other provision contained in this Avigation Easement is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Avigation Easement and shall in no way affect, impair or invalidate any other covenant, condition, right or other provision contained in this Avigation Easement.

4. **Additional Documents.** In addition to the documents and instruments to be delivered as provided in this Avigation Easement, Grantor or its successors and assigns, as the case may be, shall, from time to time at the request of Grantee, execute and deliver to Grantee



such other documents and shall take such other action as may be reasonably required to carry out more effectively the terms of this Avigation Easement.

5. **Governing Law.** This Avigation Easement has been negotiated and entered into in the State of California, and shall be governed by, construed and enforced in accordance with the statutory, administrative and judicial laws of the State of California.

6. **Integration.** This Avigation Easement, including any exhibits, constitutes the final, complete and exclusive statement of the parties relative to the subject matter hereof and there are no oral or parol agreements existing between Grantor and Grantee relative to the subject matter hereof which are not expressly set forth herein and covered hereby. This is an integrated agreement.

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[Signatures on Following Page]

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IN WITNESS WHEREOF, Grantor and Grantee have executed this Grant Easement (Avigation) by their duly authorized officers or officials as of the date set forth above.

GRANTOR

SBD CORPORATE CENTER II, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Jian Torkan, Manager

ACCEPTED BY GRANTEE

SAN BERNARDINO INTERNATIONAL  
AIRPORT AUTHORITY

By: \_\_\_\_\_  
Michael Burrows, Executive Director

Approved As To Form:

By: \_\_\_\_\_  
General Counsel

[Notary Public attachment must accompany this instrument]



### ACCEPTANCE FORM

This is to certify that the interest in real property conveyed by the Grant Easement (Avigation), dated March 31, 2022, from SBD Corporate Center II, LLC, a California limited liability company, to the San Bernardino International Airport Authority, a joint exercise of powers agency, is hereby accepted by the undersigned officer or agent on behalf of the Commission of the San Bernardino International Airport Authority pursuant to authority conferred by the Commission of the San Bernardino International Airport Authority on August 9, 2006, and the grantee consents to recordation thereof by its duly authorized officer.

By \_\_\_\_\_  
Michael Burrows, Executive Director  
San Bernardino International  
Airport Authority



## ACKNOWLEDGEMENT

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 )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me \_\_\_\_\_ (Notary Public).

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.



**EXHIBIT H**  
**ENVIRONMENTAL REPORTS**

[See Attached]



Attachment 1 to Exhibit H

IVDA Existing Defense Finance and Accounting Services Building #2,  
Building Assessment and Recommendations, dated July 25, 2012,  
together with Addendum No. 1, dated October 14, 2013, consisting of 164 pages

[See Attached]



## EXHIBIT E

### WORK LETTER

This Work Letter (this "Work Letter") is entered into as of the 1<sup>st</sup> day of March, 2022, by and between Inland Valley Development Agency (with its successors and assigns, hereinafter referred to as the "Lessor") and the San Bernardino County Fire Protection District ("Lessee"), and sets forth certain terms and conditions relating to the design and construction of the Tenant Improvements (as defined in Schedule 1, the "Tenant Improvements") at the Premises. All references in this Work Letter to the "Lease Agreement" or sections thereof shall refer to that certain Lease Agreement by and between Lessor and Lessee of even date herewith, to which this Work Letter is attached and of which this Work Letter forms an integral part. All initially capitalized, undefined terms used herein shall have the meanings ascribed to such terms in the Lease Agreement. All references in this Work Letter to Section(s) or Schedule(s) shall refer to the respective section(s) or schedule(s) of this Work Letter unless otherwise indicated. For purposes of this Work Letter, whenever Lessor or Lessee shall be required to deliver a notice or other written communication by a certain date, such notice or written communication shall be delivered no later than 5:00 p.m., California time on such date. Notices or other written communication required to be delivered to Lessor or to Lessee shall be delivered to Lessor's Representative or Lessee's Representative, respectively, as identified in Section 11.1 of this Work Letter, in the form and manner specified for notices under the Lease Agreement.

1. Tenant Improvements Construction Drawings. Lessor shall retain an architect (the "Tenant Improvements Architect") to prepare the Tenant Improvements Construction Drawings (as defined hereinbelow). Lessor shall also retain or cause the Tenant Improvements Contractor (as defined in Section 3.1 below) to retain engineering consultants (the "Engineers") to prepare all plans and engineering working drawings and specifications relating to the structural, mechanical, electrical, plumbing, HVAC and life safety work of the Tenant Improvements. The drawings and specifications to be prepared by the Tenant Improvements Architect and Engineers pursuant to this Section 1 shall be referred to collectively herein as the "Tenant Improvements Construction Drawings."

1.1 Space Plan. Lessor has prepared or caused to be prepared a Space Plan for the Tenant Improvements in the Building, executed December 19, 2020 (the "Space Plan"), and attached hereto as Schedule 5, which Space Plan includes a layout and designation of floor plans, offices, rooms, workstations, toilet rooms, breakrooms and other partitioning, and their intended use, a material finish schedule by room type, and a standard for furniture layout in each room. Lessor has, prior to the date hereof, delivered the Space Plan to Lessee and Lessee has approved the Space Plan, subject only to final approval of the Lease Agreement by Lessee. By its execution of this Work Letter, Lessee hereby confirms its approval of the Space Plan for the Building and Lessee shall sign and approve Space Plan prior to Lessor proceeding with Tenant Improvements Design Development Drawings (as defined hereinbelow).

1.2 Tenant Improvements Design Development Drawings. Lessor shall cause the Tenant Improvements Architect to (a) prepare more refined drawings and specifications for the Tenant Improvements (collectively, the "Tenant Improvements Design Development



Drawings”) which shall contain a level of detail greater than that for the final Space Plan and include exterior improvements, if any, but not the level of detail of the Tenant Improvements Working Drawings (as defined in Section 1.3 below) and (b) deliver a digital copy of the Tenant Improvements Design Development Drawings (including drawings with respect to all floors of the Building) to Lessee’s Representative, for review by Lessee no later than the date set forth on Schedule of Performance attached hereto as Schedule 2. Said Tenant Improvements Design Development Drawings shall be prepared in accordance with the final Space Plan and shall include specifications for Furnishings, Fixtures and Equipment. Tenant Improvements Design Development Drawings shall consist of the following for each floor: Dimensioned Floor Plans, Noted Floor Plans, Reflected Ceiling Plans, Lobby Enlarged Plans And Wall Elevations, Preliminary Wall Sections Through Lobby, Generic Finish Schedules, Preliminary Lighting Locations, Preliminary Power and Data Locations, and Plumbing Fixture Locations.

Lessee shall notify Lessor in writing of any comments to the Tenant Improvements Design Development Drawings within fifteen (15) Business Days after Lessee’s receipt of such drawings and specifications. Lessor and Lessee hereby agree that upon Lessee’s failure to deliver written comments or notice of approval of the Tenant Improvements Design Development Drawings within the fifteen (15) Business Day period, Lessor shall provide written notice to Lessee and San Bernardino County Real Estate Services (“SBRES”) requesting Lessee to approve or provide written comments to the Tenant Improvements Design Development Drawings within five (5) Business Days. If Lessee fails to provide any response within twenty (20) Business Days of receipt of such drawings and specifications, the Tenant Improvements Design Development Drawings shall be deemed approved.

Upon receipt of written comments from Lessee, Lessor shall cause the Tenant Improvements Architect to effect the requested revisions and deliver such revised Tenant Improvements Design Development Drawings (including drawings with respect to all floors of the Building) to Lessee within twenty (20) Business Days after Lessor’s receipt of same. Lessee shall notify Lessor in writing of any additional comments to, or notice to Lessor of its approval of, the revised Tenant Improvements Design Development Drawings within fifteen (15) Business Days after its receipt of such revised drawings and specifications. Lessor and Lessee hereby agree that upon Lessee’s failure to deliver written comments or notice of approval of the revised Tenant Improvements Design Development Drawings within the fifteen (15) Business Day period, Lessor shall provide written notice to Lessee and SBRES requesting Lessee to approve or provide written comments to the Tenant Improvements Design Development Drawings within five (5) Business Days. If Lessee fails to provide any response within twenty (20) Business Days of receipt of such revised drawings and specifications, the revised Tenant Improvements Design Development Drawings shall be deemed approved.

Upon completion of the Tenant Improvements Design Development Drawings, Lessor shall deliver to Lessee a final digital copy of the final Tenant Improvements Design Development Drawings (including drawings with respect to all floors of the Building). Lessor and Lessee agree that Lessor shall only be responsible for providing two turns of the Tenant Improvements Design Development Drawings.



Lessor shall submit the Tenant Improvements Design Development Drawings to utility companies and arrange for utility connections. Lessee shall cooperate with Lessor in preparing applications, and other requirements from the utility companies.

1.3 Tenant Improvements Working Drawings. Lessee shall cause the Tenant Improvements Architect and Engineers to (a) complete the architectural and engineering drawings and specifications for the Tenant Improvements as set forth in the Tenant Improvements Design Development Drawings and Schedule 1, and for the furniture, fixtures and equipment (the "Furniture, Fixtures and Equipment") as set forth in Schedule 6, and in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Tenant Improvements Working Drawings") and (b) deliver a digital copy of the Tenant Improvements Working Drawings (including drawings with respect to all floors of the Building) to Lessee's Representative, for review by Lessee no later than the date set forth on Schedule of Performance attached hereto as Schedule 2. Tenant Improvements Working Drawings shall be prepared in accordance with the approved Tenant Improvements Design Development Drawings. As part of its submittal of the Tenant Improvements Working Drawings, Lessor shall identify in writing all material deviations from the approved Tenant Improvements Design Development Drawings. Lessee shall notify Lessor in writing of any comments to the Tenant Improvements Working Drawings within fifteen (15) Business Days after its receipt of such drawings and specifications. Lessor and Lessee hereby agree that upon Lessee's failure to deliver written comments or notice of approval of the Tenant Improvements Working Drawings within the fifteen (15) Business Day period, Lessor shall provide written notice to Lessee and SBRES requesting Lessee to approve or provide written comments to the Tenant Improvements Working Drawings within five (5) Business Days. If Lessee fails to provide any response within twenty (20) Business Days of receipt of such drawings and specifications, the Tenant Improvements Working Drawings shall be deemed approved.

Upon receipt of written comments from Lessee, Lessor shall cause the Tenant Improvements Architect to effect the requested revisions and deliver a digital copy of the revised Tenant Improvements Working Drawings (including drawings with respect to all floors of the Building) to Lessee within twenty (20) Business Days after Lessor's receipt of same. Lessee shall notify Lessor in writing of any additional comments required to, or notice to Lessor of its approval of, the revised Tenant Improvements Working Drawings within fifteen (15) Business Days after its receipt of such revised drawings and specifications. Lessor and Lessee hereby agree that upon Lessee's failure to deliver written comments or notice of approval of the revised Tenant Improvements Working Drawings within the fifteen (15) Business Day period, Lessor shall provide written notice to Lessee and SBRES requesting Lessee to approve or provide written comments to the revised Tenant Improvements Working Drawings within five (5) Business Days. If Lessee fails to provide any response within twenty (20) Business Days of receipt of such drawings and specifications, the revised Tenant Improvements Working Drawings shall be deemed approved.

Upon completion of the Tenant Improvements Working Drawings, Lessor shall deliver to Lessee a final digital copy of the final Tenant Improvements Working Drawings (including drawings with respect to all floors of the Building) in hard copy. Lessor and Lessee agree that Lessor shall only be responsible for providing two turns of the Tenant Improvements Working Drawings.



1.4 Complete Drawings and Commencement of Review Period. Lessee shall use its reasonable efforts to promptly notify Lessor if any submission of Tenant Improvements drawings and specifications pursuant to Section 1 of this Work Letter is incomplete and identify the deficiency in such submission. Upon receipt of such notifications, Lessor shall immediately take all steps necessary to correct such deficiencies and deliver the required complete sets of drawings and specifications (including drawings with respect to all floors of the Building) to Lessee. For purposes of determining the date on which Lessee's obligation to provide written comments to a submission of drawings and specifications, the time periods specified in this Work Letter shall be deemed to commence on the Business Day following the day on which Lessee has received three complete sets of such revised drawings and specifications. For purposes of determining the date on which Lessor's obligation to commence revisions to Tenant Improvements drawings and specifications, the time periods specified in this Work Letter shall be deemed to commence on the Business Day following the receipt by Lessor of such written comments from Lessee.

1.5 Lessee Requested Changes. In the event that at any time after the approval by Lessee of the Tenant Improvements Design Development Drawings, Lessee requests modifications to the subsequent level(s) of plans and specifications that constitute material changes to the previous level of plans and specifications approved by Lessee, Lessee shall reimburse Lessor for the additional design costs incurred by Lessor as a result of such Lessee-requested changes within sixty (60) days after written request. Lessee shall not be obligated to reimburse Lessor for modifications to the subsequent level(s) of plans and specifications necessitated by Lessor's, the Tenant Improvements Contractor's or the Tenant Improvements Architect's negligence or failure to design and construct the Tenant Improvements in accordance with Schedule 1 of this Work Letter or changes required by building codes revisions from building codes provisions in effect as of the date of this Work Letter.

## 2. General Provisions Regarding Construction Drawings.

2.1 Permits. The Tenant Improvements Working Drawings shall be approved by Lessee as provided in and subject to Section 1 above prior to the commencement of the construction of the Tenant Improvements. Lessor shall cause the Tenant Improvements Architect to submit the approved Tenant Improvements Working Drawings following the approval by Lessee as provided in Section 1 above to the appropriate governmental authorities for all building permits ("Permits") necessary to allow the Tenant Improvements Contractor to commence and timely complete the construction of the Tenant Improvements. Lessee acknowledges that Lessor has no control of the timeliness of the governmental and utility agencies involved in the project.

2.2 No Warranty. Notwithstanding anything to the contrary stated or implied in this Work Letter, Lessee's review of the Tenant Improvements Working Drawings as provided in Section 1 above shall not imply any warranty or representation by Lessee regarding the same, or impose upon Lessee any obligation to review the same for quality, design, code compliance or other like matters. Lessor acknowledges and agrees that Lessor, the Tenant Improvements Contractor and the Tenant Improvements Architect are solely responsible for ensuring that the Tenant Improvements Construction Drawings comply with all applicable building codes, laws, ordinances and other requirements of any governmental authority with jurisdiction over the



Premises. Accordingly, notwithstanding that any Tenant Improvements Construction Drawings are reviewed by Lessee or its space planner, architect, engineers and consultants, and SBRES, and notwithstanding any advice or assistance which may be rendered to Lessor and/or the Tenant Improvements Architect by any of the foregoing parties, Lessee shall have no liability whatsoever in connection therewith and shall not be responsible for any professional errors or omissions contained in the Tenant Improvements Construction Drawings.

2.3 Modifications. It is anticipated that proceeds of the Series 2022 Bonds (as defined in the Lease Agreement) will finance the Tenant Improvements Allowance and the Furniture, Fixtures and Equipment Allowance, upon the satisfaction of certain conditions to the reasonable satisfaction of Lessee. In the event that at any time after the approval by Lessee of the Tenant Improvements Design Development Drawings, Lessee requests modifications thereto that increase or decrease the overall cost of construction of the Premises, Lessee and Lessor hereby agree that: (a) to the extent Lessor receives written notice of such requested modifications prior to the sale of the Series 2022 Bonds, Lessor shall provide Lessee with a revised cost of the Premises and the Lease Agreement shall be amended to reflect such modifications to the Base Rent payments such that following the execution of an amendment to the Lease Agreement, the Base Rent payments to be paid by Lessee will be in an amount at least sufficient to pay the principal of and interest on the Bonds, and (b) to the extent Lessor receives written notice of such requested modifications after the sale of the Series 2022 Bonds, (i) in the event such modifications result in a decrease in the overall cost of the Premises, the provisions of Section 7 below shall apply to the treatment of excess proceeds of the Series 2022 Bonds, and (ii) in the event such modifications result in an increase in the overall cost of the Premises, Lessee, at its option, may elect (y) not to proceed with such modifications, or (z) to pay the increased cost of construction to Lessor upon submission by Lessor of an invoice or other evidence of such increased cost by depositing the amount of such increase with Trustee for deposit into the applicable accounts within the Project Fund. Any modifications in the Construction Documents (whether requested by Lessee or Lessor) shall be approved by Lessee's Representative in writing, such approval not to be unreasonably withheld or delayed. Approvals by Lessee of modifications to the final Tenant Improvements Working Drawings approved pursuant to this Work Letter may take place during the regularly scheduled weekly construction meetings held between Lessee's Representative and Lessor's Representative.

### 3. Construction of the Tenant Improvements.

3.1 Tenant Improvements and Furniture, Fixtures and Equipment. Pursuant to the Standard Form of Agreement between Owner and Contractor (the "Construction Contract"), between Lessor and Screenland Development Group, or another general contractor selected by Lessor (the "Tenant Improvements Contractor"), the Tenant Improvements Contractor shall act as the general contractor for the completion of the Tenant Improvements. The Tenant Improvements Contractor shall construct the Tenant Improvements in accordance with the approved Tenant Improvements Working Drawings and subject to the terms and conditions of the Construction Contract. The Construction Contract shall guarantee the Substantial Completion of the Tenant Improvements no later than December 2, 2023 (the "Substantial Completion Deadline"), subject to the terms and conditions set forth in the Construction Contract. Lessor hereby covenants and agrees to provide or cause to be provided in the Building, the Furniture, Fixtures and Equipment prior to or concurrently with (and the same shall be a



condition to) the Substantial Completion of the Tenant Improvements. Amounts to be used for the acquisition and installation of the Tenant Improvements shall be held by Trustee in the Tenant Improvements Cost Account of the Project Fund (or similar fund or account, the "Tenant Improvements Cost Account") established under the Indenture pursuant to which the Series 2022 Bonds are issued and delivered. Amounts to be used for the acquisition and installation of the Furniture, Fixtures and Equipment shall be held by Trustee in the Furniture, Fixtures and Equipment Account of the Project Fund (or similar fund or account, the "Furniture, Fixtures and Equipment Account") established under the Indenture pursuant to which the Series 2022 Bonds are issued and delivered. Notwithstanding the foregoing, the total cost of Tenant Improvements, including without limitation the costs of design, architectural, engineering, Tenant Improvements Contractor's profit and general conditions, insurance, and other soft costs, shall not exceed the Tenant Improvements Allowance, unless the Tenant Improvements Allowance is increased by Lessee in accordance with Section 4, and the total cost of Furniture, Fixtures and Equipment Allowance, including without limitation the costs of design, architectural, engineering, Tenant Improvements Contractor's profit and general conditions, insurance, and other soft costs, shall not exceed the Tenant Improvements Allowance, unless the Furniture, Fixtures and Equipment Allowance is increased by Lessee in accordance with Section 5.

3.2 Change Orders by Lessee. In the event that Lessee requests modifications to (a) the Tenant Improvements Working Drawings, or (b) the type of Furniture, Fixtures and Equipment, which, as the case may be, increase the cost of construction of the Tenant Improvements and/or the cost of Furniture, Fixtures and Equipment, as the case may be, and provided that such modifications are elective in nature and are not required as a result of any professional errors or omissions in the Tenant Improvements Working Drawings, Lessee hereby agrees to pay such incremental cost by depositing the amount of such increase with Trustee for deposit into the Tenant Improvements Cost Account and/or the Furniture, Fixtures and Equipment Account, as the case may be, of the Project Fund. In the event that Lessee requests modifications to the Tenant Improvements Working Drawings following the approval thereof by Lessee pursuant to Section 1.4 above, prior to the Lease Commencement Date, which in either case reduce the cost of construction of the Tenant Improvements, Lessor shall apply the savings in construction costs to Lessee's Base Rent due under the Lease Agreement.

3.3 Change Orders by Lessor. Lessor shall not make any material modifications to the approved Tenant Improvements Working Drawings without the prior written approval of Lessee nor any modifications to the approved Tenant Improvements Working Drawings which would result in an increase in the costs of construction of the Tenant Improvements or the cost of Furniture, Fixtures and Equipment, as the case may be, in excess of amounts available from proceeds of the Series 2022 Bonds and from amounts provided by Lessee for deposit into the Tenant Improvements Cost Account and/or the Furniture, Fixtures and Equipment Account, as the case may be, of the Project Fund without the prior written approval of Lessee.

3.4 Lessee's Access. Lessor agrees that Lessee, its employees, project managers (including SBRES), consultants and representatives (collectively, "Lessee Representatives"), shall have access to the Premises at all reasonable times during the construction of the Tenant Improvements for the purpose of inspecting the construction of the Tenant Improvements (collectively, the "Work") and attending meetings with Lessor, the Tenant



Improvements Contractor and the Tenant Improvements Architect, and Lessee Representatives shall have the right to inspect the Work and ascertain that the Work is being performed in accordance with the approved Tenant Improvements Working Drawings. Lessor shall cause any Work reasonably ascertained by Lessee and verified by the Tenant Improvements Architect as not in conformance with the approved Tenant Improvements Working Drawings to be corrected to conform to such approved drawings to the reasonable satisfaction of Lessee, at no additional cost to Lessee. Lessee shall provide Lessor with written notification upon commencement of the construction of its designated project manager (who may be an employee or officer of Lessee or an independent third party retained as a project manager by Lessee) who shall be Lessee's primary contact for the Work. Lessor further agrees that, upon commencement of the Work, it will notify the Real Estate Services Director of the County of San Bernardino in writing of the identity, place of business, and business telephone number of the person(s) who shall be the Tenant Improvements Architect's representative(s) during the progress of the Work. Notwithstanding the foregoing, Lessor's primary contact for purposes of this Work Letter shall be Jian Torkan, 4221 Wilshire Boulevard, Suite 380, Los Angeles, California 90010, Telephone (323) 932-7777, email: jtorkan@icoreg.com.

3.5 Quality of Work and Materials. All materials, parts and equipment furnished by Lessor and/or its contractor(s), subcontractors and material suppliers shall be new, high grade and free from defects and imperfections. Any item or work installed by Lessor and/or its contractor(s), subcontractors or material suppliers not in conformance with the approved Tenant Improvements Working Drawings shall be removed by and at Lessor's and/or contractor's expense upon written request from Lessee and/or brought into conformance with the requirements of the approved Tenant Improvements Working Drawings.

3.6 Approval of Project Budget. Lessee approves the project budget attached as Schedule 3 to this Work Letter for the completion of the Tenant Improvements and Furniture, Fixtures and Equipment subject and in accordance with the Lease Agreement.

3.7 Lessee's Completion of IT and Communications Work. Subject to Lessor's completion of the necessary portion of the Work of the related Tenant Improvements (as defined in Schedule 1), Lessee covenants and agrees to complete the installation of all IT, communications and audio visual cabling and equipment to ensure Lessee's communications, audio visual and security systems are fully integrated and operational in accordance with the schedule for the completion of the Tenant Improvements on or prior to the Substantial Completion Deadline. Lessor shall provide Lessee with the construction schedule and the time frame for the installation of all IT, communications, audio visual and security systems cabling and equipment. To the extent Lessee fails to complete the installation of all IT, communications, audio visual and security systems cabling and equipment by the Substantial Completion Deadline and thereby delay Lessor's ability to achieve Substantial Completion of the Tenant Improvements by the Substantial Completion Deadline, Lessee shall be responsible for any costs incurred by Lessor as a result of such delay, including the interest expense associated with the financing for the Premises. Such costs and expenses shall be paid, to the extent practicable, from the proceeds of the Series 2022 Bonds and shall be taken into account in determining Base Rent payments under the Lease Agreement; alternatively, such amounts shall be paid by Lessee as a component of Additional Rent.



4. Disbursement of Tenant Improvements Allowance. Lessor and Lessee hereby agree that Lessor shall construct and install the Tenant Improvements at a cost not to exceed the sum of Twenty Million Seven Hundred Ninety Four Thousand One Hundred Dollars (\$20,794,100) (except as provided elsewhere in this Work Letter, including, without limitation, Sections 3.2, 6.1, 6.3 and/or 9, or unless otherwise funded by Lessor) (the "Tenant Improvements Allowance"), in accordance with the approved Tenant Improvements Working Drawings, including without limitation the following soft costs: design, including architectural and engineering; Tenant Improvements Contractor's fee; bonds; insurance; and other soft costs. If during the design review process for the Tenant Improvements pursuant to Section 1, it is determined by the parties that the aggregate costs of the Tenant Improvements will exceed such allowance, then either (a) the parties will negotiate in good faith to revise the Tenant Improvements Working Drawings in a manner that will permit construction and installation of the Tenant Improvements for a cost not to exceed the allowance or (b) as may be requested by Lessee, the allowance shall be increased by Lessee deposit pursuant to Section 3.2 above. Lessor and Lessee hereby agree that the amounts projected to be funded into the Tenant Improvements Cost Account of the Project Fund (or similar fund or account) established under the Indenture pursuant to which the Series 2022 Bonds are issued and delivered shall be the amount of the Tenant Improvements Allowance described in this Section 4, and that funds to be disbursed by Trustee with respect to the costs of the Tenant Improvements shall not exceed the amounts on deposit in the Tenant Improvements Cost Account of the Project Fund (except as provided elsewhere in this Work Letter, including, without limitation, Sections 3.2, 6.1, 6.3 and/or 9). The Tenant Improvements Allowance shall be disbursed by Trustee pursuant to the process described below for costs related to the construction of the Tenant Improvements.

4.1 Application for Payment of Tenant Improvements. On or before the tenth (10<sup>th</sup>) day of each calendar month during the construction of the Tenant Improvements, Lessor shall deliver to Trustee: (a) a request for payment (each, an "Application for Payment of Tenant Improvements") of the Tenant Improvements Contractor covering the immediately preceding calendar month as described below, which Application for Payment of Tenant Improvements shall show in detail (i) the Work completed during the period covered by the Application for Payment of Tenant Improvements and (ii) the schedule, by trade, of percentage of completion of the Tenant Improvements, detailing the aggregate portion of the Work completed and the portion not completed; (b) invoices from the Tenant Improvements Contractor and all subcontractors and material suppliers of the Tenant Improvements Contractor, for labor rendered and materials delivered in connection with the Tenant Improvements during the period covered by the Application for Payment of Tenant Improvements; (c) executed mechanics' lien releases from the Tenant Improvements Contractor and all such subcontractors and material suppliers who have filed a preliminary notice in accordance with Section 9300 of the California Civil Code (i) in the form of California Civil Code Section 8132 with respect to the current Application for Payment of Tenant Improvements, and (ii) in the form of California Civil Code Section 8134 with respect to all previous Application(s) for Payment, (which were paid by Trustee) provided, however, that in the event the Tenant Improvements Contractor cannot obtain unconditional mechanics' lien releases from all of such subcontractors and material suppliers for the immediately preceding Application for Payment of Tenant Improvements, then Lessor shall obtain from the Tenant Improvements Contractor such unconditional mechanics' lien releases as the Tenant Improvements Contractor can obtain using reasonable efforts, provided that (x) the total amount for which lien releases required by this clause relating to the immediately preceding



Application for Payment of Tenant Improvements are not delivered shall not exceed \$250,000 in the aggregate, and (y) Tenant Improvements Contractor must deliver all other previously undelivered unconditional mechanics' lien releases with then Application for Payment for Tenant Improvements); and (d) all other information reasonably requested by Trustee. Lessor shall certify that each Application for Payment of Tenant Improvements complies with the requirements of this Section 4.1. Within three (3) Business Days after Trustee's receipt of the approved Application for Payment of Tenant Improvements, Trustee shall deliver funds by check or wire transfer to Lessor (or, at the direction of Lessor, directly to the Tenant Improvements Contractor and/or in the form of one or more joint checks or in accordance with other payment instructions payable to the Tenant Improvements Contractor and any subcontractor(s) and material supplier(s) listed in the applicable Application for Payment of Tenant Improvements) in payment of the lesser of: (A) the amounts so requested by Lessor in the Application for Payment of Tenant Improvements, recognizing that such request will deduct a retention of at least ten percent (10%) from the gross amount requested until the Tenant Improvements have reached fifty percent (50%) of completion of the Work under the Construction Contract (as certified in writing by the Architect) and at least five percent (5%) of the gross amount requested thereafter (the aggregate amount of such retentions being the "Tenant Improvements Final Retention"), and (B) the balance of any remaining available portion of the Tenant Improvements Allowance (not including the Tenant Improvements Final Retention). Notwithstanding anything to the contrary contained in this Section 4.1, Lessor's Application for Payment of Tenant Improvements need not provide for any retention of amounts due and payable to the Tenant Improvements Architect and other soft costs and Trustee shall not be required to holdback any retention for such amounts. Trustee shall have no obligation to disburse any monies from the Tenant Improvements Allowance for Tenant Improvements which are not approved by the Tenant Improvements Architect.

4.2 Disbursement of Tenant Improvements Final Retention. Subject to the provisions of this Work Letter, a check for the Tenant Improvements Final Retention less a holdback equal to 150% (the "Tenant Improvements Punch List Holdback") of the estimated cost of the Tenant Improvements Punch List Items (as defined in Section 8.1 below) shall be delivered by Trustee to Lessor (or, at Lessor's discretion, directly to the Tenant Improvements Contractor and/or in the form of one or more joint checks or in accordance with other payment instructions payable to the Tenant Improvements Contractor and any subcontractor(s) and material supplier(s) still owed amounts under the Construction Contract) within thirty (30) days following the Substantial Completion Deadline, provided that (a) Lessor delivers to Trustee properly executed mechanics' lien releases from the Tenant Improvements Contractor and all applicable subcontractors and material suppliers (i) in the form of California Civil Code Section 8132 with respect to the portion of the Tenant Improvements Final Retention being released and (ii) in the form of California Civil Code Section 8134 with respect to any previous Application for Payment of Tenant Improvements (b) the Tenant Improvements Architect delivers to Lessor and Trustee a certificate, in form reasonably acceptable to such parties, certifying that the Tenant Improvements have been substantially completed in accordance with the Tenant Improvements Working Drawings, and (c) Lessor delivers to Trustee a certificate approving the release of the amounts requested.

4.3 Other Terms. Trustee shall only be obligated to make disbursements from the Tenant Improvements Cost Account of the Project Fund to the extent of costs incurred by



Lessor in connection with the construction of the Tenant Improvements. Lessor acknowledges that, subject to Sections 6.3 and 10 of this Work Letter, if the Tenant Improvements Allowance and contingency amounts available from the proceeds of the Series 2022 Bonds (as provided in Section 6.3 below) are insufficient to fund all construction costs of the Tenant Improvements, Lessor shall be responsible for and shall pay the amount necessary to complete the Tenant Improvements. Notwithstanding the previous sentence, Lessor shall not be responsible for such excess cost if such excess cost is determined to be attributable to modifications or Change Orders requested by Lessee after final approval of the Tenant Improvements Working Drawings which were not necessitated by Lessor's or the Tenant Improvements Contractor's negligence or failure to design and construct the Tenant Improvements in accordance with Schedule 1 of this Work Letter, changes required by building codes revisions from building codes provisions in effect as of the date of this Work Letter, and any additional Lessee's design criteria and specifications provided by Lessee to Lessor prior to the final approval of the Tenant Improvements Design Development Drawings. In the event Lessor fails or is otherwise unable to pay the excess cost to complete the Tenant Improvements, and Lessee elects to complete the Tenant Improvements, Lessee shall be entitled to recover the cost to complete the Tenant Improvements from amounts held by Trustee under the Indenture and, to the extent such amounts are insufficient to reimburse Lessee, Lessee may offset the amount paid to complete the Tenant Improvements against the Supplemental Rent due under the Lease Agreement.

In the event that the total cost of the Tenant Improvements is less than the Tenant Improvements Allowance (the "Surplus Tenant Improvements Allowance"), Lessor and Lessee hereby agree that the Surplus Tenant Improvements Allowance may be applied in Lessee's sole discretion to any one or more of the following purposes: (i) the cost of other or additional capital improvements constituting part of the Premises; or (ii) for any other lawful purpose as approved in an opinion of nationally recognized bond counsel addressed to Trustee, Issuer, Lessor and Lessee.

5. Disbursement of Furniture, Fixtures and Equipment Allowance. Lessor and Lessee hereby agree that Lessor shall acquire and install the Furniture, Fixtures and Equipment, at a cost not to exceed the sum of Two Million Six Hundred Five Thousand Nine Hundred Dollars (\$2,605,900) (except as provided elsewhere in this Work Letter, including, without limitation, Sections 3.2, 6.1, 6.3 and/or 9, or unless otherwise funded by Lessor) (the "Furniture, Fixtures and Equipment Allowance"), in accordance with the approved Tenant Improvements Working Drawings, including without limitation the following soft costs: design, including architectural and engineering; Tenant Improvements Contractor's fee; bonds; insurance, and other soft costs. If during the design review process for the Furniture, Fixtures and Equipment pursuant to Section 1, it is determined by the parties that the aggregate costs of the Furniture, Fixtures and Equipment will exceed such allowance, then either (a) the parties will negotiate in good faith to revise the Tenant Improvements Working Drawings in a manner that will permit construction and installation of the Furniture, Fixtures and Equipment for a cost not to exceed the allowance or (b) the allowance shall be increased by Lessee deposit pursuant to Section 3.2 above. Lessor and Lessee hereby agree that the initial amount to be funded into the Furniture, Fixtures and Equipment Account of the Project Fund established under the Indenture pursuant to which the Series 2022 Bonds are issued and delivered shall be the amount of the Furniture, Fixtures and Equipment Allowance described in this Section 5, and that funds to be disbursed by Trustee with respect to the costs of the Furniture, Fixtures and Equipment shall not exceed the



amounts on deposit in the Furniture, Fixtures and Equipment Account of the Project Fund (except as provided elsewhere in this Work Letter, including, without limitation, Sections 3.2, 6.1, 6.3 and/or 9). The Furniture, Fixtures and Equipment Allowance shall be disbursed by Trustee pursuant to the process described below for costs related to the design, acquisition and installation of the Furniture, Fixtures and Equipment.

5.1 Application for Payment of Furniture, Fixtures and Equipment. On or before the tenth (10<sup>th</sup>) day of each calendar month during the acquisition and installation of the Furniture, Fixtures and Equipment, Lessor shall deliver to Lessee: (a) a request for payment (each, an "Application for Payment of Furniture, Fixtures and Equipment") of the Tenant Improvements Contractor covering the immediately preceding calendar month as described below, which Application for Payment of Furniture, Fixtures and Equipment shall be approved in writing by the Architect and shall show in detail (i) the Work completed or the orders placed during the period covered by the Application for Payment of Furniture, Fixtures and Equipment and (ii) the schedule, by trade, of percentage of completion of the Furniture, Fixtures and Equipment, detailing the aggregate portion of the Work completed and the portion not completed; (b) invoices from furniture vendors and/or the Tenant Improvements Contractor and all subcontractors and material suppliers of the Tenant Improvements Contractor for labor rendered and materials delivered in connection with the Furniture, Fixtures and Equipment during the period covered by the Application for Payment of Furniture, Fixtures and Equipment; (c) executed mechanics' lien releases from the Tenant Improvements Contractor and all such subcontractors and material suppliers who have filed a preliminary notice in accordance with Section 9300 of the California Civil Code (i) in the form of California Civil Code Section 8132 with respect to the current Application for Payment of Furniture, Fixtures and Equipment, and (ii) in the form of California Civil Code Section 8134 with respect to all previous Application(s) for Payment, (which were paid by Trustee) provided, however, that in the event the Tenant Improvements Contractor cannot obtain unconditional mechanics' lien releases from all of such subcontractors and material suppliers for the immediately preceding Application for Payment of Furniture, Fixtures and Equipment, then Lessor shall obtain from the Tenant Improvements Contractor such unconditional mechanics' lien releases as the Tenant Improvements Contractor can obtain using reasonable efforts, provided that (x) the total amount for which lien releases required by this clause relating to the immediately preceding Application for Payment of Furniture, Fixtures and Equipment are not delivered shall not exceed \$250,000 in the aggregate, and (y) Tenant Improvements Contractor must deliver all other previously undelivered unconditional mechanics' lien releases with then Application for Payment for Furniture, Fixtures and Equipment; and (d) all other information reasonably requested by Trustee. Lessor shall certify that each Application for Payment of Furniture, Fixtures and Equipment complies with the requirements of this Section 5.1. Within fifteen (15) Business Days after Lessee's receipt of all of the items described above in this Section 5.1, Lessee shall approve in writing the Application for Payment of Furniture, Fixtures and Equipment and return such approved Application for Payment of Furniture, Fixtures and Equipment to Lessor. Lessee's approval of any Application for Payment of Furniture, Fixtures and Equipment shall not, in and of itself, excuse Lessor from its obligations pursuant to this Work Letter. Lessee's failure to provide written approval or disapproval of the Application for Payment of Furniture, Fixtures and Equipment within fifteen (15) Business Days after receipt from Lessor shall constitute approval of such Application for Payment of Furniture, Fixtures and Equipment. Upon receipt of the approved Application for Payment of Furniture, Fixtures and Equipment from Lessee, Lessor



shall submit the same to Trustee for payment. Within three (3) Business Days after Trustee's receipt of the approved Application for Payment of Furniture, Fixtures and Equipment, Trustee shall deliver funds by check or wire transfer to Lessor (or, at the direction of Lessor, directly to the Tenant Improvements Contractor and/or in the form of one or more joint checks or in accordance with other payment instructions payable to the Tenant Improvements Contractor and any subcontractor(s) and material supplier(s) listed in the applicable Application for Payment of Furniture, Fixtures and Equipment) in payment of the lesser of: (A) the amounts so requested by Lessor in the Application for Payment of Furniture, Fixtures and Equipment, recognizing that such request will deduct a retention of at least ten percent (10%) from the gross amount requested until the Furniture, Fixtures and Equipment have reached fifty percent (50%) of completion of the Work under the Construction Contract (as certified in writing by the Architect) and at least five percent (5%) of the gross amount requested thereafter (the aggregate amount of such retentions being the "Furniture, Fixtures and Equipment Final Retention"), and (B) the balance of any remaining available portion of the Furniture, Fixtures and Equipment Allowance (not including the Furniture, Fixtures and Equipment Final Retention). The parties acknowledge that so long as the Construction Contract provides for retention as set forth in the immediately preceding sentence, Trustee shall not holdback any additional retention from payments to be made pursuant to this Section 5.1. Notwithstanding anything to the contrary contained in this Section 5.1, Lessor's Application for Payment of Furniture, Fixtures and Equipment need not provide for any retention of amounts due and payable to the Tenant Improvements Architect and other soft costs and Trustee shall not be required to holdback any retention for such amounts. Trustee shall have no obligation to disburse any monies from the Furniture, Fixtures and Equipment Allowance for Furniture, Fixtures and Equipment which are not approved by Lessee.

#### 5.2 Disbursement of Furniture, Fixtures and Equipment Final Retention.

Subject to the provisions of this Work Letter, a check for the Furniture, Fixtures and Equipment Final Retention less a reasonable holdback (the "Furniture, Fixtures and Equipment Punch List Holdback") for the estimated cost of the Furniture, Fixtures and Equipment Punch List Items (as defined in Section 8.1 below) shall be delivered by Trustee to Lessor (or, at Lessor's discretion, directly to the Tenant Improvements Contractor and/or in the form of one or more joint checks or in accordance with other payment instructions payable to the Tenant Improvements Contractor and any subcontractor(s) and material supplier(s) still owed amounts under the Construction Contract) within thirty (30) days following the Substantial Completion Deadline, provided that (a) Lessor delivers to Trustee properly executed mechanics' lien releases from the Tenant Improvements Contractor and all applicable subcontractors and material suppliers (i) in the form of California Civil Code Section 8132 with respect to the portion of the Furniture, Fixtures and Equipment Final Retention being released and (ii) in the form of California Civil Code Section 8134 with respect to any previous Application for Payment of Furniture, Fixtures and Equipment (b) the Tenant Improvements Architect delivers to Lessee and Trustee a certificate, in form reasonably acceptable to such parties, certifying that the Furniture, Fixtures and Equipment have been substantially completed in accordance with the Tenant Improvements Working Drawings, and (c) Lessee delivers to Trustee a certificate approving the release of the amounts requested.

5.3 Other Terms. Trustee shall only be obligated to make disbursements from the Furniture, Fixtures and Equipment Allowance to the extent of (a) costs incurred by Lessor in connection with the acquisition and installation of the Furniture, Fixtures and Equipment and (b) costs of Furniture, Fixtures and Equipment. Lessor shall not be responsible for excess cost



associated with the acquisition of the Furniture, Fixtures and Equipment unless such excess cost is determined to be attributable to Lessor's (or the Tenant Improvements Contractor's) negligence or failure to acquire and install the Furniture, Fixtures and Equipment in accordance with Schedule 1 of this Work Letter.

In the event that the total cost of the Furniture, Fixtures and Equipment is less than the Furniture, Fixtures and Equipment Allowance (the "Surplus Furniture, Fixtures and Equipment Allowance"), Lessor and Lessee hereby agree that the Surplus Furniture, Fixtures and Equipment Allowance may be applied in Lessee's sole discretion to any one or more of the following purposes: (i) the cost of additional Furniture, Fixtures and Equipment; (ii) the cost of other or additional capital improvements constituting part of the Premises; (iii) to prepay Base Rent due under the Lease Agreement; and/or (iv) for any other lawful purpose of the Lessee as approved in an opinion of nationally recognized bond counsel addressed to Lessor, Lessee, Issuer, and Trustee.

6. Payment of Other Costs.

6.1 Project Costs. Notwithstanding anything contained in Sections 4 and 5 above, Lessor may submit an Application for Payment of amounts held in or to be deposited into the Project Fund and the accounts created therein other than the Tenant Improvements Cost Account and the Furniture, Fixtures and Equipment Account without complying with the requirements of Sections 4 or 5 in connection with the payment of the costs of architectural, engineering, consulting, permitting, entitlement, surveys, studies, assessments, accounting and legal costs incurred in connection with the negotiation of the Lease Agreement, and the acquisition, construction, installation and equipping of the Premises, reimbursements to Lessor and its agents and representatives of predevelopment costs related to the Premises.

6.2 Development Fee. Lessor shall be entitled to receive from proceeds of the Series 2022 Bonds the sum of One Million One Hundred Seventy Thousand Dollars (\$1,170,000) (the "Development Fee") for the following: management of the design, development, construction and installation of the Premises; reimbursement of overhead, general and administrative expenses incurred in the coordination of the design, development and construction of the Tenant Improvements and the acquisition and installation of the Furniture, Fixtures and Equipment; and supervision and coordination of the acquisition, construction, installation and equipping of the Premises. The Development Fee shall be disbursed in accordance with the schedule approved by the purchaser of the Series 2022 Bonds.

6.3 Contingency. Contingency amounts budgeted for the construction and installation of the Tenant Improvements or the acquisition and installation of the Furniture, Fixtures and Equipment, may be applied by Lessor for the payment of bona fide third party costs incurred in connection with: (a) completion of the Tenant Improvements in excess of the Tenant Improvements Allowance (as the same may be increased pursuant to Sections 3.2 or 9); and/or (b) completion of the Furniture, Fixtures and Equipment in excess of the Furniture, Fixtures and Equipment Allowance (as the same may be increased pursuant to Sections 3.2 or 9); and/or (c) other non-construction matters relating to development of the Project that would otherwise be payable under Section 6.1 in excess of amounts available in the Tenant Improvements Cost Account of the Project Fund. A copy of Lessor's application to Trustee for payment of any



contingency amounts shall be delivered concurrently to Lessee and shall include a written statement identifying the amounts and purposes for which contingency amounts will be applied. If Lessee reasonably determines that any contingency funds disbursed to Lessor are improperly applied by Lessor in violation of the provisions of this Work Letter, then following written notice to Lessor, Lessee shall be entitled to offset such amounts against the Supplemental Rent due under the Lease Agreement.

7. Excess Bond Proceeds. In the event there are proceeds of the Series 2022 Bonds remaining on deposit under the Indenture pursuant to which the Series 2022 Bonds are issued and delivered after the Lease Commencement Date (other than proceeds held as a retainage and amounts expected to be applied to pay the costs of the Tenant Improvements Punch List Items and the Furniture, Fixtures and Equipment Punch List Items), Lessor and Lessee agree that such excess proceeds shall be used, at the option of Lessee (a) for construction of additional improvements to the Premises as may be agreed to by Lessor and Lessee; (b) for the acquisition of additional Furniture, Fixtures and Equipment above any limit provided herein as may be agreed to by Lessor and Lessee; (c) to pay or prepay the principal component of Base Rent payments due under the Lease Agreement and thereby prepay a portion of the principal of the Series 2022 Bonds and premium related to such prepayment if permitted by the Indenture pursuant to which the Series 2022 Bonds are issued and delivered; (d) to pay for capital projects of Lessee no later than three years from the date the Series 2022 Bonds are issued and delivered; provided, that such date may be extended with an opinion of national recognized bond counsel acceptable to Issuer, Lessor, Lessee and Trustee that such extension will not adversely affect the exclusion of the interest with respect to the Series 2022 Bonds for federal income tax purposes; (e) for any other lawful purpose as may be approved in an opinion of nationally recognized bond counsel delivered to Lessor, Lessee, Issuer and Trustee. To the extent Lessee elects to use excess proceeds for current capital projects, Lessee shall (A) certify to Lessor and Trustee that such excess proceeds are to be expended on a current capital project or projects of Lessee; (B) provide to Lessor and Trustee a detailed description of the proposed capital expenditure and the estimated date of completion or acquisition of such capital project or projects, as the case may be; (C) provide a written certification to Lessor and Trustee that the annual fair rental value of the Premises (excluding the application of such excess proceeds) is at least equal to the annual Rental Payments due under the Lease Agreement; and (D) obtain Lessor's certification that the quality and scope of the Premises has been completed in accordance with the terms of the Lease Agreement.

8. Completion of the Tenant Improvements and Furniture, Fixtures and Equipment.

8.1 Substantial Completion. Subject to the terms and provisions of this Section 8.1, Lessor shall cause Substantial Completion of the Tenant Improvements and Furniture, Fixtures and Equipment to occur on or before the Substantial Completion Deadline. For purposes of this Work Letter, "Substantial Completion" shall occur with respect to the Tenant Improvements when (a) the Tenant Improvements have been completed in accordance with the Tenant Improvements Working Drawings with the exception of any minor punch list items ("Tenant Improvements Punch List Items") identified in writing by Lessee which do not materially impair the use of the Tenant Improvements for Lessee's intended use; (b) the Tenant Improvements Architect issues a certificate to Lessee and Trustee certifying that the Tenant Improvements have been substantially completed in accordance with the Tenant Improvements



Working Drawings; (c) a temporary or permanent certificate of occupancy or equivalent authorization by the applicable governmental authority(ies) has been received to permit the occupancy and use of the Tenant Improvements for Lessee's intended use; and (d) all utilities necessary and appropriate for the use and operation of the Tenant Improvements are fully connected and functional. For purposes of this Work Letter, "Substantial Completion" shall occur with respect to the Furniture, Fixtures and Equipment when (y) the Furniture, Fixtures and Equipment have been acquired and installed in accordance with the Tenant Improvements Working Drawings with the exception of any minor punch list items ("Furniture, Fixtures and Equipment Punch List Items") identified in writing by Lessee which do not materially impair the use of the Furniture, Fixtures and Equipment for Lessee's intended use; and (z) the Tenant Improvements Architect issues a certificate to Lessee and Trustee certifying that the Furniture, Fixtures and Equipment have been substantially completed in accordance with the Tenant Improvements Working Drawings. At such time as the conditions precedent to Substantial Completion of the Tenant Improvements set forth in clauses (a) through (d) of this Section 8.1 and the conditions precedent to Substantial Completion of the Furniture, Fixtures and Equipment set forth in clauses (y) through (z) of this Section 8.1 are satisfied, Lessee shall deliver to Lessor and Trustee, a Certificate of Acceptance and shall execute and deliver a Memorandum of Lease Commencement and Termination Dates as required by the Lease Agreement.

8.2 Final Completion. Lessor shall have one hundred twenty (120) days (the "Final Completion Deadline") following the Substantial Completion of the Tenant Improvements and the Substantial Completion of the Furniture, Fixtures and Equipment, to (a) correct or complete any and all Tenant Improvements Punch List Items and Furniture, Fixtures and Equipment Punch List Items and (b) obtain a final certificate of occupancy or equivalent authorization(s) by the applicable governmental authority(ies) with respect to the Tenant Improvements. Upon the completion of all Tenant Improvements Punch List Items and Furniture, Fixtures and Equipment Punch List Items, certified as to their final completion by the Tenant Improvements Architect, and whose final completion is acknowledged in writing by Lessee in its reasonable discretion, Trustee shall disburse the Tenant Improvements Punch List Holdback to the parties entitled to receive the same, upon the receipt from all such parties of duly executed final lien release waivers in the form of California Civil Code Section 8134. In the event Lessor fails to cause final completion of all said punch list items on or before the Final Completion Deadline, and/or fails to secure the final certificates or authorizations described in clause (b) of this Section 8.2, then Trustee shall disburse to Lessee all holdback amounts, and Lessee shall be entitled to use such amounts, at its option, to complete such remaining punch list items, secure said final certificates or authorizations, and pay any remaining holdback amounts to any party(ies) entitled to receive the same, upon receipt from such party(ies) of said final lien release waivers described above in this Section 8.2. The Final Completion Deadline shall be extended by one (1) Business Day for each one (1) Business Day of delay, or additional Business Days as mutually agreed upon by Lessor and Lessee, resulting from one or more events of Force Majeure (as defined in the Lease Agreement).

8.3 Delay. The parties agree that Substantial Completion may be delayed for reasons beyond Lessor's control. Therefore, the parties agree that the Substantial Completion Deadline shall be extended in the event and to the extent of the number of days that Lessor (or any contractor or subcontractors employed by Lessor) is delayed by one or more of the following



factors (provided that, in the event of overlapping, concurrent factors, delays shall not be calculated on a cumulative basis and shall run concurrently):

8.3.1 Force Majeure as provided in the Lease Agreement; or

8.3.2 If adverse weather conditions which could not have been reasonably anticipated at the time of entering into this Work Letter had a material adverse effect on the progress of construction, and are the basis of a claim for a delay, such claim shall be evaluated in accordance with reasonable and customary practices prevailing at other major projects in the San Bernardino County area with respect to inclement weather; in which case all extensions are subject to the reasonable approval of both parties.

Upon the occurrence of any event that constitutes or may constitute a Force Majeure event or that causes or may cause a delay in the Substantial Completion of the Premises, Lessor shall notify Lessee and Trustee within ten (10) days. Following such notification, Lessee and Lessor shall meet to discuss the nature and extent of such event and/or delay. Lessee shall cooperate with Lessor, and Lessor shall cooperate with the Tenant Improvements Contractor, to minimize any delay in the Substantial Completion of the Premises caused by such event. Notwithstanding the above, nothing in this section shall prevent Lessor from immediately taking any and all necessary action to remediate or otherwise address the event causing such delay.

8.4 No Material Delays by Lessee. Lessee covenants and agrees to use commercially reasonable efforts to approve the Tenant Improvements Construction Drawings and, to the extent permitted under this Work Letter, change orders in a timely manner to insure that Lessor is able to achieve Substantial Completion of the construction of the Tenant Improvements as contemplated by the Lease Agreement. In the event that Lessee's approval process results in material delays to Lessor's construction schedule ("Lessee Delays"), the Substantial Completion Deadline shall be extended day for day by the number of days of Lessee Delays and Lessee shall bear all direct and indirect costs incurred by Lessor as a result of such Lessee Delays by paying such direct and indirect costs upon submission by Lessor of an invoice or other reasonable evidence of such direct and indirect costs.

9. Unforeseen Costs. In the event the cost of the acquisition, construction, installation and equipping of the Premises is in excess of the amount budgeted therefor by Lessor and approved by Lessee as a result of (a) changes in laws applicable to buildings or facilities leased by public agencies after the date of execution of the Lease Agreement; (b) the remediation or correction of the condition of the Site or other cost associated with soil conditions (such as dewatering or rock excavation) but excluding conditions related to Hazardous Materials which was not reasonably foreseeable by Lessor or its agents on the date of execution of the Lease Agreement (and which would not have been reasonably foreseeable to a developer skilled in the construction of projects similar to the Premises); (c) Force Majeure events as set forth in the Lease Agreement; (d) delay in the acquisition, construction, installation and equipping of the Premises as a result of actions, suits or other challenges by third parties relating to any finding or determination required under the California Environmental Quality Act by any involved public agency; (e) deductibles required to be paid by Lessor in connection with any insurance required under Section 18 of the Lease Agreement or any other insurance policies carried, as the case may be, by Lessor and/or the Tenant Improvements Contractor; (f) the estimated direct costs of any



delay in the construction process (including carrying costs) resulting from or in connection with any of the events or occurrences in clauses (a) through (e) above; and/or (g) financing by Lessor of any of the costs incurred in connection with clauses (a) through (f) above (the "Unforeseen Costs"), then Lessee shall pay such Unforeseen Costs immediately following the submission of an invoice by Lessor for such Unforeseen Costs, by depositing the amount of such increase with Trustee for deposit into the Tenant Improvements Cost Account and/or Furniture, Fixtures and Equipment Account, as the case may be, of the Project Fund. Lessor shall promptly following Lessor's actual knowledge thereof notify Lessee of any event that results in or may result in an Unforeseen Cost. Following such notification, Lessee and Lessor shall meet to discuss the nature and extent of such Unforeseen Cost. Thereafter, Lessee and Lessor shall cooperate to minimize such Unforeseen Cost. With respect to the conditions described in clause (ii) above, Lessor represents and warrants that it has or shall have, prior to its acquisition of the Site, conduct all due diligence (including due diligence with respect to Hazardous Materials) which a developer experienced in the acquisition of sites similar to the Site and construction of projects similar to the Premises would conduct.

## 10. Remedies.

10.1 Failure to Achieve Substantial Completion. In the event Lessor fails to achieve Substantial Completion of the Tenant Improvements and/or the Furniture, Fixtures and Equipment by the Substantial Completion Deadline (including any authorized extensions of time pursuant to this Work Letter), Lessee may exercise any or all of the following remedies, in addition to any other remedies provided at law or in equity.

10.1.1 LIQUIDATED DAMAGES. ALL TIME LIMITS STATED IN THE LEASE AGREEMENT AND THIS WORK LETTER ARE OF THE ESSENCE OF THE LEASE AGREEMENT AND THEREFORE SHOULD LESSOR FAIL TO PROVIDE COMPLETION OF THE TENANT IMPROVEMENTS AND FURNITURE, FIXTURES AND EQUIPMENT ON OR BEFORE THE FINAL COMPLETION DEADLINE (AS THE SAME MAY BE EXTENDED PURSUANT TO THE PROVISIONS OF THIS WORK LETTER), IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN LESSEE AND LESSOR THAT THE USE BY LESSEE OF THE PREMISES WILL BE CORRESPONDINGLY DELAYED, AND THAT BY REASON THEREOF, LESSEE AND THE PUBLIC WILL NECESSARILY SUFFER GREAT DAMAGES. ACCORDINGLY, IF LESSOR FAILS TO ACHIEVE FINAL COMPLETION OF THE TENANT IMPROVEMENTS AND/OR THE FURNITURE, FIXTURES AND EQUIPMENT BY THE FINAL COMPLETION DEADLINE (AS THE SAME MAY BE EXTENDED PURSUANT TO THE PROVISIONS OF THIS WORK LETTER), THEN, AS LESSEE'S SOLE AND EXCLUSIVE REMEDY FOR DAMAGES FOR SUCH DELAY AND INSTEAD OF ANY ACTUAL DAMAGES, LESSOR SHALL PAY OR CAUSE TO BE PAID TO LESSEE PROMPTLY ON DEMAND BY LESSEE (OR LESSEE MAY CAUSE TRUSTEE TO WITHHOLD THE SAME FROM AMOUNTS OTHERWISE PAYABLE UNDER THE CONSTRUCTION CONTRACT), AS COMPENSATION TO LESSEE FOR THE LOSS OF THE BENEFICIAL USE OF THE PREMISES DURING THE PERIOD OF THE DELAY, BUT NOT AS A PENALTY, LIQUIDATED DAMAGES BASED IN THE AMOUNTS SPECIFIED IN SCHEDULE 4, TOGETHER WITH INTEREST FROM THE DATE OF ACCRUAL OF SUCH LIQUIDATED DAMAGES AT A RATE EQUAL TO THE ALL IN RATE ON THE SERIES



2022 BONDS. THE PARTIES HERETO HEREBY AGREE THAT THE FOREGOING LIQUIDATED DAMAGES ARE FAIR AND REASONABLE AND COMPRISE THE SUM OF LESSEE'S DAMAGES IN THE EVENT OF A DELAY IN FINAL COMPLETION. THE PARTIES HERETO FURTHER AGREE THAT THE PAYMENT OF THE AMOUNTS DESCRIBED IN THIS SECTION 10.1.1 AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO THE OWNER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. IF LESSOR FAILS OR IS OTHERWISE UNABLE TO PAY WHEN DUE SUCH LIQUIDATED DAMAGES PURSUANT TO THIS SECTION 10.1.1, LESSEE MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, IMMEDIATELY OFFSET THE LIQUIDATED DAMAGES OWED BY LESSOR AGAINST THE SUPPLEMENTAL RENT DUE TO LESSOR AS A COMPONENT OF RENTAL PAYMENTS PURSUANT TO SECTION 6 OF THE LEASE AGREEMENT, TOGETHER WITH INTEREST FROM THE DATE OF ACCRUAL OF SUCH LIQUIDATED DAMAGES AT A RATE EQUAL TO THE ALL IN RATE ON THE SERIES 2022 BONDS. LESSOR AND LESSEE AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES REQUIRED PURSUANT TO THIS WORK LETTER SHALL NOT BE IN ADDITION TO LIQUIDATED DAMAGES THAT MAY BE PAID BY EITHER LESSOR OR THE TENANT IMPROVEMENTS CONTRACTOR TO TRUSTEE PURSUANT TO THE CONSTRUCTION CONTRACT OR OTHERWISE IN CONNECTION WITH THE SERIES 2022 BONDS, AND, IN THE EVENT SUCH OTHER PAYMENTS ARE ACTUALLY PAID TO TRUSTEE, SUCH AMOUNT SHALL BE DEEMED TO HAVE BEEN PAID PURSUANT TO THIS AGREEMENT.

LESSOR'S  
INITIALS

MB

LESSEE'S  
INITIALS

LXH

10.2 Lessee's Right to Cure. Lessor shall promptly provide Lessee with a copy of any notice of default ("Notice of Default") received from the Tenant Improvements Contractor. Provided that Lessee has not received, prior to Lessee's delivery to Lessor of a Cure Election Notice (as defined hereinbelow), written notice from Lessor stating that Lessor has cured or has commenced to cure the default specified in the applicable Default Notice, Lessee shall have the right, but not the obligation, by written notice to Lessor delivered prior to the expiration of the applicable cure period ("Cure Election Notice"), to cure the default specified in the applicable Default Notice within ten (10) days after the end of the applicable cure period. Lessor, upon written notice from Lessee accompanied by reasonable supporting documentation evidencing such amounts incurred, shall promptly (but in any event within ten (10) days) reimburse Lessee for all such amounts. If Lessor fails to reimburse Lessee within said ten (10) day period, Lessee shall have the right to have Trustee withhold from payments due under the Construction Contract all such amounts due, and to have such amounts paid to Lessee.

11. Miscellaneous Provisions.

11.1 Lessor's Representative and Lessee's Representative. Lessor hereby designates Jian Torkan, 4221 Wilshire Boulevard, Suite 380, Los Angeles, California 90010,



Telephone (323) 932-7777, email: jtorkan@icoreg.com as its "Lessor's Representative" with respect to the matters set forth in this Work Letter, who, until further notice to Lessee, shall have full authority and responsibility to act on behalf of Lessor as required in this Work Letter. Lessee shall by written notice to Lessor designate one of Lessee's officers or, in the alternative, an employee of the San Bernardino County Real Estate Services Department as its "Lessee's Representative" with respect to the matters set forth in this Work Letter, which designee, until further notice to Lessor, shall have full authority and responsibility to act on behalf of Lessee as required in this Work Letter. A copy of all notices required to be sent to Lessee hereunder shall be sent to San Bernardino County Real Estate Services at 385 North Arrowhead Avenue, 3rd Floor, San Bernardino, California 92415-0180, Attention: Director of Real Estate Services of San Bernardino County.

11.2 Third Party Beneficiary. The parties hereto agree that Lessee and Trustee shall each be a third party beneficiary of the Construction Contract.

11.3 Construction Warranties. Lessor shall obtain industry standard warranties for the Tenant Improvements, but which warranties shall in no event be for a period less than one (1) year following Substantial Completion (and the applicable Construction Contracts shall provide that in the event any item is replaced or repaired pursuant to such warranty, except for manufacturer's warranties as applicable, the warranty period with respect thereto shall not recommence anew from the date of each such repair or replacement). Lessor agrees to assign to Lessee all such warranties and guaranties relating to the Tenant Improvements at such time as Lessee assumes Lessor's obligations to maintain the Premises pursuant to the Lease Agreement.

11.4 Delivery of Clean Premises. Immediately prior to Lessee's move into the Premises, Lessor shall cause the Premises to be cleaned.



IN WITNESS WHEREOF, Lessor and Lessee have caused this Work Letter to be executed as of the day and year first above written.

**LESSOR:**

**INLAND VALLEY  
DEVELOPMENT AGENCY**

By: 

Michael Burrows, Chief Executive Officer

**LESSEE:**

**SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT**

By: \_\_\_\_\_

Leonard X. Hernandez  
Chief Executive Officer of San Bernardino  
County for the San Bernardino County Fire  
Protection District

**APPROVED AS TO FORM:**

**DISTRICT COUNSEL**

By: \_\_\_\_\_

Jolena E. Grider,  
Deputy County Counsel



IN WITNESS WHEREOF, Lessor and Lessee have caused this Work Letter to be executed as of the day and year first above written.


**LESSOR:**

**INLAND VALLEY  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Michael Burrows, Chief Executive Officer

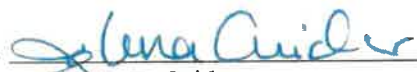
**LESSEE:**

**SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT**

By:  \_\_\_\_\_  
Leonard X. Hernandez  
Chief Executive Officer of San Bernardino  
County for the San Bernardino County Fire  
Protection District

**APPROVED AS TO FORM:**

**DISTRICT COUNSEL**

By:  \_\_\_\_\_  
Jolena E. Grider,  
Deputy County Counsel



## **SCHEDULE 1**

### **TENANT IMPROVEMENTS REQUIREMENTS**

With respect to the Building, the Tenant Improvements include the following items:

#### **A. Building Structure**

- Dropped ceilings on a 2' X 4' grid system with standard 2' X 2' scored acoustical tiles in enclosed rooms and exposed existing waffle slab ceilings in designated open areas;
- Lighting consisting of 2' X 4' light fixtures and a general lighting level of 50 foot candles at desktop height;
- Life safety systems (including wet fire sprinkler system to all building areas and alarm system);
- Interior walls at elevator, lobby areas and enclosed rooms (including metal stud framing, durable finished walls, interior and fire doors with hardware attached);
- Durable interior finishes for elevator and main lobbies (including floor, wall and ceiling finishes with long life durable products);
- All functional equipment for vertical transportation (including stairs, passenger and freight elevator cabs with durable Interior finishes, and access ladders);
- All restrooms (including countertops, walls and floors, ceilings, sinks, mirrors, lighting, toilet partitions, fixtures, accessories and hot and cold water); and
- Code required signage.

#### **B. Plumbing, Mechanical and Electrical**

- Plumbing (including rain water drainage, fire sprinkler systems, landscaping irrigation, drinking fountains, all restrooms and breakroom plumbing fixtures);
- Heating, ventilating, and air conditioning (including mechanical equipment and duct work distribution to all areas) and 24/7 stand-alone air conditioning requirement set forth in section C. below;
- Electrical equipment and power distribution to all areas, and
- Electrical power system to include a connection to a Lessee supplies stand-by emergency generator.

#### **C. Telecommunications and Security**

Lessee shall be responsible for telecommunications and security improvements; provided; however, Tenant Improvements shall include the following:



- Main Communications Room (MCR) with exposed ceiling and sufficient vertical riser conduits (for voice/data cables) per Lessee requirements;
- Provide a stand-alone air conditioning system of sufficient capacity (including all necessary ductwork and air register) operating 24 hours a day, 7 days a week. Equipment heat dissipation to be supplied by Lessee; and
- Provide conduit to card access entry system.

**D. Building Exterior**

- Landscaping (including irrigation system and exterior lighting);
- Existing open parking lot and secured parking for 4 Hazardous Materials trucks (approximately 22 feet in length);
- Code required fire sprinkler system;
- One flag pole; and
- Ground floor patio.



**SCHEDULE 2**

**SCHEDULE OF PERFORMANCE**

<b><u>ACTION ITEM</u></b>		<b><u>DATE OF PERFORMANCE</u></b>
1.	Delivery of Tenant Improvements Design Development Drawings to Lessee's Representative	Within 30 Business Days of the Closing Date
2.	Lessee notification to Lessor re: required revisions to Tenant Improvements Design Development Drawings	Within 20 Business Days after receipt of COMPLETE sets as required by Section 1.2 of Work Letter
3.	Delivery of revised Tenant Improvements Design Development Drawings to Lessee's Representative	Within 20 Business Days after receipt of Lessee's comments
4.	Lessee notification to Lessor re: approval of revised Tenant Improvements Design Development Drawings	Within 20 Business Days after Lessee's receipt of COMPLETE sets of revised drawings as required by Section 1.2 of Work Letter
5.	Delivery of Tenant Improvements Working Drawings to Lessee's Representative	Within 20 Business Days after delivery of Final Tenant Improvements Design Development Drawings
6.	Lessee notification to Lessor re: required revisions to Tenant Improvements Working Drawings	Within 20 Business Days after receipt of COMPLETE sets as required by Section 1.3 of Work Letter
7.	Delivery of revised Tenant Improvements Working Drawings to Lessee's Representative	Within 20 Business Days after receipt of Lessee's comments



<b><u>ACTION ITEM</u></b>		<b><u>DATE OF PERFORMANCE</u></b>
8.	Lessee notification to Lessor re: approval of revised Tenant Improvements Working Drawings	Within 20 Business Days after Lessee's receipt of COMPLETE sets of revised drawings as required by Section 1.3 of Work Letter
9.	Substantial Completion Deadline of Tenant Improvements and Furniture, Fixtures and Equipment	December 2, 2023
10.	Disbursement of Tenant Improvements Final Retention	Within 30 days following the Substantial Completion of Tenant Improvements
10.	Disbursement of Furniture, Fixtures and Equipment Final Retention	Within 30 days following the Substantial Completion of Tenant Improvements
11.	Lessor to obtain final certificate of occupancy for Tenant Improvements	Final Completion Deadline (120 days following Substantial Completion of the Tenant Improvements)
12.	Disbursement of Tenant Improvements Punch List Holdback and Furniture, Fixtures and Equipment Punch List Holdback	Following receipt of duly executed final lien release waivers



### **SCHEDULE 3**

#### **PROJECT BUDGET**

##### **San Bernardino County Fire Protection District Administration Building - 79,834 RSF**

Property Acquisition Cost	\$2,600,000.00
Construction Costs – Base Building Systems <sup>1</sup>	\$13,485,244.00
Construction Costs – DIRT Product <sup>1</sup>	\$2,018,665.00
Furniture, Fixtures and Equipment	\$2,605,900.00
Consultant and Permit Costs	\$593,123.00
IT Installation (Tenant Improv. To County)	\$600,000.00
Lessor Development Fee	\$1,170,000.00
Costs of Issuance	\$448,975.00
Loan Fees - .5%	\$130,000.00
Legal Fees and Organizational Expenses	\$45,000.00
Contingency - Property Tax (1.305%) during construction	\$221,218.32
Project Contingency	\$500,000.00
Pricing Contingency	\$635,008.00
Building Code Contingency	\$100,000.00
Construction Interest	\$816,775.00
Miscellaneous	\$30,091.68
	<b>\$26,000,000.00</b>

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<sup>1</sup> See Detailed Construction Budget below.



# **DETAILED CONSTRUCTION BUDGET**

Item No.	Description	Quantity	Unit	Unit \$	Amount
	<b>ESTIMATED BUDGET</b>				
1	Remediation of Transit above and below store front windows	LS	EA	\$90,000.00	\$90,000.00
2	Remove existing store front framing and glass panels	LS	EA	\$63,000.00	\$63,000.00
3	Interior demolition, basement, first and second floors	LS	EA	\$250,000.00	\$250,000.00
4	Store front and glazing	LS	EA	\$1,236,250.00	\$1,236,250.00
5	Steel stud frame and drywall	LS	EA	\$300,000.00	\$300,000.00
6	Insulation	LS	EA	\$45,000.00	\$45,000.00
7	Electrical main service and sub panels, interior improvements	LS	EA		
	rough and finish electrical and lighting	LS	EA	\$3,200,000.00	\$3,200,000.00
8	Rough and finish plumbing, bathrooms, breakrooms, janitor's	LS	EA		
	room, laundry and locker rooms	LS	EA	\$595,550.00	\$595,550.00
9	HVAC units, ducts, grills and controls	LS	EA	\$1,200,000.00	\$1,200,000.00
10	Fire sprinkler system, basement, first and second floor	LS	EA	\$150,000.00	\$150,000.00
11	Fire monitor system	LS	EA	\$30,000.00	\$30,000.00
12	Acoustical Ceiling	LS	EA	\$339,000.00	\$339,000.00
13	Exterior paint, existing soffits, new patio's and hoist canopy	LS	EA	\$10,500.00	\$10,500.00
14	Interior paint for tenant improvements includes exposed ceilings	LS	EA	\$80,000.00	\$80,000.00
15	New stairs and railings	LS	EA	\$172,500.00	\$172,500.00
16	Light weight concrete for stair landings and steps	LS	EA	\$7,500.00	\$7,500.00
17	Floor, wall tile men's and women's locker rooms	LS	EA	\$115,000.00	\$115,000.00
18	Floor, wall tile men's and women's rest rooms	LS	EA	\$60,120.00	\$60,120.00
19	LVT plank flooring	LS	EA	\$50,000.00	\$50,000.00
20	Carpeting and rubber base ( includes stairs )	LS	EA	\$900,000.00	\$900,000.00
21	Folding partition systems - conference and training rooms	LS	EA	\$125,000.00	\$125,000.00
22	Interior doors and frames ( 9 with access cards )	LS	EA	\$85,000.00	\$85,000.00
23	Interior glazing	LS	EA	\$15,000.00	\$15,000.00
24	Interior phase glass ( In Dirtt Package )	LS	EA	\$-	\$-
25	Cabinets and counter tops	LS	EA	\$5,000.00	\$5,000.00



26	Appliances	LS	EA	\$53,000.00	\$53,000.00
27	First and second floor patio's 900 S.F. each with privacy screen	LS	EA	\$86,500.00	\$86,500.00
28	Three elevator's ( one with gurney capability	LS	EA	\$615,000.00	\$615,000.00
29	One freight elevator ? Basement	LS	EA	\$86,250.00	\$86,250.00
30	Rain canopy over the basement freight elevator	LS	EA	\$11,500.00	\$11,500.00
31	Bath partitions, grab bars, mirrors and accessories	LS	EA	\$74,681.00	\$74,681.00
32	Roof patch for new equipment	LS	EA	\$30,000.00	\$30,000.00
33	Window blinds (manually operated) 1st & 2nd floor perimeter and in some offices	LS	EA	\$225,000.00	\$225,000.00
34	North West truck parking and charging area	LS	EA	\$158,965.00	\$158,965.00
35	Install 4 inch water line FDC & DDC for fire sprinklers	LS	EA	\$50,000.00	\$50,000.00
36	Dirt Rom Pricing	LS	EA	\$2,018,665.00	\$2,018,665.00
37	Supervision	LS	EA	\$150,000.00	\$150,000.00
38	Payroll taxes and insurance	LS	EA	\$31,500.00	\$31,500.00
39	DIR Contractor's Compliance Management Services	LS	EA	\$90,000.00	\$90,000.00
40	General Conditions	LS	EA	\$837,300.00	\$837,300.00
41	Builders Risk Insurance ( Est. )	LS	EA	\$105,000.00	\$105,000.00
42	Liability Insurance @ 1.5%	LS	EA	\$206,217.00	\$206,217.00
43	Fee @ 4%	LS	EA	\$549,911.00	\$549,911.00
	Sub-Total				\$14,503,909.00
	Contingency				\$1,000,000.00
	Total				\$15,503,909.00



**SCHEDULE 4**

**LIQUIDATED DAMAGES SCHEDULE**

**Liquidated Damages Amount =**

**Number of Days After Final Completion Deadline x \$200/day**



**SCHEDULE 5**

**SPACE PLAN**

[See Attached]

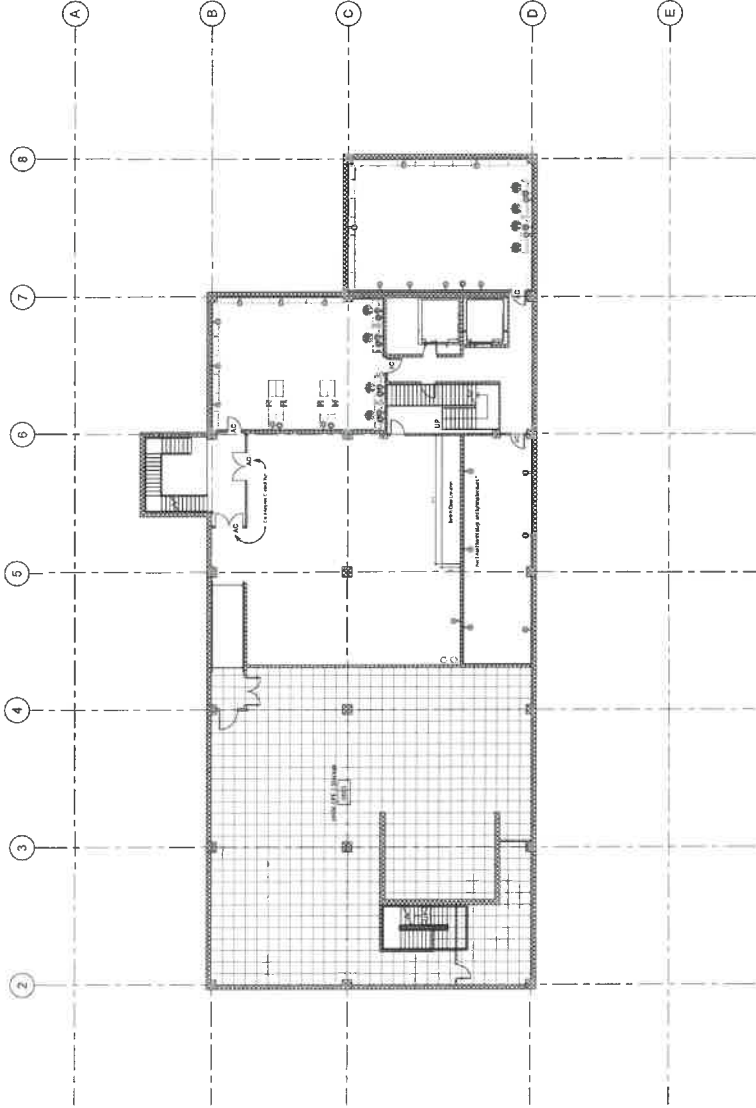




owner approval		
initials	date	
revisions/addenda		
#	Date	Comment

# SAN BERNARDINO COUNTY FIRE DISTRICT OFFICE

3/22/2022



## BASEMENT FLOOR SPACE PLAN

SCALE 3/32" = 1'-0"

SAN BERNARDINO COUNTY FIRE  
DISTRICT OFFICES  
SAN BERNARDINO, CA 92408  
SBD Corporate Center II, LLC  
4271 WILSHIRE BLVD. SUITE 300  
LOS ANGELES, CA 90010

project information	
Project Number	1520057-6A
Drawn By	ML
Checked By	CM
Issue Date	03/22/2022

sheet name

BASEMENT  
SPACE PLAN

sheet number	E2-201
of	Sheets

**DESIGN APPROVAL**  
Phase: ☒ Schematic Design ☐ Design Development  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
The signatures above certify that the project data has been approved by the Designer and the project will proceed to the next phase of the project. Deviation from the approved design may result in additional costs and time required to complete the work.



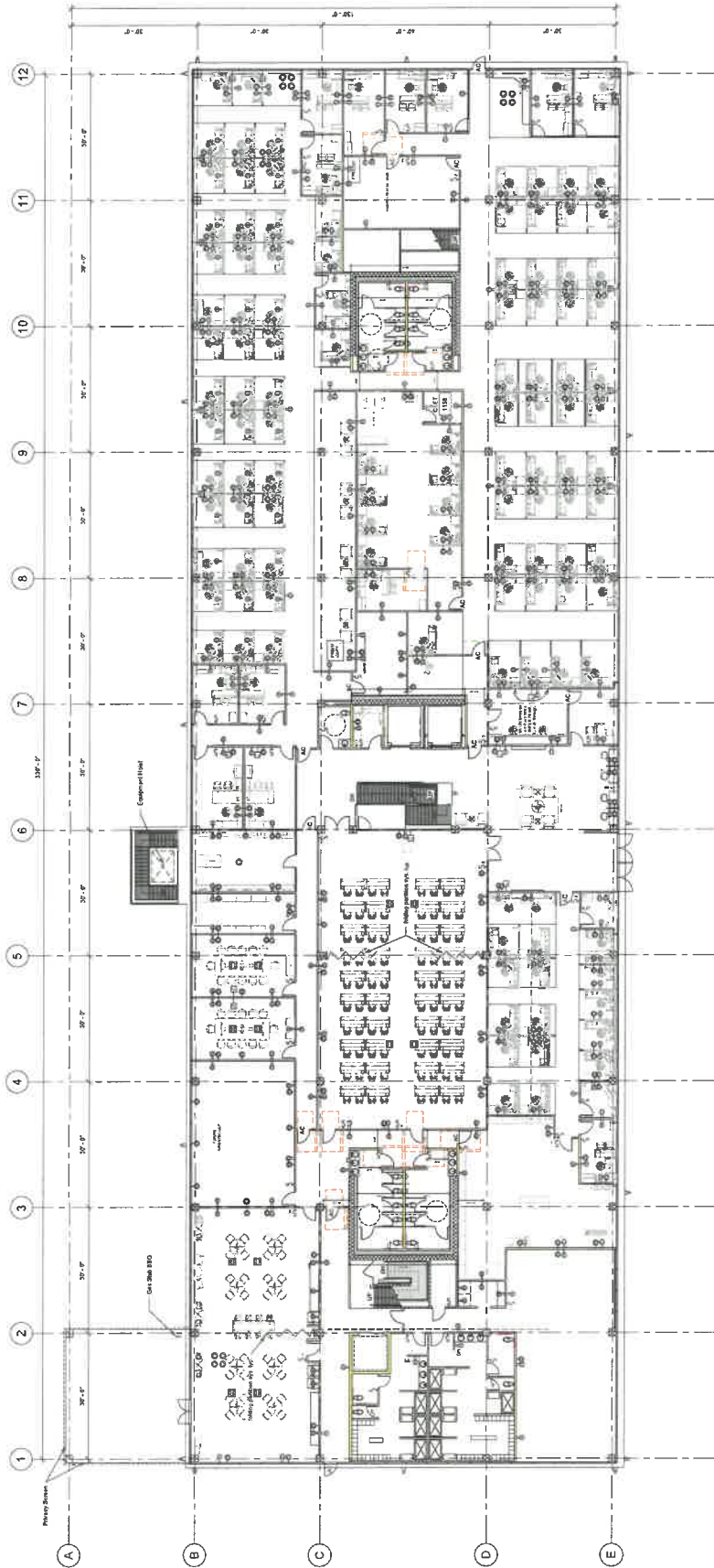
# SAN BERNARDINO COUNTY FIRE DISTRICT OFFICE

3/22/2022

1177 Main Street, Suite 200  
Anaheim, CA 92801  
Phone: 951-231-1600  
Fax: 951-231-7299  
info@mlr-arc.com



owner approval		
initials	date	project
revisions/addenda		
#	date	comment



## 1ST FLOOR SPACE PLAN

SCALE: 3/32" = 1'-0"

SAN BERNARDINO COUNTY FIRE  
DISTRICT OFFICES  
11111 STREET BUILDING  
SAN BERNARDINO, CA 92408  
SBD Corporate Center II, LLC  
4271 WILSHIRE BLVD. SUITE 300  
LOS ANGELES, CA 90010

project information	
Project Number	1500551-0A
Drawn By	Author
Checked By	Design
Date	03/22/2022

sheet name

1ST FLOOR  
SPACE PLAN

sheet number  
E2-202

Sheet  
of  
Sheets

**DESIGN APPROVAL**  
The signature below certifies that the project complies with the applicable codes and standards and that the information provided is true and correct. Deviation from the approved design may result in additional costs and time required to complete the work.

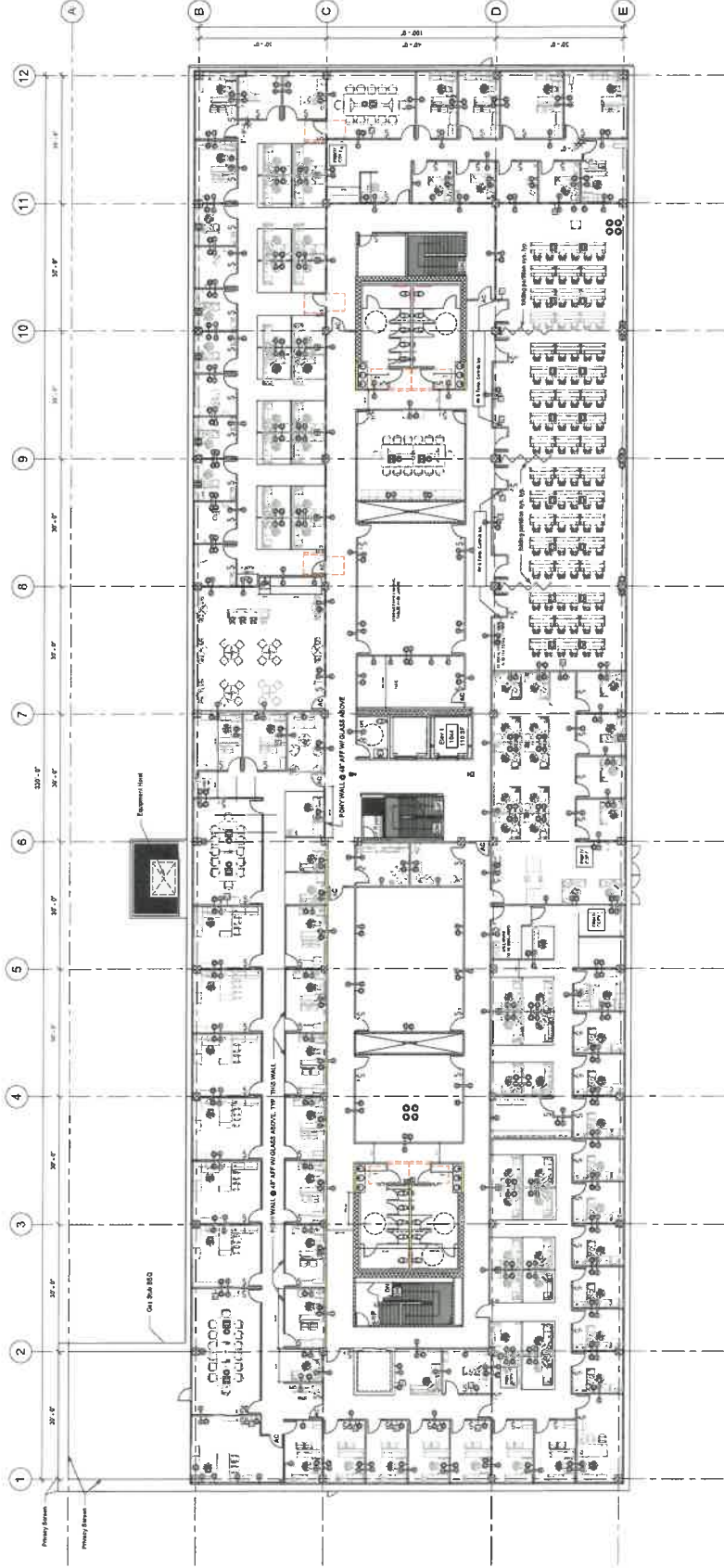
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Press: ☐ Domestic Design ☐ Design Development



# SAN BERNARDINO COUNTY FIRE DISTRICT OFFICE

3/22/2022



## WALL COLOR LEGEND

- DRY WALL
- METAL STUD WALLS
- FURNITURE SYSTEM WALLS

## 2ND FLOOR SPACE PLAN

SCALE: 3/32" = 1'-0"

**DESIGN APPROVAL**  
Phase: ☒ Schematic Design ☐ Design Development

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The signature above certifies that the project client has approved the design of the project. This approval is based on the information provided to the next phase of the project. Deviation from the approved design may result in additional costs and time required to complete the work.

**SAN BERNARDINO COUNTY FIRE DISTRICT OFFICES**  
SBD Corporate Center II, LLC  
1221 WILSHIRE BLVD SUITE 200  
LOS ANGELES, CA 90010

**Project Information**  
Project Number: 1221-01-15  
Author: JMM  
Drawn By: JMM  
Checked By: JMM  
Issue Date: 03/22/2022

**2ND FLOOR SPACE PLAN**

Sheet number: E2-203

Sheet: 2 of 2

**MILLER**  
architecture  
interiors  
planning

1177 Main Street, Suite 200  
Redlands, CA 92374  
Phone: 909-335-7298  
Fax: 909-335-7299  
info@millerp.com

**CONSTRUCTION**  
owner approval  
initials date phase  
revisions/addenda  
# Date Comment



**SCHEDULE 6**  
**FURNITURE, FIXTURES AND EQUIPMENT**

[See Attached]





SB County Fire has  
reviewed and approved  
this order. Aurora  
Hernandez

# Letter of Agreement

G|M Business Interiors & Herman Miller  
for SBD Corporate Center II, LLC.

February 24, 2022



HermanMiller  
Certified Dealer



Contract & Reporting

**Diana K. Nickell**

Contracts Manager  
dnickell@gmbi.net  
(951) 333-3949 c

Sales & Order Management

**Aaron Ellis**

Account Manager  
aellis@gmbi.net  
(909) 800-8793 c

Client Satisfaction

**Mike Akin**

VP | Chief Promise Officer  
makin@gmbi.net  
(619) 247-9986 c



## Table of Contents

Letter of Agreement

Exhibit A | Team Chart

Exhibit B | SB County Fire Quote 160692

Exhibit C | Project Timeline (Example)

Exhibit D | Project Sign-Off Documents (Example)

Exhibit E | Service Menu

Exhibit F | Service Rate Sheet

Exhibit G | Technology Menu





# Letter of Agreement # SBD – 02242022

This letter of agreement is between **SBD Corporate Center II, LLC.** and Goforth & Marti, a California Corporation, dba **G/M Business Interiors**, hereinafter referred to as “**GMBI**”.

The original term of this Agreement begins after signature by authorized employees of both parties and shall be valid for the duration of this County of San Bernardino Fire Project per GMBI Quote 160692 for Herman Miller Products only. During this time, GMBI will support the discounts as provided within this agreement as “*Exhibit B*” which is Quote 160692.

## Description of Products in this Letter:

Professional Office Furniture comprised of open plan systems furniture, office desk systems, conference tables, training tables, various types of filing and storage components, break room products, ergonomic task. guest and multi-purpose seating. These products will be all from Herman Miller.

## Scope of Work:

- GMBI's Micro-Teams will work closely with SBD Corporate Center II, LLC. departments to understand their needs and finalize all product solutions, develop specifications, and obtain all necessary signoffs and approvals per quotation from designees of SBD Corporate Center II, LLC. Team Chart included as “*Exhibit A*”.
- SBD Corporate Center II, LLC. will provide to GMBI the final move-in dates on all projects and phases within those projects along with the earliest date possible the facilities will become available for the start of the furniture assembly and set up.
- GMBI would like the jobsite to meet our definition of jobsite readiness for furniture. Our definition includes the construction punch-list being completed with all floors carpeted, baseboards and ceilings completed, and all walls finished and ready. Jobsite readiness ensures that SBD Corporate Center II, LLC. will pay the least amount for assembly and set up services.
- GMBI to implement all action steps of project planning, including the project timeline, project milestones, ordering, order checking, attending project meetings, adjusting orders as necessary to properly phase with construction timing, receiving, assembly and set up all furniture products. SBD Corporate Center II, LLC. protocols for sales tax and receiving deliveries will be entered into all GMBI order systems.
- GMBI will complete the initial project assembly and set up per plan and the project punch-list as quickly and efficiently as possible.
- GMBI will create a web-based e-Asset account, at no cost to SBD Corporate Center II, LLC., so all project furniture items previously purchased are clearly available for future review and or on-line purchases.
- GMBI will maintain all order records electronically with web-based accessibility for SBD Corporate Center II, LLC. including manufacturer invoices, drawings, bill of materials, ladings, purchase orders, color cards and all other order documents. These documents will be accessible on-line for instant access by SBD Corporate Center II, LLC. and GMBI for instant warranty service and future reference.
- Our GMBI team is available for extensive services after the initial project is complete. GMBI services include reconfigurations, warranty repair, ergonomic adjustments, flooring, accessories, refurbishment, and any type of furniture move.
- Herman Miller systems and clinical furniture is designed to be adaptable and easily reconfigured hundreds of times with no loss of structural integrity. Our team is always ready to assist your team in making future adaptations as required to maintain optimal productivity. We enjoy service after the initial project is completed and are prepared to quickly help you.



- Herman Miller's industry best warranty covers all products from any defect for 12 years and not only includes the cost of the part but also includes the cost of the labor to assemble and set up that part. This includes products which are used for three shifts per day.
- GMBI's Warranty Service Department, includes (2) each full-time Service Vans/Service Technicians which are stocked with typically needed parts, so we are able to repair most items within 24 hours from your initial notification.

#### **On-Going Services Agreement:**

- GMBI will enforce each manufacturer's warranty as stated and perform any service work as required in the performance of the warranty unless the manufacturer prefers to use their specialized service vendor, such as a special wood touch-up company, drapery vendor or sound masking technician. GMBI's own team will never charge SBD Corporate Center II, LLC. for labor costs associated with the correction of any product sold by GMBI under the manufacturer's warranty.
- Subsequent reconfigurations for systems furniture, moves, adds or changes will be quoted on a project-by-project basis based on precise services required. Hourly rates, as shown in "Exhibit F" Service Rate Sheet, will only be charged if non-quotable services are requested, typically as an emergency. Our Client Services team will quote all service scopes of work to be as efficient and as low cost as possible for SBD Corporate Center II, LLC.
- New Furniture assembly and set up shall be quoted on a job-by-job basis with a lump sum price. We are happy to provide high value assembly and set up with our own GMBI trained and uniformed assembly and set up team.
- See "Exhibit F" for all GMBI Service Rates for all Services.
- Should SBD Corporate Center II, LLC. require product storage at our GMBI warehouse, storage rates for SBD Corporate Center II, LLC. will be \$3.83 per day per bay. A bay consists of a cubic area of 288 feet (12 feet long by 4 feet deep and 6 feet high).
- GMBI's web-based services and all other value-added services are free of charge. If SBD Corporate Center II, LLC. should elect to have GMBI manage a furniture inventory in our warehouse, only the labor to disassemble, transport, stage, palletize in our warehouse (or yours) and then to pull/stage and/or load or transport products become billable to SBD Corporate Center II, LLC.

#### **Value Added Services from GMBI:**

GMBI provides an extensive array of services at no charge to SBD Corporate Center II, LLC. GMBI is providing project management, move-in kits, ergonomic assessment, quality audit services and on-line web tools that include e-Portfolio, eAsset and My Window to GMBI document accessibility. GMBI has agreed to provide special pricing to SBD Corporate Center II, LLC. and our invoices will be available on-line per order review so that our costs are transparent to SBD Corporate Center II, LLC.

#### **Product Pricing:**

GMBI has supplied our sell discounts against current published list prices for each contracted manufacturer. Please see "Exhibit B" for all pricing details on this project.

#### **Project Timelines:**

GMBI agrees to provide a Project Timeline for this County of San Bernardino Fire project. An example is shown in "Exhibit C". Your GMBI MicroTeam will present a mutually agreed upon timeline and then uphold the milestones as set forth in the Timeline to maintain the acceptable schedule. Our goal is to ensure a timely project each and every time.

#### **Project Sign-Off Documents:**

GMBI agrees to supply a single package of project sign-off documents for each major project. A major project can be defined as multiple workstations or exam rooms with the order exceeding (10) units. A typical sign-off package will include electronic drawings,



fabric & finish cards, timeline, project sign-off package, jobsite readiness, furniture handling and storage fees if applicable and listing of project contacts.

Please see "Exhibit D" for all components of the GMBI Project Sign-off Package as an example.

#### **Services Menu:**

GMBI takes pride in providing a wide range of services to our clients via our carefully trained and uniformed GMBI service team members. We believe to provide intuitive service we must learn to think like our client and understand your mission. Please see "Exhibit E" for all services offered by GMBI.

#### **Service Rate Sheet:**

Please see "Exhibit F" Service Rate Sheet. As previously mentioned, most orders and projects will have precise service quotes on a lump sum basis to reduce costs for SBD Corporate Center II, LLC. Hourly rates will be used for special design services or minor service requests which require 20 hours or less on a routine basis. Overtime rates will only apply if work requested is to be conducted on Saturday or Sunday. Full shifts on Weekdays after 5PM will be charged at regular daily rates. Less than 8-hour shifts requested Monday thru Friday after 5 PM will be classified as overtime rates.

#### **Technology Menu:**

GMBI agrees to provide SBD Corporate Center II, LLC. full access to our web accessible Technology Programs and value-added software. Please see "Exhibit G" Technology Menu.

#### **Payment Terms:**

SBD Corporate Center II, LLC. agrees to pay a 50% deposit due within 45 days of order entry, 40% due upon substantial delivery, and the final 10% due upon completion of Punch List if applicable. These terms may be waived only in writing.

#### **Cancellation Policy:**

SBD Corporate Center II, LLC. understands that they have 30 days to cancel the order for Herman Miller products without penalty and in the event this date is surpassed the products may be subject to a 5% cancellation fee, which will be applied to the order.

#### **Product Return Policy:**

SBD Corporate Center II, LLC. agrees that the products covered under this agreement are unique and were ordered and manufactured for specific Customer needs. Product is not returnable unless expressly agreed to in advance by GMBI. In the event product is damaged, in part, or is otherwise un-merchantable or un-suitable for the use and purpose for which it was intended, the only remedy available to SBD Corporate Center II, LLC. is a set-off of payment for that portion of the product which is damaged or unusable until the product is replaced, or the damage repaired. SBD Corporate Center II, LLC. agrees to pay any such withheld amount promptly when repairs or replacements have been completed.

#### **Penalty for Late Payment:**

Time is of the essence to this agreement. Customer acknowledges that G/M has extended competitive prices to Customer predicated on payment within the above terms, and that penalties will be incurred for failure to pay amounts when due as follows:



3% of the unpaid contract balance on the fifth day following the balance due date, (delivery date).  
 An additional late payment penalty of 1 1/2% per month will be added to the remaining balance due for each month or fraction thereof after the original due date and until paid in full.

In witness whereof, GMBI and SBD Corporate Center II, LLC. have executed this agreement:

_____ GMBI Signature	_____ SBD Corporate Center II, LLC. Signature
_____ GMBI Name/Title	_____ SBD Corporate Center II, LLC. Name/Title
_____ Date	_____ Date

**Primary GMBI Contacts:**

Contractual Contact:	Stephen L. Easley, COO	909-856-4974	<a href="mailto:seasley@gmbi.net">seasley@gmbi.net</a>
Operational Contact:	Mike Akin, Vice President/CPO	619-247-9986	<a href="mailto:makin@gmbi.net">makin@gmbi.net</a>
Contract Operations:	Diana Nickell, Contracts Manager	951-333-3949	<a href="mailto:dnickell@gmbi.net">dnickell@gmbi.net</a>

**Attachments:**

- Exhibit A: Team Chart
- Exhibit B: SB County Fire Quote 160692
- Exhibit C: Project Timeline (Example)
- Exhibit D: Project Sign-Off Documents (Example)
- Exhibit E: Service Menu
- Exhibit F: Service Rate Sheet
- Exhibit G: Technology Menu



**Goforth & Marti, Inc. dba: G/M Business Interiors**  
a California Corporation, since April 1960  
G/M Business Interiors

**Corporate Information:**

Fed ID Riverside # 95-2091271  
D & B Riverside # 00-960-8555  
Registered Trading Partner  
Furniture Retailer License # A32232  
Riverside Resale #SR EH 98-036270

**Banking Information:**

American Business Bank  
400 S. Hope St. Suite 300  
Los Angeles, CA 90071  
Tel: 909-379-6510  
Acct # 5407000

**GMBI Business Interiors Physical Locations:**

Physical Address	Telephone	Fax
<b>San Diego</b> <b>Workshop/Showroom/Office/Warehouses</b> 110 W. "A" Street, Suite 140 San Diego, CA 92101 City of San Diego Certificate: #B2014001778	619-236-0500	619-236-0550
<b>San Diego Warehouse (1)</b> 5950 Nancy Ridge, Suite 300 San Diego, CA 92121	619-236-0500	619-236-0550
<b>Riverside Office</b> <b>Workshop/Showroom/Office/Warehouse</b> 1099 W. La Cadena Drive Riverside, CA 92501	800-686-6583 951-684-0870	951-684-0837 909-884-1217
<b>Irvine Office</b> <b>Workshop/Showroom/Office/Warehouse</b> 9750 Irvine Blvd, Suite 108 Irvine, CA 92618	800-686-6583	951-684-0837





## **Exhibit A** | Account Management Team Chart



# Account Team

**SBD Corporate Center II, LLC**  
San Bernardino, CA



**Aaron Ellis**  
Account Manager  
aellis@gmbi.net  
(909) 800-8793



**Sanah Grandaw**  
Job Captain  
sgrandaw@gmbi.net  
(619) 856-4995



**Alex Martinez**  
Designer  
amartinez@gmbi.net  
(800) 686-6583



**Martin Nguyen**  
Project Manager  
mnguyen@gmbi.net  
(909) 856-4984



**Jason Stierl**  
Corp. VP of Workplace Success  
jstierl@gmbi.net  
(619) 302-8714



**Katie Lira**  
Job Captain Manager  
klira@gmbi.net  
(800) 686-6583



**Ana Morris**  
Design PAS Operations Manager  
amorris@gmbi.net  
(951) 312-5620



**Jeff Zimmerman**  
Sr. Project Manager  
jzimmerman@gmbi.net  
(619) 200-3761

**Lauri Easley**  
Principal | CEO  
leasley@gmbi.net  
(909) 856-4975

**Candice Young**  
Director of Workplace Success  
cyoung@gmbi.net  
(619) 301-4073

**Jason Evers**  
VP of Workplace Excellence  
jeverson@gmbi.net  
(949) 491-2912

**Shellie Bollenbach**  
Dir. of Client First Sales Ops  
sfbollenbach@gmbi.net  
(800) 686-6583

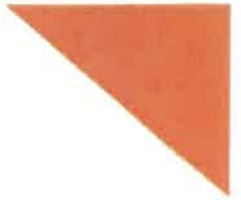
**Stephen L Easley**  
Principal | COO  
seasley@gmbi.net  
(909) 856-4974

**Mike Akin**  
VP | Chief Promise Officer  
makin@gmbi.net  
(619) 247-9986

**Danette Ferretti**  
VP of Interior Construction  
dferretti@div13.com  
(619) 990-5485

**Stephen W Easley**  
VP | Technology & Marketing  
swasley@gmbi.net  
(909) 856-5010





## **Exhibit B** | SB County Fire Quote 160692





elevate your workplace®



Project ID / Who & Where

NEW FIRE BLDG

Date:

2/24/2022

Quotation

160692

BILL TO:

P21471

SBD CORPORATE CENTER II, LLC  
4221 WILSHIRE BLVD SUITE 380

LOS ANGELES

CA 90010

JIAN TORKAN

Phone: (323)932-7777  
Fax:

SHIP TO:

SAN BERNARDINO (MILL ST) SB FIRE  
1111 MILL ST

SAN BERNARDINO

CA 92408

AURORA HERNANDEZ

Phone: (909)387-5779  
Fax:

Product Counts: Systems 167 Desk Units 9 Tables 123 Files 0 Chairs 672 Storage 108 Ancillary 1

**GRAND TOTAL**

**\$1,580,291.88**

Product Summary / Scope of Work

**\*\*PREVAILING WAGE FOR ALL SERVICES\*\***

PROJECT # TBD

ORDER FOR SYSTEMS FURNITURE, DESKING AND SEATING

PRODUCT TYPE: HERMAN MILLER RENEW & CANVAS PRIVATE OFFICE, HERMAN MILLER CANVAS WORKSTATIONS, HERMAN MILLER FREESTANDING CANVAS, HERMAN MILLER MORA CASEWORK, AND HERMAN MILLER SEATING

WORKSTATION QTY #167

DESKING UNITS QTY #80

FOR: NEW FIRE BLDG

\*\*\*\*\*PROJECT START DATE: TBD

\*\*\*\*\*CUSTOMER MOVE-IN DATE: TBD

SCOPE OF WORK:

1) DESIGN SYSTEMS FURNITURE WHICH INCLUDES FIELD RESEARCH, PROGRAMMING WORKSTATIONS, MAKING COLOR SELECTIONS, PRODUCING ALL DRAWINGS, PRODUCT SPECIFICATIONS FOR REVIEW AND APPROVAL

**\*\*DESIGN SERVICES BREAKDOWN\*\***

PREVAILING WAGE NON TAXABLE DESIGN SERVICES: (253) HRS @ \$50/HR = \$\$12,650

2) COORDINATE AND PROJECT MANAGE ASSEMBLY OF SYSTEMS FURNITURE AND SUPPLY ELECTRICAL AND DATA INFORMATION WHERE APPLICABLE

3) G/M SERVICES QUOTED AS (28) TRIPS DURING NORMAL BUSINESS HOURS

Account Executive: Aaron Ellis ([aellis@gmbi.net](mailto:aellis@gmbi.net))

Project PAS: Alexandria Martinez

AMA: Sanah Grandaw ([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

Page: 1

800-686-6583 800-686-6583 Fax: 951-684-0837

G/M Business Interiors

1099 W. La Cadena Drive, Riverside CA, 92501

<http://www.gmbi.net>



4) COORDINATE ALL SERVICES WITH : AURORA HERNANDEZ

\*\*NOTE: QUOTE WILL NEED TO BE ADJUSTED IF SERVICES TO TAKE PLACE AFTER BUSINESS HOURS, OR DURING THE WEEKEND

\*\*\*\*\*PROJECT MANAGER NOTES:

1)

\*\*\*\*\*SET UP MANAGER NOTES:

1)

\*\*\*\*\*ORDER ENTRY NOTES:

1)

G/M			Quotation # 160692			
BOM						
A		Who/What/Where	List	List Ext	Sell	Sell Ext
LOT	1	BREAK ROOM	77,066.00	77,066.00	32,068.98	32,068.98
Description:			Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
(08) EA HERMAN MILLER EVERYWHERE STANDING-HGHT ROUND TABLES			.00	.00	.00	.00
(12) EA HERMAN MILLER EVERYWHERE SITTING-HGHT ROUND TABLES						
(02) EA HERMAN MILLER HEADWAY COMMUNALTABLE						
(28) EA HERMAN MILLER EAMES MOLDED PLASTIC BAR-HGHT CHAIRS						
(48) EA HERMAN MILLER EAMES MOLDED PLASTIC SIDE CHAIRS						
BOM: See Attached Bill of Materials						
Piece Count: 98						
BOM						
B		Who/What/Where	List	List Ext	Sell	Sell Ext
LOT	1	CONFERENCE ROOM	98,412.00	98,412.00	40,444.72	40,444.72
Description:			Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
(48) EA HERMAN MILLER SETU CONFERENCE CHAIRS			.00	.00	.00	.00
(04) EA HERMAN MILLER RECTANGLE CABINET-BASE SEATED-HGHT TABLE						
BOM: See Attached Bill of Materials						
Piece Count: 67						

Account Executive: Aaron Ellis ([aellis@gmbi.net](mailto:aellis@gmbi.net))

AMA: Sanah Grandaw([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

Project PAS: Alexandria Martinez

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G/M Business Interiors

1099 W. La Cadena Drive, Riverside CA, 92501

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BOM

C

## Who/What/Where

		List	List Ext	Sell	Sell Ext
LOT	1 FREESTANDING	239,336.00	239,336.00	71,305.09	71,305.09

## Description:

Non-Tax Svcs. Taxable Svcs. Freight Design Fee

(01) EA. HERMAN MILLER HEADWAY COMMUNAL TALBE, SEATED HEIGHT, 24X96	.00	.00	.00	.00
(01) EA. HERMAN MILLER HEADWAY COMMUNAL TALBE, STANDING HEIGHT, 24X96				
(91) EA. HERMAN MILLER EVERYWHERE FLIP TOP TRAINING TALBES, 30X72				
(06) EA. HERMAN MILLER MOTIA HEIGHT ADJUSTABLE TABLES, 30X72				
(02) EA. HERMAN MILLER CANVAS FREESTANDING DESKS, 30X96				
(02) EA. HERMAN MILLER CANVAS FREESTANDING DESKS, 30X90				
(01) EA. HERMAN MILLER CANVAS FREESTANDING DESK, 30X60				
(02) EA. HERMAN MILLER RENEW HEIGHT ADJUSTABLE TABLES, 30X84				
(03) EA. HERMAN MILLER RENEW CORNER HEIGHT ADJUSTABLE TABLES				
(07) EA. HERMAN MILLER TU SERIES MOBILE B/F PEDESTALS WITH CUSHION TOPS				
(01) EA. HERMAN MILLER TU SERIES STORAGE TOWER, 46H				
(14) EA. HERMAN MILLER FLO SINGLE MONITOR ARMS, CLAMP MOUNT				

BOM: See Attached Bill of Materials

Piece Count: 213

BOM

D

## Who/What/Where

		List	List Ext	Sell	Sell Ext
LOT	1 MORA CASEWORK	22,601.00	22,601.00	10,566.03	10,566.03

## Description:

Non-Tax Svcs. Taxable Svcs. Freight Design Fee

(02) EA HERMAN MILLER MORA CASEWORK PER DRAWINGS	.00	.00	.00	.00
--	-----	-----	-----	-----

BOM: See Attached Bill of Materials

Piece Count: 35

BOM

E

## Who/What/Where

		List	List Ext	Sell	Sell Ext
LOT	1 PRIVATE OFFICE	780,758.00	780,758.00	234,858.97	234,858.97

## Description:

Non-Tax Svcs. Taxable Svcs. Freight Design Fee

(71) EA HERMAN MILLER PRIVATE OFFICE	.00	.00	.00	.00
(11) EA HERMAN MILLER OFS PRIVATE OFFICE				

BOM: See Attached Bill of Materials

Piece Count: 1207

Account Executive: Aaron Ellis ([aellis@gmbi.net](mailto:aellis@gmbi.net))

Project PAS: Alexandria Martinez

AMA: Sanah Grandaw ([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

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BOM

F		Who/What/Where	List	List Ext	Sell	Sell Ext
LOT	1	STORAGE	156,439.00	156,439.00	56,393.69	56,393.69

## Description:

Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
.00	.00	.00	.00

(22) EA HERMAN MILLER 42X38 STORAGE CASE W/LAMINATE TOP  
 (04) EA HERMAN MILLER 42X36 STORAGE CASE W/LAMINATE TOP  
 (28) EA HERMAN MILLER 42X69 TWO DOOR STORAGE CASE  
 (13) EA HERMAN MILLER 36X69 FIVE-HIGH STORAGE CASE  
 (04) EA HERMAN MILLER 42X69 STORAGE SHELF

BOM: See Attached Bill of Materials

Piece Count: 355

BOM

G		Who/What/Where	List	List Ext	Sell	Sell Ext
LOT	1	WORKSTATIONS	2,138,636.00	2,138,636.00	581,996.89	581,996.89

## Description:

Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
.00	.00	.00	.00

(167) EA HERMAN MILLER CANVAS WORKSTATIONS W/ STORAGE & HEIGHT ADJUSTABLE DESK

BOM: See Attached Bill of Materials

Piece Count: 7810

BOM

H		Who/What/Where	List	List Ext	Sell	Sell Ext
LOT	1	FIRST FLOOR SEATING	258,778.00	258,778.00	114,615.01	114,615.01

## Description:

Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
.00	.00	.00	.00

(80) EA ECD INMOTION NEST TRAINING CHAIRS  
 (09) EA HERMAN MILLER AERON SIZE B TASK CHAIRS  
 (09) EA HERMAN MILLER AERON SIZE C TASK CHAIRS  
 (101) EA HERMAN MILLER MIRRA 2 TASK CHAIRS

BOM: See Attached Bill of Materials

Piece Count: 199

Account Executive: Aaron Ellis ([aellis@gmbi.net](mailto:aellis@gmbi.net))  
 AMA: Sanah Grandaw ([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

Project PAS: Alexandria Martinez  
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BOM

I

## Who/What/Where

			List	List Ext	Sell	Sell Ext
LOT	1	SECOND FLOOR SEATING	283,711.00	283,711.00	125,580.86	125,580.86

## Description:

	Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
(102) EA ECD INMOTION NEST TRAINING CHAIRS	.00	.00	.00	.00
(21) EA HERMAN MILLER AERON SIZE B TASK CHAIRS				
(20) EA HERMAN MILLER AERON SIZE C TASK CHAIRS				
(56) EA HERMAN MILLER MIRRA 2 TASK CHAIRS				
(23) EA HERMAN MILLER EMBODY TASK CHAIRS				

BOM: See Attached Bill of Materials

Piece Count: 222

BOM

J

## Who/What/Where

			List	List Ext	Sell	Sell Ext
LOT	1	SEATING	39,323.00	39,323.00	19,015.61	19,015.61

## Description:

	Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
(01) EA HERMAN MILLER CLYDE THREE SEAT LOUNGE CHAIR	.00	.00	.00	.00
(01) EA HERMAN MILLER HUSH LOUNGE CHAIR				
(56) EA HERMAN MILLER VERUS SIDE CHAIRS				
(06) EA HERMAN MILLER REVOLVER STOOL W/FOOT REST				

BOM: See Attached Bill of Materials

Piece Count: 64

Account Executive: Aaron Ellis ([aellis@gmbi.net](mailto:aellis@gmbi.net))

Project PAS: Alexandria Martinez

AMA: Sanah Grandaw ([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

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BOM

K

## Who/What/Where

		List	List Ext	Sell	Sell Ext
LOT	0 Z G/M Services	.00	.00	.00	.00

## Description:

Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
---------------	---------------	---------	------------

G/M Furniture Planning Services, if applicable, include field measurements, drawing AutoCAD building shells, developing typical workstations and private office standards, space planning typicals into the floorplan, developing furniture color schemes, order specifications and receiving client approvals for all drawings and color schemes for order entry.

44,450.00	123,517.00	.00	12,650.00
-----------	------------	-----	-----------

G/M Project Management Services include drawings and field measure checks, order scheduling & routing, electrical consulting with contractors, field checks, monitoring construction progress along with delivery, assembly, punchlist coordination through final completion.

G/M Project Services include receiving and inspecting of each product, shipping damage adjudication with vendors, transporting product if applicable, staging of products, delivery, setting in place of all furniture, level clean and polishing of all items, vacuum floors and recycling of all waste products associated with the furniture project.

G/M Punchlist Services include formulation of the project punchlist, ordering and receiving of punchlist products, and delivery and assembly to finalize the punchlist and project.

G/M Warranty Services Department is provided to offer clients our no-charge warranty service work for all furniture protected under valid factory warranties. G/M maintains electronic copies of our Client's invoices for warranty enforcement. For service requests, our Warranty Department may be contacted via e-mail at [warranty@gmbi.net](mailto:warranty@gmbi.net)

BOM: See Attached Bill of Materials

Piece Count:

Account Executive: Aaron Ellis ([aeellis@gmbi.net](mailto:aeellis@gmbi.net))

Project PAS: Alexandria Martinez

AMA: Sanah Grandaw ([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

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G/M Business Interiors

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## Product of the Month - Commend Nurses Stations



G/M accepts credit cards at 0% for purchases up to \$10,000  
Purchases over \$10,000 requires a surcharge of 2.75%

**Product Subtotal:** \$1,286,845.85

**Services (Taxable)** \$123,517.00

**Freight (Taxable)** \$0.00

**Services (Non-Taxable)** \$44,450.00

**Design Services (Non-Taxable)** \$12,650.00

**Taxable Subtotal:** \$1,410,362.85

**Non-Taxable Subtotal:** \$57,100.00

**Sales Tax (8.000%)** \$112,829.03

**Total:** \$1,580,291.88

## Terms:

**50% Deposit 50%** \$790,145.94

## Terms:

**40% @ Substantial Delivery 40%** \$632,116.75

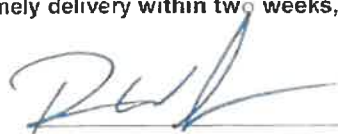
## Terms:

**10% @ Punchlist 10%** \$158,029.19


I have reviewed the quote, the bill of materials, the drawings (if applicable), the color cards (if applicable), and other associated exhibits for my order.

- I approve the colors, fabrics, and finishes as previously selected and correct as shown on the attached exhibit.
- I am satisfied that the product I have selected is the correct size and is suitable and will perform for its intended purpose.
- I am aware this product is manufactured to order and is not returnable to G/M or to the manufacturer.
- I understand that legal title to the product will transfer upon delivery to my commercial or residential location and all associated labor is taxable until title transfers.
- I am aware additional costs charged for inside delivery, staging, setting in place, assembly, leveling, cleaning, polishing, recycling of waste materials are separately stated and are elected as an additional contract option.
- I am aware of the grand total price of this contract as shown on this quote.
- G/M is ordering your furniture from a variety of manufacturers to be aggregated and received into our G/M operated warehouse. Once the final portion of your order has been received, a "ready to deliver" notification will be sent to you. G/M, at this point, will graciously, store your complete order for up to two weeks at no charge. If for some reason you cannot accept a timely delivery within two weeks, a quote for one month's handling and storage shall be calculated and forwarded to you.

Approved by:

  
Signature

  
Print Name/Title

  
Date

Account Executive: Aaron Ellis ([aellis@gmbi.net](mailto:aellis@gmbi.net))

Project PAS: Alexandria Martinez

AMA: Sanah Grandaw ([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

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G/M Business Interiors

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## **Exhibit C** | Project Timeline (Example)



PT

## G/M Project Timeline



Client Name:

SBD Corporate Center II, LLC

Project Name:

County of San Bernardino Fire Project

Project Cycle Start Date:

9/15/2022

Order Entry Date (Required)

2/28/2022

Install Start Date (Required)

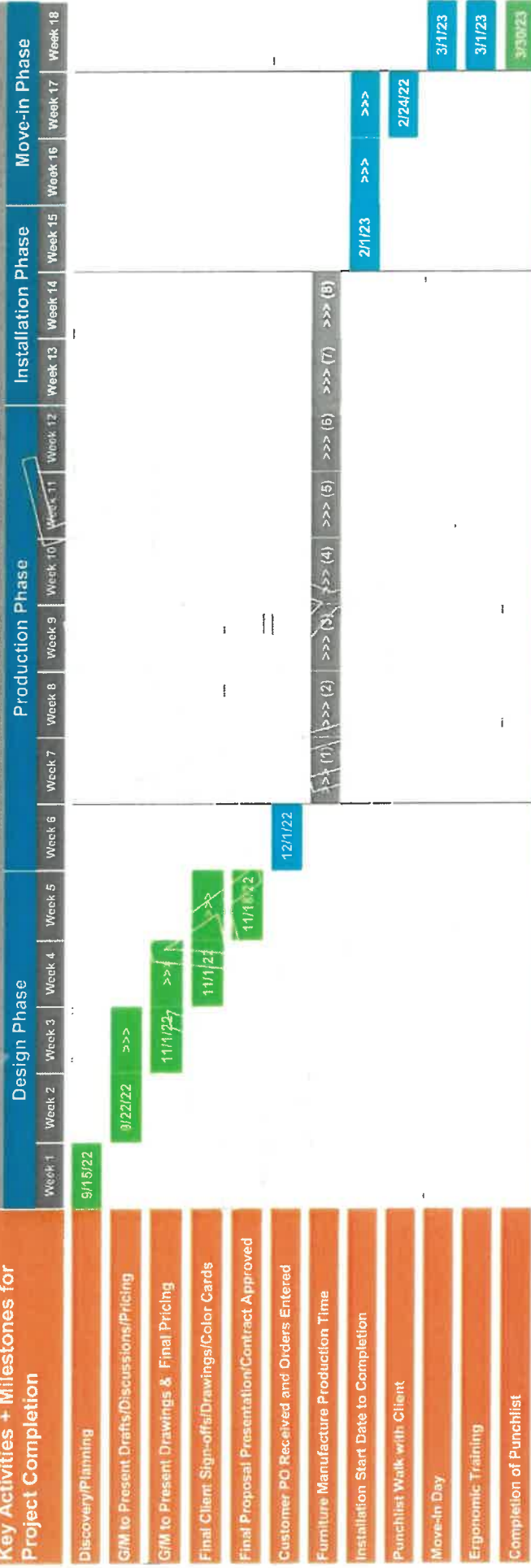
2/1/2023

Move-in Date (Required)

3/1/2023

## Key Activities + Milestones for Project Completion

Critical Dates Required to Supply all Deliverables for a Large Project



Project Phases&gt;&gt;&gt;

Design Phase

Production Phase

Installation Phase

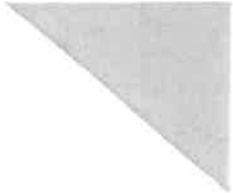
Move-in Phase

G/M Business Interiors 2022









## **Exhibit D** | Project Sign-Off Documents (Example)





*elevate your workplace™*

## GJM Project Approval and Sign-Off Checklist

The following items must be verified and approved prior to any factory orders being placed by GJM. Please note that all furniture is a custom order and is built by our factories to your approved specification that includes colors, edge styles, pull styles, wood veneers, high pressure laminates, fabrics and paint textures and colors.

---

Please initial each line item and sign below in the space provided.

- \_\_\_1) These approvals are for GJM Quote # \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_
- \_\_\_2) Drawings for the project have been reviewed, verified, understood and approved.
- \_\_\_3) Fabrics, finishes, paint colors, edge details, pull styles and color schemes have been reviewed, verified, understood and approved.
- \_\_\_4) The Project Timeline is approved with either the dates below or TBD (To Be Determined) inserted.  
Note: If the project is to be divided into multiple phases, please list the first phase only.
  - A. Client Move-In Date: \_\_\_\_\_
  - B. Client Install Start Date: \_\_\_\_\_
- \_\_\_5) Exhibit "A" Jobsite Readiness Information is acknowledged.
- \_\_\_6) Exhibit "B" Furniture Handling & Storage Fees is acknowledged.
- \_\_\_7) Authorized Contact for Project Sign-Off: \_\_\_\_\_
- \_\_\_8) Contact to receive email notifications: \_\_\_\_\_
- \_\_\_9) Accounts Payable Contact: \_\_\_\_\_

The above and mentioned items have been checked and are approved for order. I am satisfied that the products as specified are suitable for our intended purpose. I am aware that these products will be custom made per my specifications and are non-returnable.

Signature

Printed / Typed Name

Date





## Exhibit "1a"

### Jobsite Readiness for Furniture Installations

To achieve project success, it is critical that we can agree upon the required condition of the jobsite prior to G/M installing your new furniture. Understanding this is paramount to setting and agreeing to an installation start date.

G/M has quoted the delivery and installation portion price of your project based upon the jobsite being "ready" to receive new furniture. Our quote is the lowest possible price because we expect the jobsite to be complete and ready. This means we have not priced your project to anticipate delays and/or being inhibited by trades that have not completed their work. It is critical that GM, you and your Construction Manager can gain this clarity to ensure a successful project.

Our definition of jobsite readiness is as follows:

- 1) Ceilings are completely installed, acoustical ceiling tiles are completely installed, lighting is installed and any speakers, cameras or peripheral equipment is also installed. This will eliminate the need for ladders to be placed in, on or around our furniture causing edge and surface damage.
- 2) Walls have been painted or covered and are complete. If this isn't done we can't install our furniture. Most furniture is typically placed near or against walls.
- 3) Data & telephone wall plates must be installed and tested along with all wall electrical receptacles. If this isn't done, we will have to move the furniture a second time so these trades will be able to gain access.
- 4) Flooring materials are installed, including baseboards or cove base materials. If flooring is not complete, we can't even place our furniture and this can cause additional handling charges.
- 5) Construction punch-lists have been instigated, detailed and or completed. If they are complete, we will not have to move furniture a second time for painters to gain access.

A typical misconception is to require the furniture earlier than you need it to avoid "waiting for furniture" that may slow down the project. We represent Herman Miller and they have a 99.9% on-time delivery track record. Once we select an "Installation Start Date", Herman Miller and G/M will get your project furniture there on time. Just in time deliveries allow you to pay the least amount for installation services and also allows your contractors to work in a furniture free environment which speeds their completion times.

When our furniture arrives and the jobsite is ready, we can install it efficiently and professionally in the least amount of time. Our goal is to manage your project in this fashion and communicate all ordering and receiving activities to your project group.

If it appears that the jobsite will not be ready on the agreed upon date and we are notified 3.5 weeks earlier, we can change the delivery date with no additional charges. It is very important to communicate jobsite readiness to us at your earliest convenience to avoid additional charges.

If we are required to install furniture in a jobsite condition that is not ready, we will typically take 2 to 3 times longer to install and there will be many products damaged by construction trades ladders, scaffolding, painting, work tools and work boots. This is not a pleasant installation and is what we are striving to avoid at all costs. Thank you for understanding our process. Our goal is for you to be extremely happy!





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## Exhibit "1b"

### **Furniture Handling & Storage Fees**

Additional handling or storage fees may be required, only if we are not informed that the jobsite will not be ready on the agreed upon installation start date. We must be informed a minimum of 3 and one half weeks prior to the agreed upon installation start date. Our Project Manager will do everything possible to avoid this scenario, however, if Construction Managers continue to say they will be ready on that date and we arrive with furniture that cannot be installed, this furniture will have to be moved to an alternative location. This requires additional handling and/or storage fees if placed in G/M's or a third party warehouse. If there is room somewhere else at the jobsite, then only handling charges will apply. It is not G/M's intention to make any profits on these activities, rather to only cover our costs.

These additional charges should not happen, and again we will do everything possible to avoid them. Only if agreements are not kept, will these charges apply.

Charges may be applied as follows:

- 1) By hourly charge for each G/M worker, for additional labor only that may be required under the above described scenario.
- 2) By storage cubic area required, if placed in G/M's or a third party warehouse. This will be price per cubic foot.
- 3) Additional truck charges if furniture must be diverted to alternative locations for storage. These charges will one-half or full day charges as applicable.





## **Exhibit E** | Service Menu





## GJM Services Menu

[Watch the GJM Services Video >>](#)

GJM is skilled in providing specialized products & services to our customers in government, healthcare, education and private enterprise.

### Complete GJM Service Offering

#### Planning Services

Our professional team utilizing advanced listening and data gathering tools will identify key visions and develop an office to Elevate your Workplace™.

#### Assembly + Installation

GJM Client Services Group is renowned in the industry as the best. Uniformed, trained and polished to provide the most professional services!

#### Wall Coverings

GJM is equipped to coordinate all aspects of your project, including wall coverings, painting and other vertical surface needs, providing a turnkey solution.

#### Moves, Adds + Changes

Our very experienced GJM MAC Team takes pride in making our clients happy! They have an amazing satisfaction record and extensive testimonial collection.

#### Refurbishment

Maximizing your investment and doing the smart thing now and for the future are the cornerstones of determining the scope of your re-use of assets. We will always verify the most cost effective solution for you.

#### eAsset Inventory Management

Store your additional product or office equipment with GJM at our secure warehouse facilities. It will cost you less for the long run with GJM transporting the product immediately to you versus traveling to a third party location.

#### Data Cabling Coordination

Systems Furniture can only be installed as fast as data cabling is installed after we build the frames or panels. GJM can handle the scheduling and coordination of data cabling for our clients as another service to enhance project efficiency and speed the process.

#### Specialized Accessories

Accessories are almost always a serious afterthought. This needs to stop. A great project needs the small details to be thoughtful and on target or it can ruin and otherwise great design.

#### Flooring

Coordinating a successful project requires all team members to be in sequence. Many of our Clients have come to realize that more services GJM provides the smoother the project. Getting flooring in time is critical to all weekend projects. Let GJM manage this for you!





## **Exhibit F | Service Rate Sheet**



## G/M Business Interiors Contract Service Rates

SBD Corporate Center II, LLC

	Labor Category	Straight Time	Over Time	Holiday
Design Services	Interior Designer Sr.(G/M IQ Studio Mgr)	\$ 90.00	N/A	N/A
	Space Planner (IQ Studio)	\$ 75.00	\$ 107.00	\$ 107.00
	Furniture Planner / Specifier	\$ 65.00	\$ 88.00	\$ 88.00
	CAD Specialist	\$ 55.00	\$ 73.00	\$ 73.00

	Labor Category	Straight Time	Over Time	Holiday
Installation Services	Accnt Exec/Sr Project Manager	\$ 70.00	\$ 85.00	\$ 85.00
	Project Manager	\$ 60.00	\$ 78.00	\$ 78.00
	Supervisor/Foreman	\$ 62.00	\$ 84.00	\$ 84.00
	Installer	\$ 47.00	\$ 59.00	\$ 59.00
	Carpet Installer	\$ 93.00	\$ 139.00	\$ 139.00

	Labor Category	Straight Time	Over Time	Holiday
Moves, Adds & Changes + Reconfiguration + Furniture Moving Services	Move Manager	\$ 65.00	\$ 85.00	\$ 85.00
	M/JAC Planner/Coordinator	\$ 62.00	\$ 84.00	\$ 84.00
	MAC Project Manager	\$ 65.00	\$ 85.00	\$ 85.00
	Installer	\$ 45.00	\$ 59.00	\$ 59.00
	Mover	\$ 35.00	\$ 47.00	\$ 47.00
	Van + Driver	\$ 95.00	\$ 125.00	\$ 125.00
	Driver Only	\$ 46.00	\$ 63.00	\$ 73.00
	Administrator	\$ 39.00	\$ 53.00	\$ 53.00

	Labor Category	Straight Time	Over Time	Holiday
Product Maintenance & Refurbishment	Accnt Exec/Sr Project Manager	\$ 65.00	\$ 85.00	\$ 85.00
	Supervisor / Lead	\$ 62.00	\$ 84.00	\$ 84.00
	General Maintenance	\$ 52.00	\$ 69.00	\$ 69.00
	General Laborer	\$ 45.00	\$ 59.00	\$ 59.00

	Labor Category	Straight Time	Over Time	Holiday
Warehousing & Warehouse Management	Warehouse Supervisor	\$ 47.00	\$ 64.00	\$ 64.00
	Warehouse Laborer	\$ 35.00	\$ 47.00	\$ 47.00
	Warehouse Data Entry	\$ 39.00	\$ 53.00	\$ 63.00
	Driver Only	\$ 46.00	\$ 63.00	\$ 73.00
	Inventory Analyst	\$ 39.00	\$ 53.00	\$ 53.00

### Warehouse Rates & Moving Supplies for G/M Clients

Type	Units/Measure	Cost
Storage *(Daily Rate) Full Bay \$115/30 = \$3.83	Cu.ft. / month	\$ 115.00
Dumpster (40 yard) Avg Job = 1 del and 1 pick up	Per Project	\$ 490.00
New Box(es)	Per Box	\$ 1.55
E-Crate Box(s) - Rental	Per Box	\$ 0.65
E-Crate Box(s) - Purchase	Per Box	\$ 36.50





## **Exhibit G** | Technology Menu





## G|M Technology Menu

G|M is skilled in providing specialized products & services to our customers in government, healthcare, education and private enterprise.

### Complete G|M Service Offering

#### MyWindow

Our client portal provides each client access to order information, tracking and documents in a simple web search format. Clients will also enjoy links to project specific documentation, various G|M publications, websites, ePortfolio and eAsset accounts.

#### ePortfolio

G|M's proprietary furniture finding search engine provides access to view thousands of product images, create brochures and generate complete project budgets!

#### Web-Based Questionnaires

Customized web-based questionnaires are available for group census. G|M believes that people support what they help to create and these web-based questionnaires provide the opportunity to gain feedback in a concise and organized manner. All results are provided by question in a pie chart graphic and all results remain on file for future audits or review

#### eAssets & eProcurement

Your personal inventory management and eProcurement system! After each project, our clients will receive a complimentary online catalog of all standard products (eProcure). Products may be re-ordered or simply viewed for budgeting purposes. This program also boasts features to enable either G|M housed or on-site asset management electronically (eAssets).

#### Custom Reporting & Performance Metrics

Customized order and accounting reports as well as Key Performance Indicator (KPI) reporting.

[Log in to MyWindow >>](#)

Username:

Password:

Username:

Password:





elevate your workplace™



**Project ID / Who & Where**

4479 SB FIRE/SBD PARTNERSHIP-PH1 160692

**Date:**

3/18/2022

**Quotation**

**160692**

**BILL TO:**

P21471

SBD CORPORATE CENTER II, LLC  
4221 WILSHIRE BLVD SUITE 380

LOS ANGELES CA 90010

JIAN TORKAN Phone: (323)932-7777  
Fax:

**SHIP TO:**

SAN BERNARDINO (MILL ST) SB FIRE  
1111 MILL ST

SAN BERNARDINO CA 92408

AURORA HERNANDEZ Phone: (909)387-5779  
Fax:

**Product Counts:** Systems **167** Desk Units **80** Tables **123** Files **0** Chairs **672** Storage **0** Ancillary **1**

**GRAND TOTAL**

**\$1,582,422.24**

**Product Summary / Scope of Work**

**\*\*PREVAILING WAGE FOR ALL SERVICES\*\***

PROJECT# 4479

ORDER FOR SYSTEMS FURNITURE, DESKING AND SEATING

PRODUCT TYPE: HERMAN MILLER RENEW & CANVAS PRIVATE OFFICE, HERMAN MILLER CANVAS WORKSTATIONS, HERMAN MILLER FREESTANDING CANVAS, HERMAN MILLER MORA CASEWORK, AND HERMAN MILLER SEATING

WORKSTATION QTY #167  
DESKING UNITS QTY #80

FOR: NEW FIRE BLDG

\*\*\*\*\*PROJECT START DATE: 12/01/22

\*\*\*\*\*CUSTOMER MOVE-IN DATE: TBD

**SCOPE OF WORK:**

1) DESIGN SYSTEMS FURNITURE WHICH INCLUDES FIELD RESEARCH, PROGRAMMING WORKSTATIONS, MAKING COLOR SELECTIONS, PRODUCING ALL DRAWINGS, PRODUCT SPECIFICATIONS FOR REVIEW AND APPROVAL

**\*\*DESIGN SERVICES BREAKDOWN\*\***

PREVAILING WAGE NON TAXABLE DESIGN SERVICES: (253) HRS @ \$50/HR = \$\$12,650

2) COORDINATE AND PROJECT MANAGE ASSEMBLY OF SYSTEMS FURNITURE AND SUPPLY ELECTRICAL AND DATA INFORMATION WHERE APPLICABLE

3) G/M SERVICES QUOTED AS (28) TRIPS DURING NORMAL BUSINESS HOURS

Account Executive: Aaron Ellis ([aellis@gmbi.net](mailto:aellis@gmbi.net))

Project PAS: Alexandria Martinez

AMA: Sanah Grandaw ([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

Page: 1

800-686-6583 800-686-6583 Fax: 951-684-0837

G/M Business Interiors

1099 W. La Cadena Drive, Riverside CA, 92501

<http://www.gmbi.net>



4) COORDINATE ALL SERVICES WITH : AURORA HERNANDEZ

\*\*NOTE: QUOTE WILL NEED TO BE ADJUSTED IF SERVICES TO TAKE PLACE AFTER BUSINESS HOURS, OR DURING THE WEEKEND

\*\*\*\*\*PROJECT MANAGER NOTES:

1)

\*\*\*\*\*SET UP MANAGER NOTES:

1)

\*\*\*\*\*ORDER ENTRY NOTES:

1)

G/M		Quotation # 160692				
BOM A		Who/What/Where	List	List Ext	Sell	Sell Ext
LOT	1	BREAK ROOM	77,066.00	77,066.00	32,068.98	32,068.98
Description:			Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
(08) EA HERMAN MILLER EVERYWHERE STANDING-HGHT ROUND TABLES (12) EA HERMAN MILLER EVERYWHERE SITTING-HGHT ROUND TABLES (02) EA HERMAN MILLER HEADWAY COMMUNALTABLE (28) EA HERMAN MILLER EAMES MOLDED PLASTIC BAR-HGHT CHAIRS (48) EA HERMAN MILLER EAMES MOLDED PLASTIC SIDE CHAIRS			.00	.00	.00	.00
BOM: See Attached Bill of Materials Piece Count: 98						
BOM B		Who/What/Where	List	List Ext	Sell	Sell Ext
LOT	1	CONFERENCE ROOM	98,412.00	98,412.00	40,444.72	40,444.72
Description:			Non-Tax Svcs.	Taxable Svcs.	Freight	Design Fee
(48) EA HERMAN MILLER SETU CONFERENCE CHAIRS (04) EA HERMAN MILLER RECTANGLE CABINET-BASE SEATED-HGHT TABLE			.00	.00	.00	.00
BOM: See Attached Bill of Materials Piece Count: 67						

Account Executive: Aaron Ellis ([aellis@gmbi.net](mailto:aellis@gmbi.net))

Project PAS: Alexandria Martinez

AMA: Sanah Grandaw ([sgrandaw@gmbi.net](mailto:sgrandaw@gmbi.net))

Page: 2

800-686-6583 800-686-6583 Fax: 951-684-0837

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**ASSIGNMENT OF AGREEMENT  
(LEASE AGREEMENT)**

This **ASSIGNMENT OF AGREEMENT (LEASE AGREEMENT)**, dated as of March 1, 2022, is executed by **SBD CORPORATE CENTER II, LLC**, a California limited liability company ("Assignor") for the benefit of **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as trustee (in such capacity, together with any successor trustee appointed pursuant to the Indenture referenced below, "Trustee").

For valuable consideration, receipt of which is hereby acknowledged, Assignor collaterally assigned, and does hereby collaterally assign unto Trustee, pursuant to the Indenture of Trust, dated as of March 1, 2022 (as amended, supplemented or otherwise modified from time to time, the "Indenture"), among the California Enterprise Development Authority ("Authority"), Assignor, and Trustee, all the right, title and interest of Assignor in, to and under (including all moneys due and to become due to Assignor under), and does hereby grant to Trustee, for the ratable benefit of the Registered Owners referred to in the Indenture, a first priority security interest in the following agreement (as the same may be amended, supplemented, extended, renewed, or otherwise modified from time to time, the "Assigned Agreement"):

Lease Agreement, dated as of March 1, 2022, by and between Inland Valley Development Agency, a joint exercise of powers agency ("IVDA") and the San Bernardino County Fire Protection District, a fire protection district ("District"), and assigned by IVDA to Assignor pursuant to that certain Assignment and Assumption Agreement, dated as of March 1, 2022, between IVDA and Assignor.

This Assignment is made as collateral security for all Outstanding Bonds executed and delivered to the Registered Owners pursuant to the Indenture and is subject to all the terms and conditions of the Financing Documents referred to in the Indenture. All right, title, and interest of Assignor in, to and under the Assigned Agreement shall from the date hereof constitute part of the Revenues for all purposes of the Financing Documents. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth in the Indenture.

Assignor hereby irrevocably authorizes and directs District to pay all moneys, if any, due and to become due to Assignor under or by reason of the Assigned Agreement (including specifically the Base Rent payments, the Supplemental Rent payments and Bond Related Charges (each as defined in the Lease Agreement)) directly to Trustee, at its address located at 633 West Fifth Street, 24<sup>th</sup> Floor, Los Angeles, California 90071, Attention: Global Corporate Trust, for administration in accordance with the terms of the Indenture, or to such other Person or in such other manner as Trustee may from time to time hereafter specify in writing to District, until such time as Trustee shall notify District that this Assignment has been terminated and released.

Neither this Assignment, nor the receipt by Trustee or the Registered Owners shall cause Trustee or Registered Owners to be under any obligation to Assignor or to District for the performance or observance of any of the representations, warranties, terms, obligations or conditions of the Assigned Agreement.



Notwithstanding this Assignment, Assignor shall be and remain obligated to District to perform all of Assignor's obligations and agreements under the Assigned Agreement, and District shall be and remain obligated to Assignor to perform all of District's obligations and agreements under the Assigned Agreement, other than the payment of moneys becoming due thereunder to Trustee as provided in this Assignment.

Assignor does hereby irrevocably constitute and appoint Trustee its true and lawful attorney in fact with full and irrevocable power and authority in the place and stead of Assignor and in the name of Assignor or in the name of Trustee, for the purpose of carrying out the terms of this Assignment, to take any and all actions and execute any and all instruments which may be necessary or desirable to accomplish the purposes of this Assignment. This power of attorney is a power coupled with an interest and shall be irrevocable.

Assignor hereby represents and warrants that it has not heretofore assigned or otherwise disposed of or encumbered any right, title, or interest of Assignor in, to, or under the Assigned Agreement or any moneys due or to become due to Assignor under or by reason thereof, and Assignor has the right and power to transfer to Trustee, for the benefit of the Registered Owners, absolute title to Assignor's right, title, and interest in, to, and under the Assigned Agreement and in and to all the moneys due and to become due to Assignor under the Assigned Agreement.

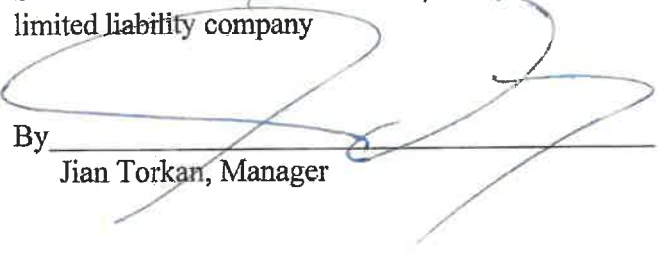
This Assignment shall be governed by, and construed and interpreted in accordance with, the law of the State of California.

[Signature Pages Follow]



**IN WITNESS WHEREOF**, Assignor has caused this Assignment to be duly executed and delivered as of the date first written above.

SBD CORPORATE CENTER II, LLC, a California  
limited liability company

By   
Jian Torkan, Manager


[Signature Page to Assignment of Agreement (Lease Agreement)]



DISTRICT ACKNOWLEDGEMENT


District hereby consents to the terms of the foregoing Assignment of Agreement (Lease Agreement) and acknowledges and agrees to the authorization and directions set forth therein.

SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT

By   
Leonard X. Hernandez  
Chief Executive Officer of  
San Bernardino County for the  
San Bernardino County Fire Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

By   
Jolena E. Grider  
Deputy County Counsel

[Signature Page to Assignment of Agreement (Lease Agreement)]



**\$26,000,000**  
**California Enterprise Development Authority**  
**Lease Revenue Bonds**  
**(San Bernardino County Fire Protection District Project)**  
**Series 2022**

March 31, 2022

**CLOSING AND INCUMBENCY CERTIFICATE OF THE  
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT  
PURSUANT TO SECTION 5(e)(x) OF THE BOND PURCHASE AGREEMENT**

The undersigned, Leonard X. Hernandez, hereby certifies that:

1. He is the duly appointed Chief Executive Officer of San Bernardino County, has been duly authorized by the Board of Director of the San Bernardino County Fire Protection District (the “District”) to act on behalf of the District in connection with the matters set forth herein and, as such, is familiar with the facts herein certified and is authorized to certify the same.

2. The District is a fire protection district created pursuant to the Fire Protection District Law of 1987 (Part 2.7 of Division 12 of the California Health and Safety Code).

3. The District has, pursuant to the authority granted by Resolution No. 2021-199 adopted by the Board of Directors of the District on December 7, 2021 (the “Resolution”), entered into the documents listed below (collectively, the “District Documents”) and has all necessary power and authority to carry out the transactions contemplated by the District Documents.

(i) Lease Agreement, dated as of March 1, 2022, by and between Inland Valley Development Agency (the “Agency”) and the District, together with all exhibits thereto;

(ii) Work Letter, dated as of March 1, 2022, by and between the Agency and the District;

(iii) Memorandum of Lease Agreement, dated as of March 1, 2022, between the Agency and the District;

(iv) Letter of Representations, dated March 31, 2022, by the District;

(v) Environmental Indemnity Agreement, dated as of March 1, 2022, by and among the Agency, SBD Corporate Center II, LLC (the “Lessor”), and the District;

(vi) Subordination, Nondisturbance, and Attornment Agreement, dated as of March 1, 2022, among the District, the Lessor and U.S. Bank Trust Company, National Association (the “Trustee”);

(vii) Tax Regulatory Agreement, dated March 31, 2022, executed by the Issuer, the District, and the Lessor; and



(viii) Agreement for Property Management, dated as of March 1, 2022 by and between FJ Management, LLC and the District.

4. The District has, pursuant to the authority granted by the Resolution given its acknowledgement and/or consent, respectively, to the documents listed below.

(i) Assignment and Assumption Agreement, dated as of March 1, 2022, between the Agency and the Lessor and acknowledged by the District; and

(ii) Assignment of Agreement (Lease Agreement), dated as of March 1, 2022, by the Lessor for the benefit of the Trustee and acknowledged by the District.

5. The District Documents have been duly executed and delivered by the Chief Executive Officer and are in full force and effect, and, when executed and delivered by the respective parties thereto, will constitute valid and binding obligations of the District enforceable in accordance with their respective terms.

6. The representations and warranties of the District contained in the District Documents are true, complete, and correct in all material respects on and as of the date hereof as if made on the date hereof.

7. The District has complied with all agreements, covenants, and conditions required to be complied with or satisfied by the District on or prior to the date hereof under the District Documents.


8. No litigation is pending or, to the knowledge of the District, threatened in any court in any way affecting the existence of the District or seeking to restrain or enjoin the execution or delivery of the District Documents, or in any way contesting or affecting (i) the validity or enforceability of the District Documents, (ii) the completeness or accuracy of information relating to the District in the Letter of Representations, or (iii) the powers of the District or its authority with respect to the District Documents.

[Signature Page Follows]



IN WITNESS WHEREOF, the undersigned has subscribed his signature as of the date first written above.

SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT

By   
Leonard X. Hernandez  
Chief Executive Officer of  
San Bernardino County for the  
San Bernardino County Fire Protection District

The undersigned, Lynna Monell, Secretary of the Board of Directors of the San Bernardino County Fire Protection District, hereby certifies that the signature of Leonard X. Hernandez appearing above is his genuine signature.

By   
Lynna Monell  
Secretary of the Board of Directors

[Signature Page to Certificate of the District]



**\$26,000,000**  
**California Enterprise Development Authority**  
**Lease Revenue Bonds**  
**(San Bernardino County Fire Protection District Project)**  
**Series 2022**

March 31, 2022

**CLOSING AND INCUMBENCY CERTIFICATE OF THE PROPERTY MANAGER  
PURSUANT TO SECTION 5(e)(xix) OF THE BOND PURCHASE AGREEMENT**

The undersigned hereby state and certify that as of the date hereof:

1. We are the duly qualified and acting members of FJ Management, LLC, a California limited liability company (the "Property Manager"), and as such, are familiar with the facts herein certified and are authorized and qualified to certify the same.
2. Attached hereto as **Exhibit A** is a true, correct, and complete copy of the Articles of Organization of the Property Manager in full force and effect on the date hereof, together with all amendments thereto, as certified by the Secretary of State of the State of California.
3. Attached hereto as **Exhibit B** is a true, correct, and complete copy of the Operating Agreement of the Property Manager, together with all amendments thereto to the date hereof, and such Operating Agreement, as so amended, remains in full force and effect on the date hereof.
4. Attached hereto as **Exhibit C** is a true and complete copy of the written consent of the members of the Property Manager with respect to the above-referenced bonds and the documents and transactions referred to in this certificate and such written consent remains in full force and effect on the date hereof.
5. Attached hereto as **Exhibit D** is a true, correct, and complete copy of the Certificate of Status with respect to the Property Manager issued by the Secretary of State of the State of California.
6. Attached hereto as **Exhibit E** is a true and correct copy of the Entity Status Letter with respect to the Property Manager issued by the Franchise Tax Board of the State of California.
7. The Property Manager has been duly organized and is a validly existing limited liability company under the laws of the State of California, with full power and authority to own its properties and to conduct its business. The Property Manager is conducting its business in compliance with all applicable and valid laws, rules, regulations, and restrictions of the jurisdictions in which it owns or leases property or transacts business, including the State of California.
8. The signatures appearing at the end of this Certificate are the genuine signatures of Frank Schnetz and Jian Torkan, and each individual hereby certifies that the signature of the other individual is their genuine signature.



9. The Property Manager has, by written consent and action of members of the Property Manager, authorized the execution of the Agreement for Property Management (the "Management Agreement"), dated as of March 1, 2022, between the Property Manager and the San Bernardino County Fire Protection District (the "District"), and authorized Jian Torkan, acting alone, to execute the same, and such individual has executed the following on behalf of the Property Manager.

10. The undersigned further certify that:

(i) the representations, warranties, and covenants of the Property Manager contained in the Management Agreement are true and correct in all material respects on the date hereof with the same effect as if made on the date hereof; and

(ii) the Property Manager has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date hereof under the Management Agreement on or prior to the date hereof.

11. The Property Manager has been represented by legal counsel in connection with the transactions contemplated by the Management Agreement and in making the representations contained in the Management Agreement, the Property Manager has relied upon its own independent investigation of the facts and law and has not relied upon any representations made by the Issuer, the District, the Agency, Kutak Rock LLP, or any of such parties' officers, agents, employees, or legal counsel as to such matters.

12. No default or event of default which would have a material adverse effect on the Property Manager, or an event which, with the giving of notice or the passage of time or both, would become such a default or event of default, has occurred and is continuing under the Management Agreement or any other document to which the Property Manager is a party.

13. To the knowledge of the undersigned, no litigation is pending or threatened:

(i) in any way contesting or affecting the authority for the Management Agreement;

(ii) in any way contesting the legal existence or powers of the Property Manager with respect to the Management Agreement; or

(iii) seeking the dissolution or liquidation of the Property Manager.

14. The Management Agreement has been duly authorized and executed, and the obligations of the Property Manager under the Management Agreement constitute the valid and binding obligations of the Property Manager enforceable in accordance with their respective terms.

[Signature Page Follows]



IN WITNESS WHEREOF, the undersigned have signed and executed this certificate as of the date first written above.

FJ MANAGEMENT, LLC, a California limited liability company, as Property Manager

By

Jian Torkan, Member and Manager

By

Frank Schnetz, Member

[Signature Page to Certificate of the Property Manager]



IN WITNESS WHEREOF, the undersigned have signed and executed this certificate as of the date first written above.

FJ MANAGEMENT, LLC, a California limited liability company, as Property Manager

By \_\_\_\_\_  
Jian Torkan, Member and Manager

By  \_\_\_\_\_  
Frank Schnetz, Member

[Signature Page to Certificate of the Property Manager]



## LETTER OF REPRESENTATIONS OF THE DISTRICT

March 31, 2022

California Enterprise Development Authority  
2150 River Plaza Drive, Suite 275  
Sacramento, California 95833

U.S. Bank Trust Company, National Association  
633 West Fifth Street, 24th floor  
Los Angeles, California 90071

Pacific Western Bank  
9701 Wilshire Blvd, Suite 700  
Beverly Hills, California 90212

SBD Corporate Center II, LLC  
4221 Wilshire Blvd. Suite 380  
Los Angeles, California 90010

RE: Lease Agreement, dated as of March 1, 2022, by and between SBD Corporate Center II, LLC, as assignee of Inland Valley Development Agency, as Lessor, and San Bernardino County Fire Protection District, as Lessee (the "Lease Agreement")

Ladies and Gentlemen:

This Letter of Representations (this "Letter of Representations") is being executed and delivered by the San Bernardino County Fire Protection District, a fire protection district created pursuant to the Fire Protection District Law of 1987 (Part 2.7 of Division 12 of the California Health and Safety Code) and governed ex officio by the San Bernardino County Board of Supervisors (the "District") pursuant to the Bond Purchase Agreement, dated March 31, 2022 (the "Bond Purchase Agreement"), by and among California Enterprise Development Authority, a joint exercise of powers agency duly organized and validly existing under the laws of the State of California (the "Issuer"), Inland Valley Development Agency, a joint exercise of powers agency duly organized and validly existing under the laws of the State of California (the "Agency"), SBD Corporate Center II, LLC, a limited liability company duly organized and validly existing under the laws of the State of California (the "Developer"), and Pacific Western Bank, as purchaser (the "Purchaser"), relating to the Issuer's issuance of up to \$26,000,000 aggregate principal amount of California Enterprise Development Authority Lease Revenue Bonds (San Bernardino County Fire Protection District Project), Series 2022 (the "Series 2022 Bonds"). A copy of the Bond Purchase Agreement has been delivered to the District.

The District has entered into the Lease Agreement, dated as of March 1, 2022 (the "Lease Agreement"), by and between the Agency, as lessor, and the District, as lessee, with respect to the real property and improvements located at 1111 East Mill Street, Building 2, San Bernardino, California 92408 (the "Premises"). The Agency has assigned the Lease Agreement to the Developer pursuant to the terms and provisions of the Assignment and Assumption Agreement, dated as of March 1, 2022 (the "Assignment and Assumption Agreement"), between the Agency and the Developer and consented to by the District. In order to finance the acquisition, design, development, construction, improvement, equipping and furnishing of the Premises to be leased by the District from the Developer pursuant to the Lease Agreement, the Issuer, the Developer, and the Purchaser will enter into the Bond Purchase Agreement, pursuant to which the Purchaser has agreed to purchase and the Issuer has agreed to issue and deliver to the Purchaser all, but not less than all, of the Series 2022 Bonds.



All capitalized terms not defined herein shall have the meanings ascribed to them in the Bond Purchase Agreement.

The District hereby represents, covenants and agrees with you as follows:

1. The District is a fire protection district created pursuant to the Fire Protection District Law of 1987 (Part 2.7 of Division 12 of the California Health and Safety Code), validly existing under Constitution and the laws of the State of California.

2. The Board of Directors of the District duly adopted Resolution No. 2021-199 on December 7, 2021 (the "Resolution") approving the form of the Lease Agreement and the terms thereof and authorizing certain other actions related thereto. The Resolution has not been modified, amended, rescinded or revoked since its adoption and, as of the date of this Letter of Representations, is in full force and effect.

3. The District has full legal right, power and authority (i) to adopt the Resolution, and (ii) to enter into, execute, deliver, and perform its obligations under and consummate the transactions on its part contemplated by the Lease Agreement, the Work Letter, dated as of March 1, 2022, by and between the Agency and the District, the Agreement for Property Management, dated as of March 1, 2022, by and between FJ Management, LLC and the District, and this Letter of Representations, (iii) to acknowledge and consent as to the Assignment and Assumption Agreement and the Assignment of Agreement (Lease Agreement), dated as of March 1, 2022, by the Developer for the benefit of U.S. Bank Trust Company, National Association, as trustee, and (iv) to enter into, execute and deliver any other documents, certificates, or agreements necessary to carry out and consummate the transactions contemplated by any and all of the foregoing (collectively, the "District Documents").

4. By all necessary official action of the District, the District has authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the District Documents, and the consummation by it of all transactions contemplated by the District Documents.

5. As of the date hereof, to the best of the District's knowledge, the District is not in material breach of or material default under any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the District Documents) or other instrument to which the District is a party which material breach or material default has or may have an adverse effect on the ability of the District to perform its obligations under the District Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a material breach of or material default under any such instrument; and the adoption of the Resolution, the execution and delivery of the District Documents, and the compliance with the provisions on the District's part contained therein, will not in any material respect conflict with or constitute a material breach of or a material default under any State constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or



assets of the District or under the terms of any such law, regulation or instrument, except as provided in the District Documents.

6. To the best of the District's knowledge, all authorizations, approvals, licenses, permits, consents and orders of any State governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the District of its obligations under, the District Documents have been duly obtained.

7. Assuming the due authorization, execution and delivery by the other parties thereto, the District Documents, when duly authorized, executed and delivered by the District, will constitute the legal, valid and binding obligations of the District, enforceable against the District in accordance with their respective terms, subject to bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and by the application of general principles of equity if equitable remedies are sought.


8. To the best of the District's knowledge, no action, suit, proceeding, hearing or investigation is pending or threatened against the District (i) in any way affecting the corporate existence of the District or the titles of its officers to their respective offices, or (ii) in any way contesting or affecting the validity or enforceability of any of the District Documents or the Resolution, or contesting the powers or authority of the District with respect to the Resolution or any of the District Documents, wherein a final adverse decision would materially adversely affect the validity or enforceability of the District Documents. While not constituting such an action, for the avoidance of doubt, the District acknowledges and the addressees are each informed of the pending voter initiative to repeal that Special Tax for San Bernardino County Fire Protection Service Zone Five (FP-5) set for the June 7, 2022 election.

[Signature Page Follows]



IN WITNESS WHEREOF, the San Bernardino County Fire Protection District has executed and delivered this Letter of Representations as of the date first above written.

SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT

By   
Leonard X. Hernandez  
Chief Executive Officer of  
San Bernardino County for the  
San Bernardino County Fire Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

By   
Jolena E. Grider  
Deputy County Counsel



**SAN BERNARDINO COUNTY SUN**

This space for filing stamp only

473 E CARNEGIE DR #200, SAN BERNARDINO, CA 92408  
Telephone (909) 889-9666 / Fax (909) 884-2536

JENNIFER LUNA  
S.B. CO CLERK OF BOARD (LEAD ACCT)  
385 N ARROWHEAD AVE #200  
SAN BERNARDINO, CA - 92415

SB #: 3534346

**PROOF OF PUBLICATION**

(2015.5 C.C.P.)

State of California )  
County of SAN BERNARDINO ) ss

Notice Type: HRGSB - NOTICE OF HEARING-SB

**Ad Description:**

**NOH#1111 Issuance of Lease Revenue Bonds to Finance  
Headquarters Facility for the SBCFPD**

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the SAN BERNARDINO COUNTY SUN, a newspaper published in the English language in the city of SAN BERNARDINO, county of SAN BERNARDINO, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of SAN BERNARDINO, State of California, under date 06/27/1952, Case No. 73081. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

12/02/2021

Executed on: 12/02/2021  
At Riverside, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature



Email

\* A 0 0 0 0 0 5 8 9 0 7 8 1 \*



**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN pursuant to Government Code section 5586.5 that the Board of Directors of the San Bernardino County Fire Protection District will conduct a public hearing in the Chambers of the Board of Supervisors on the first floor of the County Government Center, 385 North Arrowhead Avenue, San Bernardino, on December 7, 2021 at 10:00 a.m., regarding proposed lease revenue bond financing for the design, development, acquisition, construction, improvement, equipping and furnishing of a new headquarters facility for the San Bernardino County Fire Protection District. Any person interested may appear and be heard in regards to said matter, or on any matter pertinent hereto.

If you have any questions, please contact Brandon Ocasio, Real Property Manager with the San Bernardino County Real Estate Services Department at 909-659-4676.

CNSB#3534346



Recording Requested By:  
First American Title Insurance Company  
National Commercial Services, Ontario, CA



Electronically  
Recorded in Official Records  
San Bernardino County  
Bob Dutton  
Assessor-Recorder-County Clerk

ps-973696-02T1

**RECORDING REQUESTED BY:**

Inland Valley Development Agency  
1601 East Third Street, Suite 100  
San Bernardino, California 92408

**UPON RECORDING, RETURN TO:**

Kutak Rock LLP  
777 South Figueroa Street, Suite 4550  
Los Angeles, California 90017  
Attention: Sam S. Balisy, Esq.

**DOC# 2022-0122863**

03/31/2022

05:00 PM

SAN

B9246

Titles: 2    Pages: 9

Fees	\$0.00
Taxes	\$0.00
CA SB2 Fee	\$0.00
<b>Total</b>	<b>\$0.00</b>

Space above this line for recorder's use only

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "Agreement") is made as of March 1, 2022, by and between **INLAND VALLEY DEVELOPMENT AGENCY**, a joint exercise of powers agency established pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California and the Amended Joint Exercise of Powers Agreement (Inland Valley Development Agency), dated as of February 12, 1990, by and among the City of San Bernardino, the City of Colton, the City of Loma Linda and the County of San Bernardino, as amended ("Assignor") and **SBD CORPORATE CENTER II, LLC**, a California limited liability company ("Assignee"), with respect to the following facts:

**WITNESSETH:**

*\* recording concurrently herewith*

A. Assignor has entered into the Lease Agreement, dated as of March 1, 2022 (as amended, modified, supplemented, renewed, or extended from time to time, the "Lease Agreement"), by and between Assignor and the San Bernardino County Fire Protection District, a fire protection district created pursuant to the Fire Protection District Law of 1987 (Part 2.7 of Division 12 of the California Health and Safety Code) and governed ex officio by the San Bernardino County Board of Supervisors ("District"), pursuant to which Assignor has undertaken to develop, construct, improve, equip, and furnish the real property and improvements located at the address commonly known as 1111 East Mill Street, Building 2, San Bernardino, California 92408 and legally described in Exhibit A attached hereto, and to lease the same to District, all as set forth in the Lease Agreement.



B. Assignor desires to transfer and assign to Assignee, and Assignee desires to assume from Assignor, all Assignor's right, title, interest, and obligation in, to, and under the Lease Agreement, as more fully set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

### **AGREEMENT**

1. **Assignment.** Assignor hereby grants, sells, conveys, transfers, and assigns to Assignee all Assignor's right, title, and interest in, to, and under the Lease Agreement. Assignor hereby covenants and warrants to Assignee that Assignor has not previously transferred or assigned its right, title, or interest in, to, or under the Lease Agreement, or any portion thereof, to any third party.

2. **Assumption.** Assignee hereby accepts the foregoing assignment and hereby assumes each and all obligations of Assignor under the Lease Agreement from and after the date hereof.

3. **Further Assurances.** Assignor hereby covenants it will, at any time and from time to time upon written request therefor, at Assignee's sole expense and without the assumption of any additional liability therefor, execute and deliver to Assignee, and its successors and assigns, any new or confirmatory instruments and take such further acts as Assignee may reasonably request to fully evidence the assignment contained herein and to enable Assignee, and its successors and assigns, to fully realize and enjoy the rights and interest assigned hereby.

4. **Successors and Assigns.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

5. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except having additional signatures executed by other parties to this Agreement affixed thereto.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to any choice of law provisions thereof.

[Signature Page Follows]



IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date first written above.

ASSIGNOR:

INLAND VALLEY DEVELOPMENT AGENCY

By  \_\_\_\_\_  
Michael Burrows, Chief Executive Officer

ASSIGNEE:

SBD CORPORATE CENTER II, LLC

Signed In Counterpart  
By \_\_\_\_\_  
Jian Torkan, Manager

[Signature Page to Assignment and Assumption Agreement]



IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date first written above.

ASSIGNOR:

INLAND VALLEY DEVELOPMENT AGENCY

Signed In Counterpart

By \_\_\_\_\_  
Michael Burrows, Chief Executive Officer

ASSIGNEE:

SBD CORPORATE CENTER II, LLC

By \_\_\_\_\_  
Jian Terkan, Manager



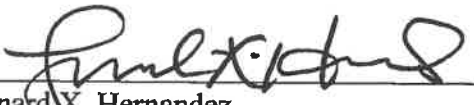
[Signature Page to Assignment and Assumption Agreement]



DISTRICT ACKNOWLEDGEMENT

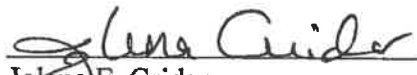
District hereby consents to the terms of the foregoing Assignment and Assumption Agreement and acknowledges and agrees to the authorization and directions set forth therein.

SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT

By   
Leonard X. Hernandez  
Chief Executive Officer of  
San Bernardino County for the  
San Bernardino County Fire Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

By   
Jolena E. Grider  
Deputy County Counsel

[Signature Page to Assignment and Assumption Agreement]



**ACKNOWLEDGMENT**

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 San Bernardino

On March 16, 2022 before me, Michelle Casey NOTARY PUBLIC  
(insert name and title of the officer)

personally appeared MICHAEL BURROWS  
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 Michelle Casey (Seal)





## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

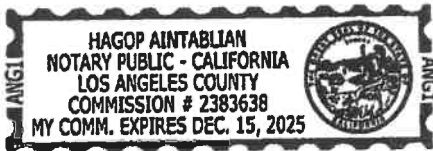
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }  
County of Los Angeles }

On 3-16-2022, before me, Hagop Aintablian, Notary Public,  
personally appeared Jian Torkan

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 State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

SIGNATURE [Signature]

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

### Description of attached document

Title or type of document: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other than Named Above: \_\_\_\_\_



**ACKNOWLEDGMENT**

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 SAN BERNARDINO

On MARCH 25, 2022 before me, KAREN ADAMAVANDI NOTARY PUBLIC  
(insert name and title of the officer)

personally appeared LEONARD X. HERNANDEZ  
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.

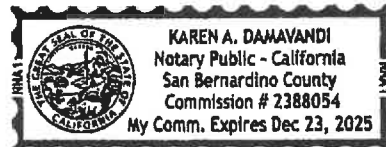
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Karen A. Damavandi

(Seal)





**EXHIBIT A**

**LEGAL DESCRIPTION OF REAL PROPERTY**

The Land referred to herein below is situated in the City of San Bernardino, County of San Bernardino, State of California, and is described as follows:

PARCEL A: APN: 0136-351-18-0-000

PARCEL 2 OF PARCEL MAP 17579 IN THE CITY OF SAN BERNARDINO, DISTRICT OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED IN PARCEL MAP BOOK 219, PAGES 18 THROUGH 21 INCLUSIVE, OF RECORDS OF SAID DISTRICT.

PARCEL B:

RECIPROCAL EASEMENTS OVER PARCELS 1 AND 2 OF SAID PARCEL MAP FOR PARKING, DRAINAGE AND PUBLIC UTILITIES AS DESCRIBED IN THAT CERTAIN DECLARATION OF RECIPROCAL EASEMENTS RECORDED DECEMBER 09, 2009 AS INSTRUMENT NO. 2009-0548456, OF OFFICIAL RECORDS.

PARCEL C:

RECIPROCAL EASEMENTS OVER PARCELS 1, 2 AND 3 OF SAID PARCEL MAP FOR INGRESS, EGRESS AND ACCESS AS SHOWN ON PARCEL MAP NO. 17579 ON FILE IN BOOK 219, PAGES 18 THROUGH 21, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID DISTRICT.



Recording Requested By:  
First American Title Insurance Company  
National Commercial Services, Ontario, CA

NCS-973696-ONT1

RECORDING REQUESTED BY:

San Bernardino County Fire Protection District  
157 West 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
San Bernardino, California 92415



Electronically  
Recorded in Official Records  
San Bernardino County  
Bob Dutton  
Assessor-Recorder-County Clerk

DOC# 2022-0122861

03/31/2022  
05:00 PM  
SAN

B9246

Titles: 1 Pages: 7

Fees	\$0.00
Taxes	\$0.00
CA SB2 Fee	\$0.00
Total	\$0.00

UPON RECORDING, RETURN TO:

Kutak Rock LLP  
777 South Figueroa Street, Suite 4550  
Los Angeles, California 90017  
Attention: Sam S. Balisy, Esq.

SPACE ABOVE LINE FOR RECORDER'S USE

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

### MEMORANDUM OF LEASE AGREEMENT

This **MEMORANDUM OF LEASE AGREEMENT** (this "Memorandum"), dated as of March 1, 2022 for reference purposes, is entered into between **SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT**, a fire protection district created pursuant to the Fire Protection District Law of 1987 (Part 2.7 of Division 12 of the California Health and Safety Code) governed *ex officio* by the San Bernardino County Board of Supervisors ("Lessee"), and **INLAND VALLEY DEVELOPMENT AGENCY**, a joint exercise of powers agency ("Lessor").

#### **Recitals**

A. Lessor is the owner of certain real property located in San Bernardino County, State of California, commonly known as 1111 East Mill Street, Building 2, San Bernardino, California 92408, more particularly described in attached **Exhibit A**, attached hereto and incorporated herein by reference, which consists of an approximately 4.86 acre parcel of land and an approximately 79,834 square foot building (the "Premises").

B. Lessor and Lessee entered into the Lease Agreement, dated as of March 1, 2022 (including exhibits thereto, as amended, modified, renewed, assigned, extended, or replaced from time to time, the "Lease Agreement"). Pursuant to the Lease Agreement, Lessor has agreed to lease to Lessee, and Lessee has leased from Lessor, the Premises, for the term, at the rental, and upon all terms, covenants and conditions set forth in the Lease Agreement.



C. Lessor and Lessee desire to execute this Memorandum to provide constructive notice of Lessee's rights under the Lease Agreement to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

**Section 1. Term.** The Lease Agreement is for a term commencing on the Lease Commencement Date (as such term is defined in the Lease Agreement) and ending on the Lease Termination Date (as such term is defined in the Lease Agreement), unless such term is extended or previously terminated as provided in the Lease Agreement.

**Section 2. Lease Terms.** This lease of the Premises to Lessee is pursuant to the Lease Agreement, all of the provisions of which are incorporated in this Memorandum by reference.

**Section 3. Transfer.** No portion of the Premises or of Lessee's interest in the Lease Agreement may be acquired by any other person or entity, whether by sale, assignment, mortgage, sublease, transfer, operation of law, or act of Lessee, without Lessor's prior written consent. Any such transfer without Lessor's consent shall be void.

**Section 4. Successors and Assigns.** This Memorandum and the Lease Agreement shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease Agreement on transfer of the Premises and Lessee's interest in the Lease Agreement.

**Section 5. Purpose of Memorandum.** This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease Agreement.

**Section 6. Governing Law.** This Memorandum and the Lease Agreement shall be governed by the laws of the State of California, exclusive of conflict of law provisions.

**Section 7. Counterparts.** This Memorandum may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 8. Conflict.** In the event of any conflict between the terms of the unrecorded Lease Agreement and this Memorandum, the unrecorded Lease Agreement shall prevail.

[Remainder of Page Intentionally Blank]



IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Memorandum by their duly authorized officers or officials as of the date set forth above.

**LESSOR:**

INLAND VALLEY DEVELOPMENT AGENCY

By   
Michael Burrows, Chief Executive Officer

**LESSEE:**

SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT

Signed In Counterpart  
By \_\_\_\_\_  
Leonard X. Hernandez  
Chief Executive Officer of  
San Bernardino County for the  
San Bernardino County Fire Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

Signed In Counterpart  
By \_\_\_\_\_  
Jolena E. Grider  
Deputy County Counsel

[Signature Page to Memorandum of Lease]



IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Memorandum by their duly authorized officers or officials as of the date set forth above.

**LESSOR:**


INLAND VALLEY DEVELOPMENT AGENCY

Signed In Counterpart

By \_\_\_\_\_  
Michael Burrows, Chief Executive Officer


**LESSEE:**

SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT

By  \_\_\_\_\_  
Leonardo X. Hernandez  
Chief Executive Officer of  
San Bernardino County for the  
San Bernardino County Fire Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

By  \_\_\_\_\_  
Jolena E. Grider  
Deputy County Counsel

[Signature Page to Memorandum of Lease]



**ACKNOWLEDGMENT**

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 San Bernardino )

On March 16, 2022 before me, Michelle Casey NOTARY PUBLIC  
(insert name and title of the officer)

personally appeared MICHAEL BURROWS,  
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 Michelle Casey (Seal)





**ACKNOWLEDGMENT**

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

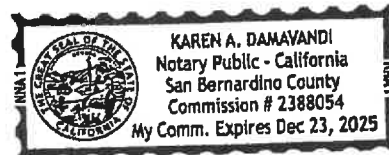
County of SAN BERNARDINO

On MARCH 25, 2022 before me, KAREN A. DAMAVANDI NOTARY PUBLIC  
(insert name and title of the officer)

personally appeared LEONARD X. HERNANDEZ  
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 Karen A. Damavandi (Seal)



EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

The Land referred to herein below is situated in the City of San Bernardino, County of San Bernardino, State of California, and is described as follows:

PARCEL A: APN: 0136-351-18-0-000

PARCEL 2 OF PARCEL MAP 17579 IN THE CITY OF SAN BERNARDINO, DISTRICT OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED IN PARCEL MAP BOOK 219, PAGES 18 THROUGH 21 INCLUSIVE, OF RECORDS OF SAID DISTRICT.

PARCEL B:

RECIPROCAL EASEMENTS OVER PARCELS 1 AND 2 OF SAID PARCEL MAP FOR PARKING, DRAINAGE AND PUBLIC UTILITIES AS DESCRIBED IN THAT CERTAIN DECLARATION OF RECIPROCAL EASEMENTS RECORDED DECEMBER 09, 2009 AS INSTRUMENT NO. 2009-0548456, OF OFFICIAL RECORDS.

PARCEL C:

RECIPROCAL EASEMENTS OVER PARCELS 1, 2 AND 3 OF SAID PARCEL MAP FOR INGRESS, EGRESS AND ACCESS AS SHOWN ON PARCEL MAP NO. 17579 ON FILE IN BOOK 219, PAGES 18 THROUGH 21, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID DISTRICT.



## **CERTIFICATE OF ACCEPTANCE**

Dated: May 6, 2024

I, the undersigned, hereby certify that I am a duly qualified and acting authorized officer of the SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT (the "Lessee") and hereby certify with respect to the Lease Agreement, dated as of March 1, 2022 (the "Lease Agreement"), by and between SBD CORPORATE CENTER II, LLC, a California limited liability company as assignee of INLAND VALLEY DEVELOPMENT AGENCY, a joint exercise of powers agency, as original lessor (the "Agency") and the Lessee, that:

1. Capitalized terms used in this Certificate of Acceptance and not otherwise defined shall have the meanings assigned thereto in the Lease Agreement.

2. SBD Corporate Center II, LLC, a California limited liability company (the "Lessor"), is the assignee of the Agency pursuant to that certain Assignment and Assumption Agreement, dated as of March 1, 2022, between the Agency and the Lessor.

3. The Premises has been constructed and equipped in accordance with and in the manner set forth in the Lease Agreement and Work Letter and has been accepted by the Lessee.

4. The Lessee has obtained insurance for the Premises as required pursuant to Section 19 of the Lease Agreement.

5. The Lessee accepts the Premises for all purposes of the Lease Agreement.

6. In accordance with and in the manner set forth in Section 7 of the Work Letter, the Lessee approves the deposit of the remaining proceeds of the Bonds in the amount of \$3,832,352.01 into the account ending in -9469 with Banc of California for the payment of retainage and other amounts expected to be applied to pay the costs of the Tenant Improvements.

7. All of the representations and warranties of the Lessee contained in the Lease Agreement are true and correct as of the date hereof and no default or Event of Default has occurred thereunder.

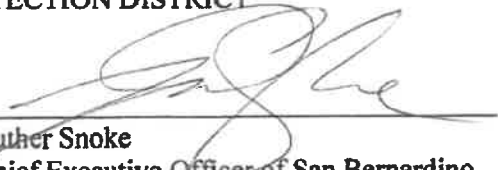
[Remainder of page intentionally left blank.]



IN WITNESS WHEREOF, the Lessee has caused this Certificate of Acceptance to be executed as of the day and year first above written.

**SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT**


By

  
**Luther Snoke**  
Chief Executive Officer of San Bernardino  
County for the San Bernardino County Fire  
Protection District

**APPROVED AS TO FORM:**

**DISTRICT COUNSEL**

By

  
**Jolena E. Grider**  
Deputy County Counsel

[Signature Page to Certificate of Acceptance]



## **MEMORANDUM OF LEASE COMMENCEMENT AND TERMINATION DATE**

**THIS MEMORANDUM OF LEASE COMMENCEMENT AND TERMINATION DATE** is dated this 6<sup>th</sup> day of May, 2024, for reference purposes only, by and between **SBD CORPORATE CENTER II, LLC**, a California limited liability company, as assignee of Inland Valley Development Agency, a joint exercise of powers agency, as lessor (the "Lessor"), and the **SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT**, as lessee (the "Lessee"). Capitalized terms used in this Certificate of Acceptance and not otherwise defined shall have the meanings assigned thereto in the hereinafter defined Lease Agreement.

1. Inland Valley Development Agency (the "Agency") and the Lessee are parties to a Lease Agreement, dated as of March 1, 2022 (the "Lease Agreement"), for the leasing by the Agency to the Lessee of the Premises.

2. The Lessor is the assignee of the Agency pursuant to that certain Assignment and Assumption Agreement, dated as of March 1, 2022, between the Agency and the Lessor.

3. The Lessor and the Lessee hereby confirm the following:

(a) that all construction, installation, equipping and furnishing by the Lessor required to be done pursuant to the terms of the Lease Agreement has been completed in all respects;

(b) that the Lessee has accepted possession of the Premises and now occupies the same;

(c) that the Lease Term of the Lease Agreement commenced May 6, 2024;

(d) that the Lease Year as defined in the Lease Agreement means the twelve-month period commencing June 1, 2024, and each twelve-month period thereafter; provided, however, the Lessee accepted possession of the Premises on May 6, 2024 and occupied the premises for the period commencing May 6, 2024 through May 31, 2024.

(e) that except as otherwise provided under the definition of Lease Termination Date, the Lease Termination Date of the Lease Agreement shall be May 31, 2049.



IN WITNESS WHEREOF, the Lessor and the Lessee have respectfully signed this Memorandum of Lease Commencement and Termination Date.

**LESSOR:**

**SBD CORPORATE CENTER II, LLC**

DocuSigned by:  
By Jian Torkan  
Name BF02410E9B1D4EF... Torkan  
Title Manager

**LESSEE:**

**SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT**

By \_\_\_\_\_  
Luther Snoke  
Chief Executive Officer of San Bernardino  
County for the San Bernardino County Fire  
Protection District

APPROVED AS TO FORM:

DISTRICT COUNSEL

By Jolena Grider  
Jolena E. Grider  
Deputy County Counsel



IN WITNESS WHEREOF, the Lessor and the Lessee have respectfully signed this Memorandum of Lease Commencement and Termination Date.


**LESSOR:**

**SBD CORPORATE CENTER II, LLC**

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

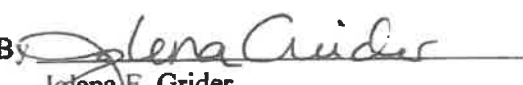
**LESSEE:**

**SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT**

By  \_\_\_\_\_  
Luther Snoke  
Chief Executive Officer of San Bernardino  
County for the San Bernardino County Fire  
Protection District

**APPROVED AS TO FORM:**

**DISTRICT COUNSEL**

By  \_\_\_\_\_  
Jelena E. Grider  
Deputy County Counsel





## County of San Bernardino DELEGATED AUTHORITY – DOCUMENT REVIEW FORM

This form is for use by any department or other entity that has been authorized by Board of Supervisors/Directors action to execute grant applications, awards, amendments or other agreements on their behalf. All documents to be executed under such delegated authority must be routed for County Counsel and County Administrative Office review prior to signature by designee.

**Note: This process should NOT be used to execute documents under a master agreement or template, or for construction contract change orders. Contact your County Counsel for instructions related to review of these documents.**

Complete and submit this form, along with required documents proposed for signature, via email to the department's County Counsel representative and Finance Analyst. If the documents proposed for signature are within the delegated authority, the department will submit the requisite hard copies for signature to the County Counsel representative. Once County Counsel has signed, the department will submit the signed documents in hard copy, as well as by email, to CAO Special Projects Team for review. If approved, the department will be provided routing instructions as well as direction to submit one set of the executed documents to the Clerk of the Board within 30 days.

**For detailed instructions on submission requirements, reference Section 7.3 of the Board Agenda Item Guidelines as the Delegation of Authority does not eliminate the document submission requirements.**

Department/Agency/Entity: Real Estate Services Department

Contact Name: Brandon Ocasio, Manager of Acquisitions Telephone: 909-659-4676

Agreement No.: N/A Amendment No.: N/A Date of Board Item 12/7/2021 Board Item No.: 80

Name of Contract Entity/Project Name: SBCFPD/ New Headquarters Facility for the San Bernardino County Fire Protection District in San Bernardino

Explanation of request/Special Instructions:

On December 7, 2021 (Item No. 80), the San Bernardino County Board of Supervisors adopted Resolution No. 2021-199 and approved a 25-year Lease Agreement with the Inland Valley Development Agency, for the period beginning on the Lease Commencement Date and ending on the 25<sup>th</sup> anniversary of the lease commencement date, for a build-to-suit Headquarters Facility totaling approximately 79,834 square feet, located at 1111 East Mill Street, Building 2, in San Bernardino, under which the title to the Premises will transfer to the San Bernardino County Fire Protection District upon termination of the Lease Term.

The Board of Supervisors also, pursuant to approved Recommendation 8, authorized the Chief Executive Officer to execute all of the documents deemed necessary for the execution and delivery of the Lease Agreement and the issuance of the lease revenue bonds, and any other documents required to complete these transactions, subject to County Counsel review. The Department requests the CEO execute the enclosed Associate Membership Agreement with the California Enterprise Development Authority in order to initiate the bond issuance process.

**Insert check mark that the following required documents are attached to this request:**

- ☒ Documents proposed for signature (Note: For contracts, include a signed non-standard contract coversheet for contracts not submitted on a standard contract form).
- ☒ Board Agenda item that delegated the authority

Department Routed to County Counsel	County Counsel Name: Jolena Grider	Date Sent: 1/7/22
Reviewing County Counsel Use Only	Review Date <u>1/7/22</u>	Determination: <u>X</u> Within Scope of Delegated Authority Outside Scope of Delegated Authority





County of San Bernardino  
**DELEGATED AUTHORITY – DOCUMENT REVIEW FORM**

	<p>Signature</p> <p><i>Glenn C. Corder</i></p>	
<b>CAO-Special Projects Use Only</b>	<p>Review Date <u>1-25-2022</u></p> <p><i>[Signature]</i></p> <p>Signature</p>	<p><b>Disposition:</b></p> <p><input checked="" type="checkbox"/> Route for signature to:</p> <p>____Chair __X_CEO ____Department</p> <p>____Return to Department for preparation of agenda item</p>