SINGLE TENANT

INDUSTRIAL LEASE

1925 SOUTH GROVE AVENUE, ONTARIO, CA

Between

PSIP EBS FRANCIS LLC

as

Landlord

and

SAN BERNARDINO COUNTY

as

Tenant

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EXHIBITS TO LEASE

SINGLE TENANT INDUSTRIAL LEASE

BASIC LEASE TERMS

a.	**Reference Date:**	This Lease ("**Lease**") is dated for reference purposes only as of June 28, 2022
b.	**Tenant:**	San Bernardino County, a political subdivision of the State of California
	Address for Notices (Section 22)**:**	San Bernardino County Real Estate Services Department 385 North Arrowhead Avenue, Third Floor San Bernardino, CA 92415-0180
c.	**Guarantor:**	None
d.	**Landlord:**	PSIP EBS Francis LLC, a Delaware limited liability company
	Address for Notices (Section 22)**:**	PSIP EBS Francis LLC c/o EBS Realty Partners, LLC 1300 Bristol Street North, Suite 290 Newport Beach, CA 92660 Attention: Quinn J. Johnson Email (for informal correspondence only): q@ebsrp.com With a copy to: PSIP EBS Francis LLC c/o Penwood Real Estate Investment Management, LLC 75 Isham Road, 4th Floor West Hartford, CT 06107 Attention: Karen Nista and Joseph Koziol Email (for informal correspondence only): karen.nista@penwoodre.com and joseph.koziol@penwoodre.com
e.	**Tenant's Use of Premises** (Section 6)**:**	General industrial/warehouse use for the purpose of receiving, storage and distribution of Tenant's personal property and office use ancillary thereto.
f.	**Leased Premises** (Section 1)**:**	That certain land consisting of approximately 6.075 acres located in the City of Ontario, County of San Bernardino, State of California as described on Exhibit "A-1" attached hereto (the "**Land**"), together with the building and exterior improvements to be constructed thereon pursuant to the Landlord Work Letter Agreement attached hereto as Exhibit "B-1" (the "**Landlord Work Letter Agreement**") located at 1925 South Grove Avenue, Ontario, California, with the building identified on Exhibit "A-2" attached hereto as "Building 1" (the "**Building**"), which Building will contain approximately 120,651 rentable square feet (which is inclusive of approximately 5,639 square feet of unfinished mezzanine deck and 3,366 square feet of finished offices).

g. **Term of Lease** (Section 2)**:** The term of this Lease shall be sixty-two (62) months (plus any partial month for any period between the Term Commencement Date and the first day of the next month if the Term Commencement Date is not the first day of a calendar month) (the "**Original Term**"). "**Term**" shall mean the Original Term and any extensions or renewals thereof.

Term Commencement Date (Section 2)**:** The earlier of (i) the date Tenant takes possession of all or any portion of the Premises for its business purposes (provided that any activities expressly permitted during the Early Access Period (as defined below) in accordance with Section 1 below shall not constitute "business purposes" for the purpose of this paragraph), or (ii) the date of Substantial Completion (Landlord Work) pursuant to the Landlord Work Letter Agreement.

Target Term Commencement Date: July 1, 2022

h. **Base Monthly Rent** (Section 3.1)**:** Base Monthly Rent shall be the following amounts for the Original Term:

Months	**Base Monthly Rent**
1	$ 0.00*
2-12	$196,661.13
13-24	$204,527.58
25-36	$212,708.68
37-48	$221,217.03
49-60	$230,065.71
61	$239,268.34
62	$ 0.00*

*The parties acknowledge that that the amount of Base Monthly Rent set forth above for months one (1) and sixty-two (62) of the Original Term reflects an abatement of one hundred percent (100%) of the Base Monthly Rent for such months. Such abated rent constitutes "Abated Rent" pursuant to Section 3.1 below.

i. **Initial Estimate of Additional Rent for Operating Expenses** (Section 3.3)**:** $32,575.77 per month, subject to annual reconciliation (see Section 3.3). This Lease shall be a triple net lease.

j. **Prepaid Rent** (Section 4)**:** (payable upon Lease execution, which shall include Base Monthly Rent and Additional Rent for Operating Expenses) $229,236.90

k. **Security Deposit** (Section 5)**:** (payable upon Lease execution) $469,334.05

l. **Exhibits:** Exhibits lettered "A" through "H" are attached hereto and made a part hereof

SINGLE TENANT INDUSTRIAL LEASE

1. **PREMISES**. Landlord leases to Tenant the premises described in the Basic Lease Terms (the "**Premises**"). If Landlord reasonably determines that the Landlord Work (as defined in the Landlord Work Letter Agreement) being performed by Landlord pursuant to the Landlord Work Letter Agreement has progressed to the point that Tenant may access the Premises prior to the Term Commencement Date, then, provided that Tenant has (a) delivered to Landlord the prepaid Rent set forth in the Basic Lease Terms, the Security Deposit and the insurance policies required under this Lease, and (b) obtained all required governmental and quasi-governmental permits and approvals required in connection with Tenant's access of the Premises, Tenant may access the Premises upon Landlord's notice of same (the "**Early Access Period**") for the sole purpose of installing Tenant's furniture, fixtures and equipment and cabling; provided, however, that (i) Tenant shall not interfere with Landlord's access to the Premises and/or performance of the Landlord Work during the Early Access Period, and (ii) access to the Premises by Tenant prior to the Term Commencement Date shall be subject to all of the provisions of this Lease other than payment of Rent (as defined below). By entry on the Premises, Tenant acknowledges that it has examined the Premises and accepts the Premises in their present, as-is condition, subject only to the following: (A) any additional work Landlord has expressly agreed to do as set forth in the Landlord Work Letter Agreement; and (B) Landlord shall remedy, at Landlord's cost, (1) any failure of the Building to comply with all applicable Laws in effect and as interpreted as of the Term Commencement Date and/or (2) any failure of the electrical, plumbing, lighting and/or heating, ventilation and air conditioning systems serving the Premises to be in good working order, condition and repair that, in each instance which both (y) are not the result of any acts or omissions of Tenant or any of its employees, agents, contractors or representatives (including, without limitation, any alterations of the Premises by or on behalf of Tenant, including, without limitation, the Tenant Work (as defined in the Tenant Work Letter Agreement attached to the Lease as Exhibit "B-2" (the "**Tenant Work Letter Agreement**"))), and (z) Tenant, acting reasonably and in good faith, specifically identifies and describes in a written notice together with reasonable supporting documentation delivered to Landlord within thirty (30) days after the Term Commencement Date (the "**Warranty Period**"), it being understood that, except for any items so identified and described by Tenant during the Warranty Period, the Building, the Premises and all such systems shall be conclusively deemed to have been delivered in compliance with all applicable Laws and in good working order, condition and repair.

Prior to the Reference Date, Landlord processed and recorded a new parcel map (the "**Parcel Map**") which subdivided the Premises and certain land located adjacent to the Premises which, as of the Reference Date, is also owned by Landlord (the "**Adjacent Land**"). The Parcel Map created four (4) legal parcels, with the Premises constituting Parcel 3 of the Parcel Map and the Adjacent Land constituting Parcels 1, 2 and 4 of the Parcel Map. The Premises and the Adjacent Land shall collectively be referred to as the **"Project."** Tenant shall, at no cost to or obligation of Tenant, cooperate with Landlord in connection with any requirements or documents related to the Parcel Map and/or Landlord's development of the Premises, including, without limitation, by signing any reasonable administrative documentation required in order to memorialize the Parcel Map Documents (as defined below) and any mutually agreed amendments to the Lease, and agrees that its occupancy of the Premises shall be subject to the terms and conditions of the Parcel Map and any other instruments executed and/or recorded in connection therewith (collectively with the Parcel Map, the "**Parcel Map Documents**"), provided Tenant has been provided with a copy of the executed Parcel Map Documents. Tenant acknowledges and agrees that the Parcel Map Documents include, and that the Premises and the Adjacent Land are encumbered by, that certain Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Grove Ontario Commerce Center recorded in the Official Records of San Bernardino County, California on August 20, 2021 as Instrument No. 2021-0375744 (the "**Project CC&Rs**").

2. **TERM.** The Original Term of this Lease is for the period set forth in the Basic Lease Terms, beginning on the Term Commencement Date. If Landlord, for any reason, cannot deliver possession of the Premises to Tenant on the Target Term Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss, damage or liability resulting from such delay. However, provided such delay is not caused by any Tenant Delay Days (as defined in the Landlord Work Letter Agreement), Tenant shall not be responsible for payment of Rent until the Term Commencement Date. Upon determination of the Term Commencement Date, Landlord and Tenant shall promptly confirm such Term Commencement Date in writing. For purposes of this Lease, a "**Lease Year**" shall consist of twelve (12) consecutive calendar months. The first Lease Year shall begin on the Term Commencement Date or, if the Term Commencement Date does not occur on the first day of a calendar

month, on the first day of the calendar month next following the Term Commencement Date. Each succeeding Lease Year shall commence on the annual anniversary of the first Lease Year.

3. **RENT**. Base Monthly Rent and Additional Rent for Operating Expenses and other charges, fees and payments due to Landlord ("**Additional Rent**") are sometimes collectively referred to in this Lease as "**Rent**."

3.1 **Base Rent.** Beginning on the Term Commencement Date, Tenant shall pay Landlord monthly base rent in the initial amount in the Basic Lease Terms which shall be payable monthly in arrears on or before the last day of each and every calendar month ("**Base Monthly Rent**") provided, however, (i) any prepaid Rent is due and payable upon execution of this Lease as and to the extent set forth in Section 4 below and (ii) if the last day of the Term does not occur on the last day of a calendar month (due to either expiration or earlier termination of this Lease), Base Monthly Rent for the final month of the Term shall be payable on or before the last day of the Term. If this Lease provides for postponement or suspension of monthly rental payments or for one or more periods of "free" rent or other rent concessions (collectively, "**Abated Rent**"), Tenant shall be credited with having paid all of the Abated Rent on the expiration of the Term only if Tenant has (i)occupied all or substantially all of the Premises for the entire Term, and (ii) fully, faithfully and punctually performed all of Tenant's obligations, including, without limitation, the payment of all Rent (other than the Abated Rent) and all other monetary obligations, and has surrendered the Premises in the condition required by this Lease. Upon the occurrence of a Tenant Default (as defined in Section 18, below) that results in the termination of this Lease, the Abated Rent shall immediately become due and payable in full, and the Lease shall be enforced as if there were no Abated Rent or other Rent concession. In such case, Abated Rent shall be calculated based on the full initial Rent that would have otherwise been payable in the absence of such Abated Rent.

For purposes of Section 467 of the Internal Revenue Code, the parties to this Lease hereby agree to allocate the stated rents, provided herein, to the periods which correspond to the actual Rent payments as provided under the terms and conditions of this Lease.

3.2 **Rental Adjustments.** The Base Monthly Rent shall be adjusted as and to the extent set forth in the Basic Lease Terms.

3.3 **Additional Rent for Operating Expenses.** The purpose of this Section 3.3 is to ensure that Tenant bears the cost of all expenses related to the use, maintenance, ownership, repair or replacement of the Premises, including Real Property Taxes, Maintenance Fees, and Insurance Charges for the Premises. Accordingly, Tenant shall pay to Landlord, in accordance with the provisions of this Section 3.3, all Operating Expenses (defined below).

3.3.1 **Definitions**.

(a) **Operating Expenses Defined.**

(i) Operating Expenses. "**Operating Expenses**" means all expenses and disbursements that Landlord incurs in connection with the ownership, operation, and maintenance of the Premises, determined in accordance with generally accepted accounting principles consistently applied, including but not limited to the following costs: (1) Landlord's reasonable allocation of expenses of off-site employees who perform a portion of their services in connection with the operation, maintenance or security of the Premises and the Project, including taxes, insurance and benefits relating thereto; (2) all supplies and materials used in the operation, maintenance, repair, replacement, and security of the Premises; (3) cost of all utilities including electricity, fuel, gas, water, sewer, and other service for the Premises and all portions thereof; (4) repairs, replacements, and general maintenance of the Premises, including, without limitation, any items that be may considered capital expenditures (subject to amortization pursuant to Section 3.3.1(a)(iii) below); (5) refuse collection/removal and maintenance of refuse receptacles; (6) gardening, including planting, replanting and pruning of landscaping; (7) pest control; (8) service, maintenance and management contracts with independent contractors for the operation, maintenance, management, repair, replacement, and security of the Premises (including alarm service and window cleaning); (9) property management fees including management fees paid to

Landlord if Landlord elects to self-manage the Premises, not to exceed 3% of gross receipts for the Premises; (10) reasonable costs of professional services, including but not limited to managers, attorneys and accountants, rendered for the benefit of the Premises and/or the Project; (11) Insurance Charges, as hereinafter defined; (12) costs of permits and licenses for the Premises; (13) Real Property Taxes, as hereinafter defined, for the Premises; (14) Maintenance Fees, as hereinafter defined; and (15) costs for improvements made in order to comply with any law (except as and to the extent expressly set forth in Section 1 above with respect to Landlord's obligations, if any, during the Warranty Period).

(ii) Operating Expense Exclusions. Notwithstanding anything in the Lease to the contrary, Operating Expenses shall not include the following: (1) interest, amortization or other payments on loans to Landlord, finance and debt services fees, principal and/or interest on debt or amortization payments on any mortgage; (2) depreciation allowance or expense, expense reserves and other non-cash items; (3) any bad debt loss, rent loss, or reserves for bad debts or rent loss; (4) leasing commissions, attorneys' fees, disbursements, and other costs and expenses incurred in procuring prospective tenants, negotiating and executing leases, and constructing improvements required solely to prepare for a new tenant's occupancy; (5) costs (including attorneys' fees) incurred by Landlord due to the violation by Landlord or any tenant (other than Tenant) of the terms and conditions of any other lease of the Project or by violation of any law, code, regulation, ordinance or the like, settlement, judgments and/or payments in lieu thereof, except to the extent any such violation relates to or arises in connection with Tenant's obligations under this Lease or any acts or omissions of any of the Tenant's Parties; (6) late fees, penalties, and other costs incurred by Landlord due to non-payment or disputes with lenders, tenants, and third parties, except to the extent any such late fees, penalties or other costs relate to or arise in connection with Tenant's obligations under this Lease or any acts or omissions of any of the Tenant's Parties; (7) repairs, replacements, alterations, maintenance or other costs actually paid to Landlord by insurance or condemnation proceeds, warranties, or by Tenant or third parties; and (8) specific costs incurred for the account of, or separately billed to and paid by, specific tenants of the Project other than Tenant.

(iii) Capital Expenditures. To the extent any Operating Expenses are considered capital expenditures, such capital expenditures shall be amortized over their useful life (as reasonably determined by Landlord) but in any event not to exceed ten (10) years using the higher of Landlord's actual cost of funds if any or the maximum legal interest rate per annum.

(b) **Insurance Charges Defined.** "**Insurance Charges**" means the cost of the following insurance:

(i) All Risk Insurance. All Risk insurance (Landlord's "**All Risk Insurance**") insuring the Premises (other than the Tenant's inventory, trade fixtures, Alterations (defined below)) against loss or damage by (a) fire, sprinkler damage, vandalism, terrorism and all other perils customarily covered under an All Risk policy, (b) earthquake, (c) at the election of Landlord in its discretion, flood, and (d) such other perils or risks, insurance against which is reasonably required by a Lender from time to time to the extent customarily carried in comparable properties, in an amount equal to their full replacement cost, less such deductibles as Landlord shall determine. "**Lender**" for all purposes under this Lease shall mean any lender having a secured interest in the Premises or in any portion thereof and any purchaser who purchases or otherwise acquires the Premises at any foreclosure sale, through deed in lieu of foreclosure or similar conveyance;

(ii) Commercial General Liability Insurance. Commercial general liability insurance with respect to the Premises with limits in such amounts as Landlord shall determine, but not less than $1,000,000 per occurrence and $2,000,000 in the aggregate;

(iii) Other. Such other insurance coverage with respect to the Premises as shall be required from time to time by any Lender to the extent customarily carried with respect to comparable properties.

(c) **Maintenance Fees Defined.** "**Maintenance Fees**" means all maintenance fees and other assessments that are assessed by any owner's association or any similar body against the Premises or portions thereof and/or any costs incurred or payable by Landlord under any covenants, conditions, restrictions, reciprocal easements or similar agreements applicable to and/or benefitting the Premises or any portion thereof, including, without limitation, the Project CC&Rs.

(d) **Real Property Taxes Defined.** "**Real Property Taxes**" means (i) any and all forms of tax, assessment, license fee, excise, bond, levy, charge or imposition (collectively referred to herein as "**Taxes**"), general, special, ordinary or extraordinary, imposed, levied or assessed against the Premises or any interest of Landlord or any mortgagee thereof in the same, by any authority or entity having the direct or indirect power to tax, including without limitation, any city, county, state or federal government, or any fire, school, redevelopment, agricultural, sanitary, street, lighting, security, drainage or other authority, political subdivision or improvement district thereof, (ii) any Tax in substitution, partially or totally, of any Taxes now or previously included within the definition of Real Property Taxes, including without limitation, those imposed, levied or assessed to increase tax increments to governmental agencies, or for services such as (but not limited to) fire protection, police protection, street, sidewalk and road maintenance, refuse removal or other governmental services previously provided without charge (or for a lesser charge) to property owners and/or occupants, (iii) any Taxes allocable to the Premises or any Rent or Operating Expenses payable hereunder, including without limitation, any gross receipts tax or General Excise Tax on the receipt of such Rent or upon the possession, leasing, operation, maintenance, repair, use or occupancy by Tenant or Landlord of the Premises or Operating Expenses, and (iv) any Taxes on the transfer or a transaction directly or indirectly represented by this Lease, by any subleases or assignments hereunder, by any document to which Tenant is a party, creating or transferring (or reflecting the creation or transfer) of an interest or estate in the Premises or in Tenant or Landlord. Real Property Taxes shall not include any general franchise, income, estate or inheritance tax imposed on Landlord.

3.3.2 **Procedures**. Tenant shall pay to Landlord all Operating Expenses commencing on the Term Commencement Date. Landlord shall deliver to Tenant a written estimate of the projected Operating Expenses for any twelve (12)-month period ("**Estimated Statement**"). Tenant shall pay to Landlord such estimated amount in equal monthly installments, in arrears on or before the last day of each month (except that, if the last day of the Term does not occur on the last day of a calendar month (due to either expiration or earlier termination of this Lease), such estimated amount for the final month of the Term shall be payable on or before the last day of the Term), and Landlord shall endeavor to submit to Tenant by April 1 following the end of each such calendar year, a statement showing in reasonable detail the actual Operating Expenses during such period ("**Actual Statement**"), and the parties shall make any payment or allowance necessary to adjust Tenant's estimated payments to the actual amount of Operating Expenses for such period as indicated by the Actual Statement. Any payment due Landlord shall be payable by Tenant within thirty (30) days after receipt of a sufficiently detailed written invoice along with reasonably necessary supporting documents from Landlord. Any amount due Tenant shall be credited against installments next becoming due from Tenant to Landlord under this Lease. Despite the expiration or early termination of this Lease, when the final determination is made of the amount of Operating Expenses for the year in which the expiration or early termination occurs, Tenant shall pay any adjustment due to Landlord within thirty (30) days after receipt of a sufficiently detailed written invoice along with reasonably necessary supporting documents and any amount due to Tenant shall be promptly paid by Landlord within thirty (30) days after the expiration or earlier termination date.

3.3.3 **Allocation of Operating Expenses Covering the Premises and the Adjacent Land**. Notwithstanding anything to the contrary in this Lease, during the period of Landlord's ownership of the Premises and any portion of the Adjacent Land, to the extent that any Operating Expenses apply to both the Premises and any such portion of the Adjacent Land, including, without limitation, Real Property Taxes (prior to such time that the Premises is assessed as a separate tax parcel by San Bernardino County) and any costs incurred under service contracts covering both the Premises and such portion of the Adjacent Land (including, without limitation, any service contract for landscaping), Landlord, in its reasonable discretion, shall make a pro rata allocation of such

amounts to the Premises and such portion of the Adjacent Land, respectively, and the portion of such amounts allocated to the Premises shall constitute Operating Expenses pursuant to and in accordance with this Lease.

3.3.4 **Audit Rights**. In the event Tenant objects in writing to any Actual Statement within thirty (30) days after receipt of such Actual Statement, then Tenant may request a meeting with Landlord to discuss its objections and, in any event, shall have the right, during the six (6) month period following delivery of such Actual Statement, at Tenant's sole cost, to review in Landlord's offices Landlord's records relevant to such Actual Statement and Landlord shall maintain and make available all records, statements and bills materially relating to and supporting the Actual Statement. Such review shall be carried out only by a nationally reputable accounting firm that is not being compensated on a contingency or other incentive basis, and shall be subject to Landlord's reasonable audit procedures. If, as of the date thirty (30) days after Tenant's receipt of such Actual Statement, Tenant shall not have objected thereto in writing, or if, during the six (6) month period following delivery of such Actual Statement, Tenant shall not have carried out a review of Landlord's records, then such Actual Statement shall be final and binding upon Landlord and Tenant, and Tenant shall have no further right to object to such Actual Statement under this Lease. If Tenant timely delivers a written objection to an Actual Statement and, within such six (6) month period, Tenant conducts an audit and delivers to Landlord a written statement specifying objections to such Actual Statement, then Tenant and Landlord shall meet to attempt to resolve such objection within ten (10) days after delivery of the objection statement. If such objection is not resolved within such ten (10) day period, then either party shall have the right, at any time within thirty (30) days after the expiration of such ten (10) day period, to require that the dispute be submitted to binding arbitration under the rules of the American Arbitration Association (or any organization successor thereto). If neither Landlord nor Tenant commences an arbitration proceeding within such thirty (30) day period, then the Actual Statement in question shall be final and binding on Landlord and Tenant. Notwithstanding that any such dispute remains unresolved, Tenant shall be obligated to pay Landlord all Rent as and when due (including any disputed amount), under protest and without prejudice to Tenant's rights hereunder. The audit and arbitration procedures set forth herein shall be Tenant's exclusive remedy with respect to the calculation of the amount of Tenant's obligations under this Section 3.3. If the result of the audit procedures and, if applicable, the arbitration procedures set forth herein is that Tenant made overpayments in excess of ten percent (10%) of Operating Expenses for the year in question, Landlord shall pay for the actual and reasonable cost of the audit within thirty (30) days following receipt of Tenant's invoice therefor. If a dispute is submitted to binding arbitration as provided above, then the prevailing party in such arbitration shall be entitled to its reasonable attorneys' fees and other costs incurred in connection with such arbitration.

3.4 **Rent Without Offset and Late Charge.** All Rent shall be paid by Tenant to Landlord monthly in arrears on or before the last day of every calendar month (except that, if the last day of the Term does not occur on the last day of a calendar month (due to either expiration or earlier termination of this Lease), Rent for the final month of the Term shall be payable on or before the last day of the Term), at the address shown in the Basic Lease Terms, or such other places as Landlord may designate in writing from time to time. All Rent shall be paid without prior demand or notice and without any deduction or offset whatsoever. All Rent shall be paid in lawful currency of the United States of America. All Rent due for any partial month shall be pro rated at the rate of 1/30th of the total monthly Rent per day. Tenant acknowledges that late payment by Tenant to Landlord of Rent or other sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any encumbrance or note secured by the Premises. Therefore, if Rent or other sum due from Tenant is not received on the due date, Tenant shall pay to Landlord an additional sum equal to ten percent (10%) of such overdue payment. Landlord and Tenant hereby agree that such late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment. Additionally, all such delinquent Rent or other sums, plus this late charge, shall bear interest at the then maximum lawful rate permitted to be charged by Landlord. Any payments of any kind returned for insufficient funds will be subject to an additional handling charge of Fifty Dollars ($50.00). Additionally, following any two consecutive late payments of Rent, Landlord shall have the option to require that Base Monthly Rent be paid quarterly rather than monthly. Furthermore, if any payment due from Tenant is by a check which is returned unpaid from the bank or financial institution on which it is drawn, Landlord shall have the right at any time thereafter to insist that all further payments due from Tenant be made by certified or bank cashier's check.

4. **PREPAID RENT.** Upon the execution of this Lease and as a condition for Landlord's benefit to the effectiveness of this Lease, Tenant shall pay to Landlord the prepaid Rent set forth in the Basic Lease Terms. Such prepaid Rent shall be applied toward the first month for which Rent is due for the Original Term. Landlord's obligations with respect to the prepaid Rent are those of a debtor and not of a trustee, and Landlord can commingle the prepaid Rent with Landlord's general funds. Landlord shall not be required to pay Tenant interest on the prepaid Rent. Landlord shall be entitled to immediately endorse and cash Tenant's prepaid Rent; however, such endorsement and cashing shall not constitute Landlord's acceptance of this Lease. In the event Landlord does not accept this Lease, Landlord shall return said prepaid Rent, without interest thereon.

5. **SECURITY DEPOSIT.** Upon execution of this Lease and as a condition for Landlord's benefit to the effectiveness of this Lease, Tenant shall deposit the Security Deposit set forth in the Basic Lease Terms with Landlord, in part as security for the performance by Tenant of the provisions of this Lease. If Tenant is in default beyond any applicable notice and cure period, Landlord can use the Security Deposit or any portion of it to cure the default or to compensate Landlord for any damages sustained by Landlord resulting from Tenant's default (including, without limitation, all rent due following Lease termination to the extent permitted by California Civil Code Section 1951.2). Upon demand, Tenant shall immediately pay to Landlord a sum equal to the portion of the Security Deposit expended or applied by Landlord to maintain the Security Deposit in the amount initially deposited with Landlord. If Tenant is not in default at the expiration or termination of this Lease, Landlord shall return the entire Security Deposit to Tenant, less any accrued Rent, costs incurred to repair any damages. Landlord's obligations with respect to the Security Deposit are those of a debtor and not of a trustee, and Landlord can commingle the Security Deposit with Landlord's general funds. Landlord shall not be required to pay Tenant interest on the Security Deposit. Landlord shall be entitled to immediately endorse and cash the Security Deposit; however, such endorsement and cashing shall not constitute Landlord's acceptance of this Lease. In the event Landlord does not accept this Lease, Landlord shall return the Security Deposit, without any interest thereon. In no event shall Tenant be entitled to apply the Security Deposit to the last month's rental installment due and payable under the Lease. Tenant acknowledges and agrees that the Security Deposit may be applied towards any Rent or other sum in default or otherwise owing to Landlord by Tenant following the expiration or earlier termination of this Lease as allowed under applicable Laws, including, without limitation, Section 1950.7 of the California Civil Code and/or any successor statute. In connection therewith, Tenant hereby waives the provisions of any applicable Laws to the contrary, including, without limitation, Section 1950.7(c) of the California Civil Code and/or any successor statute.

6. **USE OF THE PREMISES.** Tenant shall use the Premises solely for the purposes set forth in the Basic Lease Terms and for no other purpose without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. Except as and to the extent expressly set forth in Section 1 above with respect to Landlord's obligations, if any, during the Warranty Period, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or with respect to the suitability of the Premises for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises. Except as and to the extent expressly set forth in Section 1 above with respect to Landlord's obligations, if any, during the Warranty Period, Tenant shall promptly comply with all laws, statutes, ordinances, orders and regulations, now or hereinafter enacted, affecting the Premises, including, without limitation, The Americans with Disabilities Act of 1990 (42 U.S.C. Section 1211 et seq.) and regulations and guidelines promulgated thereunder as all of the same may be amended and supplemented from time to time (collectively, the "**ADA**"), Title 24 of the California Code of Regulations and any amendments thereto, and all covenants, conditions, restrictions, easements and other encumbrances applicable to the Premises, including, without limitation, the Project CC&Rs (collectively, "**Laws**"), and the reasonable rules and regulations Landlord may adopt in writing and deliver to Tenant from time to time. To the extent of any inconsistency between the terms and conditions of this Lease and the terms and conditions of such rules and regulations, the terms and conditions of this Lease shall control. Except as and to the extent expressly set forth in Section 1 above with respect to Landlord's obligations, if any, during the Warranty Period, notwithstanding any factors developed by the courts as a means of allocating the obligation to make alterations to the Premises in order to comply with present or future applicable laws, ordinances or regulations, it is the intention of the parties that such obligations are those of the Tenant. Landlord makes no representation or warranty as to the compliance of the Premises with the ADA. Except as and to the extent expressly set forth in Section 1 above with respect to Landlord's obligations, if any, during the Warranty Period, the parties hereby agree that: (a) Tenant shall be responsible for ADA Title III compliance in the Premises, including any tenant improvements or other work to be performed in the Premises under or in connection with this

Lease, and (b) Landlord may perform or require that Tenant perform, and Tenant shall be responsible for the cost of, ADA Title III "path of travel" requirements triggered by any tenant improvements or alterations to the Premises, or as a result of Tenant's use of the Premises. Tenant shall be solely responsible for requirements under Title I of the ADA relating to Tenant's employees. Nothing in Section 29.18 below shall in any way alter the allocation of responsibility for compliance with Laws, including, without limitation, the ADA, set forth in this Section 6. Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything in the Premises that will in any way subject Landlord to a claim of damages or liability arising from hazardous or toxic waste or by-products associated with or arising from Tenant's use of the Premises. Tenant shall comply with all rules, orders, regulations, and requirements of any local Fire Rating Bureau or any other organization performing a similar function. Tenant shall promptly, upon demand, reimburse Landlord for any additional insurance premium charged by reason of Tenant's failure (beyond any applicable notice and cure periods) to comply with the provisions of this Section 6. Tenant will not perform any act or carry on any practice that may injure the Premises or that may be a nuisance or menace to neighboring properties; or that shall in any way interfere with the quiet enjoyment of such neighboring properties. If sound or vibration insulation is required to muffle noise produced by Tenant on the Premises, or ventilation and/or insulation is required to remove fumes generated by Tenant, Tenant at its own cost shall provide all necessary insulation and/or ventilation. Tenant shall not do anything on or about the Premises which will overload any existing parking or service to the Premises. Pets and/or animals of any type shall not be kept on the Premises. Tenant shall be responsible, at Tenant's sole cost and expense, for obtaining any and all permits and approvals required for Tenant's operations from the Premises. Subject to applicable Laws, Tenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week.

7. **SIGNAGE.** All signage shall comply with rules and regulations set forth by Landlord as may be modified from time to time. All signage shall be at Tenant's sole cost and expense, shall comply with the City of Ontario sign ordinance and all other applicable Laws. No exterior signage shall be erected by Tenant without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Tenant shall place no window covering (e.g., shades, blinds, curtains, drapes, screens, tinting material or security bars), stickers, signs, lettering, banners or advertising or display material on or near exterior windows or doors if such materials are visible from the exterior of the Premises, without Landlord's prior written consent; provided, however, interior white vertical blinds shall be permitted. Similarly, Tenant may not install any alarm boxes, foil protection tape or other security equipment on the Premises without Landlord's prior written consent, which shall not be unreasonably withheld, delayed or conditioned. Any material violating this provision beyond any applicable notice and cure period may be destroyed by Landlord without compensation to Tenant. Additionally, upon the expiration or earlier termination of this Lease, Tenant shall pay Landlord for the costs incurred by Landlord to remove any of Tenant's signage.

8. **PERSONAL PROPERTY TAXES; BUSINESS TAXES.** Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operations as well as upon other personal property in or about the Premises.

9. **PARKING.** During the Term of this Lease and so long as Tenant is not in default under this Lease, Tenant shall have the exclusive right to use all of the parking areas at the Premises (as described in further detail below), all for use only by Tenant, Tenant's customers, suppliers, employees, licensees and business invitees. Notwithstanding the foregoing, Tenant acknowledges and agrees that (a) due to Landlord's construction schedule for the Project, including, without limitation, in connection with work to be performed in the areas of the Premises indicated on Exhibit "K" attached to the Project CC&Rs (Temporary Construction Easement for the Benefit of Parcel 4), not all parking spaces ultimately planned for the Premises are expected to be available at the Term Commencement Date, but rather will be available by no later than Landlord's completion of all construction for the Project, and (b) as a result (i) the parking areas and spaces at the Premises prior to the completion of such Project construction shall be as depicted on Exhibit "E-1" attached hereto and (ii) the parking areas and spaces at the Premises from and after the completion of such Project construction shall be as depicted on Exhibit "E-2" attached hereto.

10. **UTILITIES.** Tenant shall pay for all water, gas, heat, light, power, sewer, electricity, telephone or other service metered, chargeable or provided to the Premises. Landlord reserves the right to install separate meters for any such utility and to charge Tenant for the cost of such installation. Tenant shall contract directly with the utility companies to provide such utilities, and for the maintenance of any utility lines, including, without limitation telephone equipment, cabling and/or wiring.

11. **MAINTENANCE.** Landlord shall perform the Designated Maintenance Obligations (as defined below). The "**Designated Maintenance Obligations**" shall mean, collectively, the maintenance and repair in good condition of the following components of the Premises: (i) the Building foundation (excluding the slab, which shall be the Tenant's sole obligation), structural portions of exterior walls, and the steel roof trusses and roof decking; and (ii) except to the extent such maintenance is required to be performed by the "Declarant" or the "Association" pursuant to the Project CC&Rs (in which case the costs of same charged to Landlord pursuant to the Project CC&Rs shall constitute Maintenance Fees payable by Tenant in accordance with Section 3.3), the roadways, drive aisles, parking areas, sidewalks, walkways, gates, driveways and landscaped areas within the Premises (but outside of the Building). The costs of all such maintenance and repair shall be considered "**Operating Expenses**" for purposes of Section 3.3. Except for the Designated Maintenance Obligations as provided above and excluding ordinary wear and tear and damage caused by fire or other casualty (which shall be governed by Section 15 below), Tenant shall maintain and repair the Premises in as good a condition existing as of the Term Commencement Date, including, without limitation, maintaining and repairing all Building Cable (as hereinafter defined), interior plumbing (including any hot water heaters and adjoining pipes), electrical, plumbing, sprinkler, sewage, heating, ventilating and air conditioning, and any and all other systems servicing the Premises, all walls, floors, the slab, ceilings, roof membrane, skylights, insulation, exterior doors servicing the Premises (including truck doors), plate glass, exterior and interior windows and fixtures, demising walls and partitions, loading docks, security system and delayed response fire alarm system, fire sprinkler and/or stand pipe and hose or other automatic fire extinguishing system, including fire alarm and/or smoke detection systems and equipment or other life safety systems, fire hydrants, fire pumps, electrical room and equipment, electrical room doors, as well as damage caused by Tenant, its agents, employees or invitees. Tenant shall provide Landlord with written notice of its proposed schedule, or any proposed changes to the existing schedule, for the maintenance of the Premises landscaping, Building roof, HVAC systems and parking lot sweeping, which schedules (and any changes thereto) shall be subject to Landlord's prior written approval. At Landlord's option from time to time upon not less than five (5) days' prior written notice to Tenant, Landlord shall have the right to elect to undertake any of the foregoing maintenance and repair obligations of Tenant, in which event the cost of all such maintenance and repair elected to be undertaken by Landlord shall be considered "**Operating Expenses**" for purposes of Section 3.3. Upon expiration or termination of this Lease, Tenant shall surrender the Premises to Landlord in accordance with Sections 12 and 24 of this Lease, except for ordinary wear and tear and damage caused by fire or other casualty for which Landlord has received all funds necessary for restoration of the Premises from insurance proceeds. The term "**Building Cable**" is used in this Lease to refer to all Building telephone cable, fiber optic wiring and other communications cabling and wiring within the Building.

12. **ALTERATIONS.** Tenant shall not make any alterations to the Premises, including any changes to the existing landscaping, without Landlord's prior written consent, which consent shall not be unreasonably, withheld, delayed or conditioned. Tenant shall, however, have the right to make interior, non-structural alterations to the Premises with the Landlord's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Landlord's consent shall be deemed to have been given as to interior, non-structural alterations to the Premises if not withheld by the thirtieth (30th) day following Landlord's receipt of all plans, specifications and working drawings determined by Landlord's architect to be sufficient to permit an informed decision with respect to the proposed interior non-structural alteration. If Landlord gives its consent to such alterations, Landlord may post notices of non-responsibility and require Tenant to comply with other rules and regulations as Landlord may establish from time to time, including submission of plans and specifications for Landlord's approval, the posting of performance and payment bonds, and reimbursement to Landlord for the cost of any engineering or consulting firms required by Landlord to review Tenant's proposed plans and for an independent roofing consultant and any roofing contractor required by Landlord if said alterations involve roof penetrations or other work on the roof to ensure that, among other things, any such alterations involving the roof are made in compliance with the roof warranty. Any alterations made shall remain on and be surrendered with the Premises upon expiration or termination of this Lease, except that Landlord, in its sole and absolute discretion, may elect, upon providing not less than one hundred twenty (120) days notice prior to the expiration date, to require Tenant at Tenant's cost to remove any alterations (excluding any portion of the Landlord Work but including any portion of the Tenant Work) which Tenant may have made to the Premises. If Landlord so elects, Tenant, at Tenant's cost, shall restore the Premises to the condition existing immediately prior to the alteration Landlord elects to have removed, excluding ordinary wear and tear and damage caused by fire or other casualty (which shall be governed by Section 15 below), on or before the last day of the Term.

Should Landlord consent in writing to Tenant's alteration of the Premises, Tenant shall contract with a duly licensed contractor reasonably approved by Landlord, for the construction of such alterations, shall secure all appropriate governmental approvals and permits, and shall complete such alterations with due diligence in compliance with plans and specifications approved by Landlord. All permitted alterations performed by or through Tenant under this Section 12 shall comply with all laws, statutes, rules, regulations, ordinances, and orders, now and hereinafter in effect. Any valuations or cost analyses of any alterations which are to be submitted to any governmental authority or with the County must be approved by Landlord in its reasonable discretion. Tenant shall pay all costs for such construction and shall keep the Premises free and clear of all mechanics', materialmen's, design professionals', and other liens which may result from construction by or through Tenant. In the event any such lien is filed as a result of any work undertaken by or through Tenant and such lien is not removed within ten (10) days after written demand by Landlord, Landlord shall have the right (but not the obligation) to satisfy the claim or post a release bond in the statutory amount, in which case any and all costs incurred by Landlord (including any attorneys' fees) shall be reimbursed by Tenant to Landlord as Additional Rent with the next ensuing payment of Base Monthly Rent.

13. **RELEASE AND INDEMNITY.**

13.1 From and after the Reference Date, except to the extent Landlord is liable therefor pursuant to Section 13.3 below, Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord and its Lenders, Landlord's successors and assigns, constituent partners, members, trustees, beneficiaries, co-managing directors, agents, and employees (collectively, the "**Indemnified Parties**") harmless against and from any and all claims, demands, actions, causes of actions, judgments, damages, liabilities, losses, obligations, costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees (individually, a "**Claim**" and collectively, "**Claims**") (including any Claims based on Landlord's active or passive negligence) arising from or in connection with (i) the construction, repair, alteration, improvement, use, occupancy or enjoyment of the Premises by Tenant, by any Tenant's Parties (as defined in Section 13.2, below), by any other person permitted by Tenant or any of the Tenant's Parties thereon, including, without limitation, any labor dispute involving Tenant and/or any failure by Tenant to comply with any laws, ordinances or regulations governing construction within the Premises or access to the Premises by disabled persons, (ii) any activity, work or thing done, permitted or suffered by Tenant or any Tenant's Parties in or about the Premises, (iii) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, (iv) any injuries suffered by Tenant's employees, or (v) any negligent (whether active or passive) or wrongful act or omission of Tenant, of any Tenant's Parties, or of any other guest or invitee of Tenant in or about the Premises. The foregoing shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against Landlord) litigated and/or reduced to judgment. In case any action or proceeding is brought against the Indemnified Parties or any of them by reason of any such Claim, Tenant upon notice from Landlord, shall defend the same at Tenant's expense by competent counsel reasonably approved in writing by Landlord. Neither Landlord nor any of the other Indemnified Parties need to have first paid any such claim in order to be so indemnified. Tenant's obligations under this Section 13.1 shall survive the expiration or earlier termination of this Lease.

13.2 No Indemnified Party and no other tenant or subtenant of the Premises shall be liable to Tenant or its partners, members, directors, officers, shareholders, contractors, agents, employees, invitees, sublessees or licensees (collectively, "**Tenant's Parties**") for any loss or damage to any of Tenant's Parties except to the extent caused solely by the gross negligence or intentional misconduct of the Landlord or the Indemnified Parties in the operation or maintenance of the Premises or Landlord's breach of this Lease which Landlord has not cured within any applicable notice and cure periods set forth in this Lease. Tenant hereby waives all its claims in respect thereof against Landlord except as and to the extent expressly otherwise set forth in Section 13.3 below. Further, under no circumstances shall any Indemnified Party be liable for consequential damages arising out of any loss of the use of the Premises (including, without limitation, for lost profits or business opportunities) or any equipment, inventory, information, or facilities therein by Tenant or by any person claiming through or under Tenant. The effect of such releases and waivers of the right to recover damages shall not be limited by the amount of insurance carried or required, or by any deductibles applicable thereto.

13.3 From and after the Reference Date, subject to Section 13.1 above, Landlord shall indemnify, defend (with counsel reasonably acceptable to Tenant) and hold Tenant harmless against and from any and all

Claims to the extent caused by the gross negligence or intentional misconduct of the Landlord in the operation or maintenance of the Premises or Landlord's breach of this Lease which Landlord has not cured within the time periods specified in this Lease. The foregoing shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against Tenant) litigated and/or reduced to judgment. In case any action or proceeding is brought against Tenant by reason of any such Claim, Landlord upon notice from Tenant, shall defend the same at Landlord's expense by counsel reasonably acceptable to Tenant. Tenant shall not need to have first paid any such claim in order to be so indemnified. Landlord's obligations under this Section 13.3 shall survive the expiration or earlier termination of this Lease.

14. INSURANCE.

14.1 Tenant shall, at Tenant's expense, obtain and keep in full force during the Term the types of insurance meeting the requirements set forth on attached Exhibit "C" Concurrently with its execution and delivery of this Lease and thereafter within ten (10) days following written demand therefor from Landlord, Tenant shall deliver certificates of such insurance or copies of the policies with all endorsements required hereunder together with evidence of payment of the current premiums therefor to Landlord. In the event Tenant fails to provide certificates evidencing renewal of each such policy at least thirty (30) days before expiration of the policy (as required pursuant to attached Exhibit "C") or within ten (10) days after written request by Landlord, Landlord shall have the right, but not the obligation, to order such insurance and charge the cost thereof plus a ten (10%) administrative fee to Tenant, which amount shall be payable by Tenant to Landlord upon demand. Failure of Landlord to demand such certificate or other evidence of full compliance with the insurance requirements contained in this Lease or failure of Landlord to identify a deficiency from evidence that is provided to Landlord shall not be construed as a waiver of Tenant's obligation to maintain such insurance. Tenant's failure to provide evidence of such coverage to Landlord may, in Landlord's sole discretion, constitute a Tenant Default under this Lease. By requiring insurance herein, Landlord does not represent that coverage and limits will necessarily be adequate to protect Tenant, and such coverage and limits shall not be deemed as a limitation on Tenant's liability under the indemnities granted to Landlord in this Lease. Tenant's failure to procure the required insurance shall not excuse Tenant from any obligations hereunder and shall subject Tenant to contractual damages.

14.2 During the Term, Landlord shall insure the Premises (in addition to, and not in lieu of any insurance which Tenant is obligated to maintain) against damage with all risk insurance and public liability insurance, and any other coverages Landlord or its Lender determines to be appropriate, all in such amounts and with such deductibles as Landlord considers appropriate. Landlord may, but shall not be obligated to, obtain and carry any other form or forms of insurance as it or its Lender may determine commercially reasonable. Such insurance may be procured through a policy of blanket insurance. The allocated costs of such insurance shall be borne by Tenant pursuant to Section 3.3. Tenant shall not be named as an additional insured therein. Notwithstanding any contribution by Tenant to the cost of insurance premiums as provided under this Lease, Tenant acknowledges that it has no right to receive any proceeds from any insurance policies carried by Landlord.

14.3 Tenant will not keep, use, sell or offer for sale in or upon the Premises any article which is prohibited by any required insurance policy in force covering the Premises or which shall invalidate the insurance policies carried by Tenant or Landlord. If Tenant's use of the Premises, whether or not Landlord has consented to the same, results in any increase in premiums for the insurance required to be carried by Landlord with respect to the Premises, Tenant shall pay any such increase in premiums as Additional Rent within thirty (30) days after being billed therefor by Landlord along with reasonable supporting documentation, or, if agreed by the applicable insurer, Tenant may, at its option, alter its use to negate any premium increases. In determining whether increased premiums are a result of Tenant's use of the Premises, a schedule issued by the organization computing the insurance rate on the Premises or any tenant improvements, if any, showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. Tenant shall promptly comply with all reasonable requirements of the insurance authority or any present or future insurer relating to the Premises, provided that such requirement does not alter or modify this Lease. If any of Landlord's insurance policies shall be canceled or cancellation shall be threatened or the premium or coverage thereunder changed or threatened to be changed in any way because of the use of the Premises or any part thereof by Tenant or any assignee or subtenant of Tenant or by anyone Tenant permits on the Premises and, if Tenant fails to remedy the condition giving rise to such threatened or actual cancellation, or threatened or actual change in coverage or

premiums, then, within forty-eight (48) hours after notice thereof, Landlord may, at its option, either terminate this Lease or enter upon the Premises and attempt to remedy such condition, and Tenant shall promptly pay the cost thereof to Landlord as Additional Rent. Landlord shall not be liable for any damage or injury caused to any property of Tenant or of others located on the Premises resulting from such entry except to the extent Landlord is liable therefor pursuant to Section 13.3 above. If Landlord is unable or elects not to remedy such condition, then Landlord shall have all of the remedies for a Tenant default provided for in this Lease.

14.4 Without limiting the foregoing, any contractor (including, without limitation, the janitorial contractor) or any other third party engaged by or through Tenant to perform any alterations, maintenance, repairs, or other services within the Premises (including, without limitation, within any telephone or electrical rooms) shall deliver to Landlord evidence of liability insurance meeting the requirements set forth on attached Exhibit "D" or shall otherwise reasonably satisfy Landlord as to such contractor's financial capability as determined by Landlord in Landlord's reasonable discretion.

14.5 Each policy of insurance respectively obtained by Landlord and Tenant shall expressly waive all rights of subrogation against the other party, and each party and their respective officers, directors, general partners, employees, agents and representatives shall have policies that contain the ISO endorsement CG 2404 or its equivalent (subrogation waiver). Landlord and Tenant waive any rights of recovery (whether in contract or in tort) against the other for injury or loss due to hazards covered by policies of insurance containing such a waiver of subrogation clause or endorsement to the extent of the injury or loss covered thereby. All casualty insurance required to be provided by Tenant under this Lease shall release Landlord from any claims for damage to any person on the Premises and to Tenant's fixtures, personal property, improvements and alterations in or on the Premises, caused by or resulting from risks insured against under the insurance policies required to be carried by Tenant and in force at the time of such damage.

15. DESTRUCTION.

15.1 If the Premises are damaged by fire or other casualty (a "**Casualty**"), Landlord shall, within ninety (90) days after such Casualty, deliver to Tenant a good faith estimate (the "**Damage Notice**") of the time needed to repair the damage caused by such Casualty.

15.2 If a material portion of the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within two hundred seventy (270) days after the commencement of repairs (the "**Repair Period**"), then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant; provided, however, that if such damage occurs within twelve (12) months of the last day of the Term and the time estimated to substantially complete the repair exceeds one hundred eighty (180) days after the commencement of repairs, then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant .

15.3 If a Casualty damages the Premises or a material portion thereof and (a) Landlord estimates that the damage to the Premises cannot be repaired within the Repair Period, (b) the damage to the Premises exceeds fifty percent (50%) of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last two (2) years of the Term, (c) regardless of the extent of damage to the Premises, the damage is not fully covered by Landlord's insurance policies or Landlord makes a good faith determination that restoring the Premises would be uneconomical, or (d) Landlord is required to pay any insurance proceeds arising out of the Casualty to any beneficiary or mortgagee with a lien on the Premises, then Landlord may terminate this Lease by giving written notice of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

15.4 If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair the Premises and shall proceed with reasonable diligence to restore the Premises and the improvements thereon to substantially the same condition as they existed immediately before such Casualty; however, Landlord shall not be required to repair or replace any alterations or betterments

within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises, and Landlord's obligation to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord for the Casualty in question. If this Lease is terminated under the provisions of this Section 15, Landlord shall be entitled to the full proceeds of the insurance policies providing coverage for all alterations, improvements and betterments in the Premises (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

15.5 If the Premises are damaged by Casualty, Rent for the portion of the Premises rendered untenantable by Tenant for the permitted use set forth in the Basic Lease Terms by the damage shall be abated from the date of the Casualty occurred until the completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be), unless Tenant or any of Tenant's Parties caused such damage, in which case, Tenant shall continue to pay Rent without abatement except to the extent that Landlord collects rent interruption insurance proceeds relating to such Casualty.

15.6 This Section 15 shall provide Tenant's sole and exclusive remedy in the event of damage or destruction to the Premises, and Tenant, as a material inducement to Landlord entering into this Lease, irrevocably waives and releases Tenant's rights under California Civil Code Sections 1932(2), 1933(4), 1941 and 1942. No damages, compensation or claim shall be payable by Landlord for any inconvenience, any interruption or cessation of Tenant's business, or any annoyance, arising from any damage to or destruction of all or any portion of the Premises, except for the abatement of rent provided in Section 15.5 above, except to the extent Landlord is liable therefor pursuant to Section 13.3 above.

16. CONDEMNATION.

16.1 If the entire Premises are taken by right of eminent domain or conveyed in lieu thereof (a "**Taking**"), this Lease shall terminate as of the date of the Taking.

16.2 If any part of the Premises becomes subject to a Taking and such Taking will prevent Tenant from conducting on a permanent basis its business in the Premises in a manner reasonably comparable to that conducted immediately before such Taking, then Tenant may terminate this Lease as of the date of such Taking by giving written notice to Landlord within thirty (30) days after the Taking, and Base Monthly Rent and Additional Rent shall be apportioned as of the date of such Taking. If Tenant does not terminate this Lease, then Rent shall be abated on a reasonable basis as to that portion of the Premises rendered untenantable by the Taking.

16.3 If any material portion, but less than all, of the Premises becomes subject to a Taking, or if Landlord is required to pay any of the proceeds arising from a Taking to any beneficiary or mortgagee with a lien on the Premises, then Landlord may terminate this Lease by delivering written notice thereof to Tenant within thirty (30) days after such Taking, and Base Monthly Rent and Additional Rent shall be apportioned as of the date of such Taking. If Landlord does not so terminate this Lease, then this Lease will continue, but if any portion of the Premises has been taken, Rent shall abate as provided in the last sentence of Section 16.2.

16.4 If all or any portion of the Premises becomes subject to a Taking for a limited period of time, this Lease shall remain in full force and effect and Tenant shall continue to perform all of the terms, conditions and covenants of this Lease, including the payment of Base Monthly Rent and all other amounts required hereunder, except that Rent shall be abated as to that portion of the Premises rendered untenantable by the temporary Taking for the period of such temporary Taking. Landlord shall be entitled to receive the entire award for any such temporary Taking, except that Tenant shall be entitled to receive the portion of such award which (1) compensates Tenant for its loss of use of the Premises within the Term and (2) reimburses Tenant for the reasonable out-of-pocket costs actually incurred by Tenant to restore the Premises as the result of such Taking.

16.5 If any Taking occurs, then Landlord shall receive the entire award or other compensation for the Premises and other improvements taken; however, Tenant may separately pursue a claim (to the extent it will not reduce Landlord's award) against the condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may have. The rights of

Landlord and Tenant regarding any Taking shall be determined as provided in this Section, and each party hereby waives the provisions of Section 1265.130 of the California Code of Civil Procedure, and the provisions of any similar law hereinafter enacted, allowing either party to petition the Supreme Court to terminate this Lease and/or otherwise allocate condemnation awards between Landlord and Tenant in the event of a Taking.

17. **ASSIGNMENT OR SUBLEASE.** Tenant shall not assign or sublease all or any part of the Premises or allow any other person or entity to occupy or use all or any part of the Premises (collectively, a "**Transfer**") without first obtaining Landlord's consent, which may be given or withheld in accordance with the standards set forth in this Section 17, which the parties agree are reasonable restrictions and conditions pursuant to any applicable Laws, including, without limitation, California Civil Code Section 1995.250. A Transfer shall include any indirect or direct transfer, assignment, sale or encumbrance of any interest in Tenant, including, without limitation: (a) transfers by operation of law; (b) transfers of more than 25% of the direct or indirect ownership interests in Tenant; (c) the transfer, sale or encumbrance of 50% or more of Tenant's assets (in one or more transactions); (d) transfers resulting in a reduction by 25% or more of the net worth of Tenant, and/or (e) (i) if Tenant becomes a bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes proceedings under the Bankruptcy Act in which Tenant is a bankrupt (or, if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or such other person or entity become s a bankrupt or insolvent, or makes an assignment for the benefit of creditors), (ii) a writ of attachment or execution is levied on this Lease, or (iii) if in any proceeding to which Tenant is a party, a receiver is appointed with the authority to take possession of the Premises (for purposes of this Lease, the items set forth in this Section 17(e) shall each be deemed an "**Act of Insolvency**"). No withholding of consent by Landlord for any reason deemed sufficient by Landlord shall give rise to any claim by Tenant or any proposed assignee or subtenant or entitle Tenant to terminate this Lease, to recover contract damages or to any abatement of Rent. In this connection, Tenant hereby expressly waives any rights to the contrary under applicable Laws, including, without limitation, California Civil Code Section 1995.310. If Tenant is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law of any general partner, or the dissolution of the partnership, shall be deemed a Transfer. If Tenant consists of more than one person, a purported assignment, voluntary or involuntary or by operation of law from one person to the other shall be deemed a Transfer.

In connection with any proposed Transfer, at least sixty (60) days before the effective date of the proposed Transfer, Tenant shall provide Landlord with written notice of Tenant's intent to assign or sublet ("**Tenant's Notice**") and shall furnish (i) the name and identity of the proposed assignee or sublessee ("**Transferee**"); (ii) such financial and related information respecting the Transferee as Landlord shall reasonably request; (iii) such business history and experience information as Landlord shall reasonably request; (iv) all terms and conditions of the proposed Transfer, including a copy of the proposed Transfer documents; (v) a bank reference of Transferee; (vi) the name and description of business experience of the individuals and entities who are the owners of the equity interests in the proposed Transferee; and (vii) if a guarantee is to be provided, it shall be in a form and substance satisfactory to Landlord's legal counsel and its shall be accompanied by financial statements (prepared in accordance with generally accepted accounting principles) for the two most recently completed fiscal years of the proposed guarantor(s) of the proposed Transferee's obligations as to "**Tenant**" hereunder. Whether Landlord refuses to consent to such Transfer, or consents to such Transfer, then this Lease shall remain in full force and effect in accordance with it terms. Whether or not Landlord consents to a proposed Transfer under the provisions of this Section 17, (i) Tenant shall pay Landlord's processing and investigation costs, which shall be the greater of Five Hundred Dollars ($500.00) or actual costs as reasonably determined by Landlord, and attorneys' fees incurred in determining whether or not to so consent, and (ii) Tenant shall not be relieved of any responsibility under this Lease. If Landlord consents to any Transfer, Tenant shall pay to Landlord, as Additional Rent, fifty percent (50%) of all net sums or other consideration received by Tenant promptly after its receipt. As used in this Paragraph, "**net sums or other consideration**" shall include without limitation the then fair value of any non-cash consideration and shall be calculated after first deducting reasonable costs incurred by Tenant in connection with the Transfer, including commissions payable to a broker not affiliated with Tenant, space modification costs in connection with the Transfer, reasonable legal costs, rent concessions to the Transferee, and lease take-over costs. Landlord's waiver of or consent to any Transfer shall not relieve Tenant from Tenant's primary obligations under this Lease whether or not accrued. Any Transferee approved by Landlord shall execute an agreement reasonably acceptable to Landlord agreeing to be bound by the terms of this Lease. If this Lease is assigned or if the Premises or any part thereof is subleased or occupied by anybody other than Tenant, Landlord may collect Rent from the assignee, subtenant, or occupant and apply the net amount collected to the Rent due hereunder, but no such assignment, underletting, subleasing, occupancy or collection shall be deemed an acceptance of the assignee, subtenant, or occupant as tenant

(except as expressly set forth in this Section 17) or as a release of Tenant from the further performance by Tenant of the covenants on the part of the Tenant to be performed as herein contained. The acceptance of Rent from any other person shall not be deemed to be a waiver of any of the provisions of this Lease or the consent to a Transfer of the Premises. Tenant shall not mortgage or encumber this Lease or Tenant's interest thereon.

Landlord shall not unreasonably withhold its consent to a proposed Transfer; provided, however, Landlord's consent shall be deemed to be reasonably withheld if the proposed Transfer does not satisfy all of the following conditions: (a) the Transfer shall be on the same terms and conditions set forth in Tenant's Notice given to Landlord; (b) no Transfer shall be valid, and no Transferee shall take possession of any of the Premises until an original of the duly executed counterpart of the Transfer documentation (signed by authorized signatories of both Tenant and Transferee) has been delivered to Landlord; (c) no Transferee shall have the right to further assign or sublet; (d) any proposed subletting will not result in more than two subleases of portions of the Premises being in effect at any one time during the Term; (e) other than for a proposed sublease of this Lease of the Premises, the net effective Base Monthly Rent (adjusted on a square foot basis) shall be at or higher than the Base Monthly Rent then being agreed upon by landlords on new leases in the Inland Empire metropolitan area for comparable size space for comparable terms, and Tenant shall not grant greater concessions to the Transferee than are then being offered by Landlord (adjusted on a square foot basis) to new tenants leasing a comparable amount of space for a comparable amount of time; (f) the proposed Transferee shall not be an existing tenant of any property owned by any affiliate of Landlord nor have been negotiating with any affiliate of Landlord during the last six (6) months for space within buildings owned by any such affiliate; (g) no Transferee shall be a governmental entity; (h) the portion of the Premises to be sublet or assigned shall be regular in shape with appropriate means of ingress and egress; (i) the proposed use of the Premises by the Transferee shall be permitted by the use provisions of this Lease; (j) no proposed Transfer would result in materially more people working at or visiting the Premises than the number of people who worked at or visited the Premises at the time when Tenant was the sole occupant of the Premises; (k) the Transferee has the financial capability to fulfill the obligations imposed by the Transfer; (l) the Transferee is not a real estate developer or landlord and/or is not acting directly or indirectly on behalf of a real estate developer or a landlord; (m) the Transferee is creditworthy and the bank or other financial references support in full the financial statements delivered to Landlord on behalf of the Transferee; (n) the Transferee demonstrates, in Landlord's business judgment, that it is able to perform the obligations on Transferee's part to be performed under the Lease; and (o) the Transferee shall not have been involved in any civil, criminal or administrative litigation, investigations or proceedings with its prior landlord or landlords or is otherwise involved in any civil, criminal or administrative litigation, investigations or proceedings which are unsatisfactory in the reasonable opinion of Landlord. Tenant acknowledges that the foregoing conditions to a requested Transfer are reasonable.

Landlord may, within thirty (30) days after submission of Tenant's Notice for a proposed assignment or subletting, cancel this Lease as to the portion of the Premises proposed to be sublet or assigned as of the date the proposed transfer is to be effective. If Landlord cancels this Lease as to any portion of the Premises, then this Lease shall cease for such portion of the Premises and Tenant shall pay to Landlord all Rent accrued through the cancellation date relating to the portion of the Premises covered by the proposed Transfer. Thereafter, Landlord may lease such portion of the Premises to the prospective transferee (or to any other person) without liability to Tenant. Notwithstanding the foregoing, if Landlord so elects to cancel this Lease, then Tenant may rescind its request for consent by providing Landlord with written notice of its election to rescind within five (5) business days after receipt of Landlord's notice, in which case Landlord's cancellation of this Lease shall be void and this Lease shall continue in full force without any such proposed assignment or subletting.

The violation by Tenant of any provision of this Section 17 shall give Landlord the right (but not the obligation) to require that the Security Deposit be increased to an amount equal to three (3) times the then Base Monthly Rent.

Under no circumstances shall Tenant or any broker or agent representing Tenant place any signs, banners or other advertising or notices anywhere on the Premises promoting or advertising the availability of any space in the Premises without Landlord's prior written consent.

18. **DEFAULT.** The occurrence of any one or more of the following events shall constitute a default hereunder by Tenant (each, a "**Tenant Default**"):

18.1 The abandonment of the Premises by Tenant. Notwithstanding the provisions of any applicable Laws to the contrary, "**abandonment**" means any absence by Tenant from the Premises for five (5) days or longer while in default of any provision of this Lease (i.e., if Tenant vacates the Premises but otherwise complies with the terms of this Lease (including, without limitation, compliance with the obligations to pay Rent and to maintain the Premises), Landlord shall not consider Tenant to have abandoned the Premises);

18.2 The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant under this Lease, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under applicable Laws regarding unlawful detainer actions; provided, further, however, a Tenant Default shall occur hereunder without any obligation of Landlord to give any notice if Tenant fails to pay Rent when due and, during the twelve (12) month interval preceding such failure, Landlord has given Tenant written notice of failure to pay Rent on two (2) or more occasions;

18.3 The failure by Tenant to observe or perform according to the provisions of Sections 14, 21, 28.7, 28.8 and 28.9 where such failure continues for more than five (5) days after notice from Landlord.

18.4 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, the failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in Sections 18.1, 18.2 or 18.3, where such failure shall continue for a period of twenty (20) days after written notice thereof from Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice required under applicable Laws regarding unlawful detainer actions. If the nature of Tenant's default is such that it is reasonably capable of being cured but more than twenty (20) days are required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within the twenty (20)-day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than ninety (90) days from the date of such notice from Landlord. The foregoing shall not however limit Landlord's rights to perform Tenant's obligations and charge Tenant for the costs thereof pursuant to Section 19, below;

18.5 An Act of Insolvency that is not discharged within thirty (30) days; and/or

18.6 If the performance of Tenant's obligations under this Lease is guaranteed: (i) the death of a guarantor, (ii) the termination of a guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a guarantor becoming insolvent or the subject of a bankruptcy filing, or (iv) a guarantor's refusal to honor the guaranty.

19. **LANDLORD'S REMEDIES.** Landlord shall have the following remedies in the event of a Tenant Default, which remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law:

19.1 Landlord may terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. Landlord shall terminate this Lease and any and all rights of Tenant hereunder, by any lawful means, in which event, Landlord, without the requirement of any further notice to Tenant, shall have the right immediately to enter the Premises and take full possession thereof, in which event Landlord shall be entitled, at Landlord's election, to the rights and remedies provided in California Civil Code Section 1951.2, as in effect as of the date hereof. For purposes of computing damages pursuant to Section 1951.2, an interest rate equal to the lesser of ten percent (10%) per annum or the maximum rate of interest then not prohibited by law shall be used. Such damages shall include, without limitation, (i) the worth at the time of award made on account of the default resulting in such termination ("**Award**"), together with interest thereon at the lesser of ten percent (10%) per annum or the maximum lawful interest rate per annum, of any unpaid portion of the Rent which had been earned by Landlord at the time of such termination, (ii) the worth at the time of Award,

together with interest thereon at the lesser of ten percent (10%) per annum or the maximum lawful interest rate per annum, of the amount by which any unpaid portion of the Rent which would have been earned after such termination until the time of Award exceeds the amount of loss of any unpaid portion of the Rent which Tenant proves could have reasonably been avoided, (iii) the worth at the time of Award, together with interest thereon at the lesser of ten percent (10%) per annum and the maximum lawful interest rate per annum, of the amount by which any unpaid portion of the Rent for the balance of the Term exceeds the amount of loss of any unpaid portion of the Rent which Tenant proves could have reasonably been avoided, and (iv) any and all other amounts necessary to compensate Landlord for all detriment proximately caused by such Tenant Default or which in the ordinary course of business would be likely to result therefrom, including, without limitation, any costs or expenses incurred by Landlord in maintaining or preserving the Premises after such Tenant Default, preparing the Premises for reletting to a new tenant, accomplishing any repairs or alterations to the Premises for purposes of such reletting, rectifying any damage thereto occasioned by the act or omission of Tenant and any other costs necessary or appropriate to relet the Premises.

19.2 Alternatively, Landlord may continue this Lease in full force and effect and enforce any of its other rights and remedies hereunder, including, without limitation, the rights and remedies provided by California Civil Code Section 1951.4 ("lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations"), as in effect on the date hereof. However, any acts of maintenance or preservation or efforts to relet the Premises by Landlord or the appointment of a receiver by Landlord to protect its right, title and interest in and to the Premises or any portion thereof or this Lease shall neither constitute termination of this Lease nor interference with such rights of Tenant to possession, assignment and sublease.

19.3 Without limiting Landlord's rights and remedies set forth herein, if Tenant fails to perform any affirmative duty or obligation of Tenant under this Lease within ten (10) business days, after written notice to Tenant (or in case of an emergency which is life-threatening or is reasonably expected to result in imminent and substantial destruction of the Premises, without notice), Landlord may at its option (but without obligation to do so), perform such duty or obligation on Tenant's behalf, including but not limited to the performance of required maintenance, repairs and/or replacements, the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Landlord plus a ten percent (10%) administrative fee shall be due and payable as Additional Rent by Tenant to Landlord within thirty (30) days after upon invoice therefor and receipt of reasonable supporting documentation. If any check given to Landlord by Tenant shall not be honored by the bank upon which it is drawn, Landlord, at its option, (i) may require all future payments to be made under this Lease by Tenant to be made only by cashier's check and/or (ii) require that Tenant increase the Security Deposit by one hundred percent (100%).

20. **ENTRY ON PREMISES.** Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times upon at least twenty-four (24) hours prior written (which, for purposes of this Section 20, shall include email) or telephonic notice (except in the case of emergency to prevent the imminent danger or risk of damage to property or injury or loss of life to persons, where no prior notice shall be required) for any of the following purposes: (a) to determine whether the Premises are in the condition required by this Lease and whether Tenant is complying with its obligations under this Lease; (b) to do any necessary maintenance and to make any restoration to the Premises that Landlord has the right or obligation to perform; (c) to post "**for sale**" signs at any time during the Term, to post "**for rent**" or "**for lease**" signs during the last one hundred eighty (180) days of the Term, or during any period while Tenant is in default beyond any applicable notice and cure periods; (d) to show the Premises to prospective brokers, agents, buyers, lenders, tenants or persons interested in an exchange, at any time during the Term; or (e) to repair, maintain or improve the Premises and to erect scaffolding and protective barricades around and about the Premises but not so as to prevent entry to the Premises and to do any other act or thing necessary for the safety or preservation of the Premises as permitted under this Lease. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Landlord's entry onto the Premises as provided in this Section 20 except to the extent Landlord is liable therefor pursuant to Section 13.3 above. Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any rights reserved in this Section 20. Landlord shall conduct his activities on the Premises as provided herein in a manner that is reasonable and will cause the least inconvenience, annoyance or disturbance to Tenant.

21. **SUBORDINATION AND ATTORNMENT.** Unless Landlord or any beneficiary or mortgagee with a lien on the Premises or any ground lessor with respect to the Premises elects otherwise as provided below, this Lease shall be subject and subordinate at all times to the following without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination:

(a) The lien and provisions of any mortgage, deed of trust, or declaration of covenants, conditions and restrictions which may now exist or hereafter be executed by which the Premises, any ground lease, or Landlord's interest or estate in any of those items, is encumbered; and

(b) All ground leases which may now exist or hereafter be executed affecting the Premises.

Landlord, any such beneficiary or mortgagee, or any such ground lessor, shall at any time have the right to elect to subordinate or cause to be subordinated to this Lease any such liens and provisions or ground lease. Any such election under the preceding sentence shall be made by giving notice thereof to Tenant at least sixty (60) days before the election is to become effective. If any ground lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, at the election of any successor-in-interest to Landlord and notwithstanding any subordination, attorn to and become the Tenant of the successor-in-interest to Landlord. Subject to the remaining terms of this paragraph, Tenant waives any right to declare this Lease terminated or otherwise ineffectual because of any such foreclosure, conveyance or ground lease termination. Tenant shall execute and deliver, within ten (10) days after demand by Landlord and in the form and content requested by Landlord, any additional documents reasonably required by a Lender evidencing the priority or subordination of this Lease and Tenant's obligation to attorn to and become the Tenant of any successor-in-interest to Landlord as provided for under this Section 21. Notwithstanding the foregoing, provided Tenant is not in default under this Lease beyond any applicable notice or cure period, Tenant's agreement to attorn to such successor-in-interest shall be expressly conditioned upon such successor-in-interest agreeing (i) to recognize Tenant's leasehold interest under this Lease and Tenant's right to possession of the Premises, and (ii) that such right of possession shall not be terminated or disturbed except in accordance with the provisions of this Lease. Without limiting the generality of the foregoing, upon execution of this Lease, Tenant shall execute and deliver to Landlord a subordination, non-disturbance and attornment agreement in substantially the form and content attached hereto as Exhibit "F.

22. **NOTICE.** All notices and other communications given pursuant to this Lease shall be in writing and shall be (1) mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified in the Basic Lease Terms, (2) hand delivered to the intended addressee, or (3) sent by a nationally recognized overnight courier service. All notices shall be effective upon delivery to the address of the addressee or the date the recipient refuses to accept delivery thereof. The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision.

23. **WAIVER.** No delay or omission in the exercise of any right or remedy by Landlord or Tenant shall impair such right or remedy or be construed as a waiver. No act or conduct of Landlord, including without limitation, acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only written notice from Landlord to Tenant shall constitute acceptance of the Premises and accomplish termination of the Lease. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord or Tenant of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

24. **SURRENDER OF PREMISES; HOLDING OVER.** Upon expiration of the Term, Tenant shall surrender to Landlord the Premises and all improvements and alterations in good condition, except for ordinary wear and tear and damage caused by fire or other casualty (which shall be governed by Section 15 above), and alterations Tenant is obligated to remove under the provisions of Section 12 herein. "**Ordinary wear and tear**" shall not include any damage or deterioration that would have been prevented by good maintenance practice or by Tenant performing all of its obligations under this Lease. Additionally, upon the expiration or earlier termination of this Lease, Tenant shall pay Landlord for the costs incurred by Landlord to remove any of Tenant's signage if Tenant does not so remove. Tenant shall remove all personal property including, without limitation, all wallpaper, paneling and other decorative improvements or fixtures and shall perform all restoration made necessary by the removal of

any required alterations or Tenant's personal property before the expiration of the Term, including for example, restoring all wall surfaces to their condition prior to the commencement of this Lease, excluding ordinary wear and tear and damage caused by fire or other casualty (which shall be governed by Section 15 above). Landlord may elect to retain or dispose of in any manner Tenant's personal property not removed from the Premises by Tenant as of the expiration of the Term. Except to the extent Landlord is liable therefor pursuant to Section 13.3 above, Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of Tenant's personal property if not timely removed by Tenant. Tenant shall be liable to Landlord for Landlord's costs for storage, removal or disposal of Tenant's personal property if Tenant fails to timely remove. Upon the expiration or earlier termination of this Lease, Tenant shall, at Landlord's sole option exercised at least one hundred twenty (120) days prior to the expiration or earlier termination of the Lease and at Tenant's sole cost and expense, either (i) remove all Building Cable existing within the Premises, using all necessary care in removing such Building Cable in order to avoid any damage to the Building, or (ii) not remove all or any portion of the Building Cable, provided that Tenant shall leave any such Building Cable clearly labeled and in good working order with all connections intact.

If Tenant, with Landlord's written consent, remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this Lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on written thirty (30)-day notice at any time, by either party. All provisions of this Lease, except those pertaining to term and Rent, shall apply to the month-to-month tenancy, except Tenant shall pay monthly Rent in an amount equal to two hundred percent (200%) of Base Monthly Rent for the last full calendar month during the regular term plus one hundred percent (100%) of all Additional Rent. If Tenant fails to surrender the Premises upon the termination or sooner expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including, without limitation, reasonable attorneys' fees) and liability resulting from such failure, including, without limitation, any claims made by any succeeding tenant founded upon such failure to surrender and/or any lost profits to Landlord resulting therefrom.

25. **LANDLORD DEFAULT/LIMITATION OF LIABILITY AND TIME.** If Landlord fails to perform any obligations on its part to be performed under this Lease, no Landlord default shall arise unless and until Landlord fails to cure such default within thirty (30) days following actual receipt of written notice setting forth in detail the alleged default (provided, however, if such default cannot reasonably be cured within such thirty (30)-day period, Landlord shall not be in default if Landlord commences such cure as soon as reasonably possible and diligently prosecutes it to completion). Notwithstanding anything to the contrary in this Lease, Tenant expressly waives the benefit of any statute now or in the future in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair. In consideration of the benefits accruing under this Lease, Tenant and all successors and assigns agree that, in the event of any actual or alleged failure, breach or default under this Lease by Landlord: (a) in no event shall Tenant have the right to terminate this Lease as a result of Landlord's default, and Tenant's remedies shall be limited to damages and/or injunctive relief; (b) the sole and exclusive remedy shall be against the Landlord's interest in the Building, including without limitation any equity, rental income and insurance and condemnation proceeds; (c) no partner, member, shareholder or employee of Landlord shall be named as a party in any suit or proceeding (except as may be necessary to secure jurisdiction of the partnership, if applicable); (d) no partner, member, shareholder or employee of Landlord shall be required to answer or otherwise plead to any service of process; (e) no judgment will be taken against any partner, member, shareholder or employee of Landlord; (f) no writ of execution will ever be levied against the assets of any partner, member, shareholder or employee of Landlord; (g) the obligations of Landlord under this Lease do not constitute personal obligations of the individual partners, members, directors, officers or shareholders of Landlord, and Tenant shall not seek recourse against the individual partners, directors, officers, employees or shareholders of Landlord or any of their personal assets for satisfaction of any liability in respect to this Lease; and (h) any claim, defense, or other right of Tenant arising in connection with this Lease or negotiations before this Lease was signed, shall be barred unless Tenant files an action or interposes a defense based thereon within one (1) year after the date of the alleged event on which Tenant is basing its claim, defense or right.

If Landlord fails to perform its maintenance obligations pursuant to Section 11 above, such failure to perform shall not render Landlord liable for any damages caused thereby, be a constructive eviction of Tenant, constitute a breach of any implied warranty, or entitle Tenant to any abatement of Tenant's obligations hereunder.

Notwithstanding the foregoing, if such failure to perform Landlord's maintenance obligations pursuant to Section 11 above with respect to the Premises (but not as to any other portion of the Project) continues for more than thirty (30) days after Tenant delivers written notice thereof (unless such performance cannot reasonably completed within such 30-day period, Landlord commences performance within such 30-day period and Landlord thereafter diligently prosecutes it to completion, not to exceed one hundred twenty (120) days after receipt of Tenant's written notice) and such failure to perform has a material, adverse impact on Tenant's ability to use or access the Premises for its business purposes, then Tenant may elect, as its sole and exclusive remedy, to perform such obligations at Tenant's sole cost (it being understood that Tenant shall have no rights of offset or abatement with respect to such costs); provided, however, that Tenant shall reimburse Landlord (as part of Operating Expenses) for Landlord's actual out-of-pocket reasonable costs incurred in connection with efforts to remedy such failure prior to Tenant's performance.

26. **HAZARDOUS MATERIALS AND INDOOR AIR QUALITY.** Landlord and Tenant agree as follows with respect to the existence or use of "Hazardous Material" (as defined below) on the Premises:

26.1 Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or on the Premises or transported to or from the Premises by Tenant, its agents, employees, contractors or invitees (for purposes of this Section 26.1, "**Tenant**"), without the prior written consent of Landlord which Landlord shall not unreasonably withhold as long as Tenant demonstrates to Landlord's reasonable satisfaction that such Hazardous Material is necessary for Tenant's business, will be used, stored and transported only in incidental quantities, and will be used, kept, stored and transported in a manner that complies with all Laws pertaining to any such Hazardous Material. If Tenant breaches the obligations stated in the preceding sentence, or if the presence, transportation or release of Hazardous Material on, to or from the Premises caused or permitted by or through Tenant (whether affirmatively or through Tenant's active or passive negligence) results in contamination or alleged contamination of the Premises or any surrounding property, or if any alterations or improvements to the Premises made by or on behalf of Tenant trigger the requirement for the remediation or removal of any pre-existing Hazardous Materials that would not otherwise be required to be remediated or removed if not for such alterations or improvements (including, without limitation, any asbestos containing materials), or if contamination of the Premises or any surrounding property by Hazardous Material otherwise occurs for which Tenant is legally liable to Landlord for damage resulting therefrom, then, except to the extent resulting from the gross negligence or willful misconduct of Landlord or the Indemnified Parties, Tenant shall indemnify, defend and hold the Indemnified Parties harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space in the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification of the Indemnified Parties by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present or alleged to be present in the soil or groundwater on or under the Premises. Without limiting the foregoing, if the presence or alleged presence, release or transportation of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises or surrounding property, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises or surrounding property to the condition existing prior to the introduction of any such Hazardous Material to the Premises or surrounding property; provided that (i) Landlord's approval of the proposed remedial actions shall first be obtained, which approval shall not be unreasonably withheld so long as the proposed remedial actions would not potentially have any adverse long-term or short-term effect on the Premises, and (ii) such actions are calculated to cause the least amount of inconvenience to other tenants. The provisions of this Section 26.1 shall survive the expiration or earlier termination of this Lease.

26.2 Notwithstanding anything in this Lease to the contrary, it shall not be unreasonable for Landlord to withhold its consent to any proposed assignment, sublease or transfer of the Premises or this Lease if (i) the proposed transferee's anticipated use of the Premises involves the generation, storage, use, treatment, disposal or transportation of Hazardous Material; (ii) the proposed transferee has been required by any prior landlord, lender or governmental authority to take remedial action in connection with Hazardous Material contaminating a property if the contamination resulted from such transferee's actions or use of the property in question; or (iii) the proposed transferee is subject to any enforcement order issued by any governmental authority in connection with the use, disposal, transportation or storage of a Hazardous Material.

26.3 As used in this Lease, the term "**Hazardous Material**" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" now or subsequently regulated under any applicable Laws, including without limitation, petroleum-based products and materials, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, petroleum (or fractions thereof), PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health or safety of persons.

26.4 Without limiting the foregoing provisions of this Section 26, to prevent the generation, growth, or deposit of any mold, mildew, bacillus, virus, pollen or other micro-organism (collectively, "**Biologicals**") and the deposit, release or circulation of any indoor contaminants, including emissions from paint, carpet and drapery treatments, cleaning, maintenance and construction materials and supplies, pesticides, pressed wood products, insulation, and other materials and products (collectively with Biologicals, "**Contaminants**"), that could adversely affect the health, safety or welfare of any tenant, employee, or other occupant of the Premises or their invitees (each, an "**Occupant**"), Tenant shall, at Tenant's sole cost and expense, at all times during the Term: (i) maintain the humidity level and the air exchange rate within the Premises at a level recommended to prevent or minimize the growth of any Biologicals and the circulation of any other Contaminants, (ii) maintain, operate and repair the Premises pursuant to Section 11, in such a manner to prevent or minimize the accumulation of stagnant water and moisture in planters, kitchen appliances and vessels, carpeting, insulation, water coolers and any other locations where stagnant water and moisture could accumulate, and (iii) otherwise maintain, operate and repair the Premises to prevent the generation, growth, deposit, release or circulation of any Contaminants. Tenant shall comply with the foregoing obligations irrespective of the source of the moisture, except to the extent resulting from the gross negligence or willful misconduct of Landlord or any Indemnified Parties. Tenant shall promptly advise Landlord if Tenant observes any condition in the Premises giving rise to a reasonable suspicion of the presence of any Contaminants, and, in any event, if any governmental entity or any Occupant alleges that its health, safety or welfare has been or could be adversely affected by any such Contaminants. Landlord may then elect to engage the services of an industrial hygiene testing laboratory (or alternatively or concurrently require Tenant to do the same) to determine whether the cause of any alleged adverse health effect is or could be attributable to any Contaminants present within the Premises. Tenant shall be responsible for all such testing costs and for any consequential damages and costs (including, without limitation, any third-party claims, loss of rental, remediation, removal and/or abatement costs, and increase in insurance premiums) resulting from Tenant's failure to comply in whole or in part with the terms of this Section 26.4, except to the extent resulting from the gross negligence or willful misconduct of Landlord or any Indemnified Parties.

26.5 For clarity, and notwithstanding anything to the contrary contained in this Lease, except to the extent caused or exacerbated by Tenant, Tenant shall not be responsible for (a) any Hazardous Materials which existed at the Premises prior to the Reference Date of this Lease and/or (b) was released by Landlord or any of the Indemnified Parties.

27. **SECURITY MEASURES.** Tenant acknowledges that Landlord shall have no obligation whatsoever to provide guard service, security systems or other security measures for the benefit of Tenant or the Premises. As material consideration to Landlord under this Lease and except to the extent Landlord is liable therefor pursuant to Section 13.3 above, Tenant hereby assumes all responsibility for the protection of Tenant, its employees, agents, licensees and invitees (collectively, "**Tenant's Personnel**") and the property (including inventory) of Tenant and Tenant's Personnel from the actions (including the criminal actions) of third parties. Landlord may elect, but shall have no obligation, to provide security services to the Premises, in which event the cost thereof shall be included within the definition of Operating Expenses as set forth in Section 3.3.1.

28. **MISCELLANEOUS PROVISIONS.**

28.1 **Time of Essence.** Time is of the essence of each provision of this Lease.

28.2 **Successor.** This Lease shall be binding on and inure to the benefit of the parties and their successors, except as provided in Section 17 herein.

28.3 **Landlord's Consent.** Any consent required by Landlord under this Lease must be granted in writing and, except as otherwise expressly provided in the Lease, may be withheld by Landlord in its sole and absolute discretion.

28.4 **Attorneys' Fees and Other Charges.** If Landlord becomes a party to any litigation concerning this Lease or the Premises by reason of any act or omission by, through, or on behalf of Tenant and/or any Tenant's Parties, Tenant shall be liable to Landlord for reasonable attorneys' fees and court costs incurred by Landlord in the litigation. If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs of suit. If Landlord employs a collection agency to recover delinquent charges, Tenant agrees to pay all collection agency fees charged to Landlord in addition to rent, late charges, interest and other sums payable under this Lease.

28.5 **Landlord's Successors.** In the event of a sale or conveyance by Landlord of the Premises the same shall operate to release Landlord from any liability under this Lease from and after the sale or conveyance date, and in such event Landlord's successor in interest shall be solely responsible for all obligations of Landlord under this Lease from and after the sale or conveyance date.

28.6 **Interpretation.** This Lease shall be construed and interpreted in accordance with the Laws of the state in which the Premises are located. This Lease constitutes the entire agreement between the parties with respect to the Premises, except for such guarantees or modifications as may be executed in writing by the parties from time to time and any addenda and exhibits attached to this Lease. All previous representations, preliminary negotiations and agreements of whatsoever kind with respect to the Premises, except those contained herein, are superseded and of no further force or effect. No person, firm or corporation has at any time any authority from Landlord to make representations or promises on behalf of Landlord and Tenant expressly agrees that if any such representations or promises have been made, Tenant hereby waives all right to rely thereon, unless they are specifically included in this Lease in writing. No verbal agreement or implied covenant shall be held to vary the provisions hereof, any statute, law or custom to the contrary notwithstanding. When required by the context of this Lease, the singular shall include the plural, and the masculine shall include the feminine and/or neuter. "**Party**" shall mean Landlord or Tenant. If more than one person or entity constitutes Landlord or Tenant, the obligations imposed upon that party shall be joint and several. The enforceability, invalidity or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal.

28.7 **Estoppel Certificates.** Tenant, for itself and its subtenants, hereby covenants and agrees (i) to execute, acknowledge and deliver to Landlord, from time to time during the Term within ten (10) days after Landlord provides Tenant with written notice to do so, an estoppel certificate substantially in the form reasonably requested by Landlord or any prospective lender or purchaser certifying in writing (a) that this Lease is in full force and effect, unmodified or modified solely as set forth in such estoppel certificate, and (b) that Tenant has fully and completely performed and complied with each and all of its covenants, agreements, terms and conditions under this Lease without exception or except only as set forth in such estoppel certificate, (ii) that any such estoppel certificate may be conclusively relied upon by a prospective purchaser or encumbrance of the Premises, and (iii) that the failure of Tenant to so deliver such estoppel certificate in such period of time shall be a material default of this Lease by Tenant.

28.8 **Financing.** In the event any of Landlord's Lenders reasonably require, as a condition to financing, modifications to this Lease which do not alter the economic terms, including but not limited to the monthly Rent, amend the Term of the Lease, nor materially increase any of Tenant's other obligations (when viewed cumulatively) or materially diminish Tenant's rights hereunder, Landlord shall submit to Tenant such written amendment with the required modifications and afford Tenant the opportunity to review and modify the same if reasonably necessary, provided that in no event shall the monthly Rent, the economic terms nor the Term of the Lease be modified. Tenant shall execute and return the same within ten (10) days after the amendment has been submitted.

28.9 **Financial Statements.** When reasonably requested by Landlord, Tenant shall, upon ten (10) days' notice from Landlord, provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statement(s) shall be safeguarded by Landlord and

shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. The above ten (10)-day notice is the only notice Landlord is required to give Tenant in connection with Tenant's financial statements and shall be in lieu of and not in addition to the notice and cure period otherwise provided for under this Lease. Tenant's failure to comply with its obligations under this Section 28.9 shall constitute a material default under this Lease. Notwithstanding the foregoing, this Section 28.9 shall not apply for so long as the Tenant is San Bernardino County and its financial statements are available publicly online and accessible to Landlord.

28.10 **Recording.** Tenant shall not under any circumstances record this Lease, nor any form of evidence of this Lease, including, without limitation, any memorandum of lease.

28.11 **Exhibits.** The Exhibits attached hereto are made a part of this Lease and incorporated herein by reference.

28.12 **Waiver of Trial by Jury and Filing of Lis Pendens.** LANDLORD AND TENANT WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY LANDLORD OR TENANT AGAINST THE OTHER WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, TENANT'S USE AND OCCUPANCY OF THE PREMISES OR ANY PART THEREOF, OR THE RELATIONSHIP OF LANDLORD AND TENANT. NOTWITHSTANDING THE FOREGOING TO THE CONTRARY, IF THE JURY TRIAL WAIVER CONTAINED HEREIN SHALL BE HELD OR DEEMED TO BE UNENFORCEABLE, EACH PARTY HERETO HEREBY EXPRESSLY AGREES TO SUBMIT TO JUDICIAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1 ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER FOR WHICH A JURY TRIAL WOULD OTHERWISE BE APPLICABLE OR AVAILABLE. PURSUANT TO SUCH JUDICIAL REFERENCE, THE PARTIES AGREE TO THE APPOINTMENT OF A SINGLE REFEREE AND SHALL USE THEIR BEST EFFORTS TO AGREE ON THE SELECTION OF A REFEREE. IF THE PARTIES ARE UNABLE TO AGREE ON A SINGLE A REFEREE, A REFEREE SHALL BE APPOINTED BY THE COURT UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 AND 640 TO HEAR ANY DISPUTES HEREUNDER IN LIEU OF ANY SUCH JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT THE APPOINTED REFEREE SHALL HAVE THE POWER TO DECIDE ALL ISSUES IN THE APPLICABLE ACTION OR PROCEEDING, WHETHER OF FACT OR LAW, AND SHALL REPORT A STATEMENT OF DECISION THEREON; PROVIDED, HOWEVER, THAT ANY MATTERS WHICH WOULD NOT OTHERWISE BE THE SUBJECT OF A JURY TRIAL WILL BE UNAFFECTED BY THIS WAIVER AND THE AGREEMENTS CONTAINED HEREIN. THE PARTIES HERETO HEREBY AGREE THAT THE PROVISIONS CONTAINED HEREIN HAVE BEEN FAIRLY NEGOTIATED ON AN ARMS LENGTH BASIS, WITH BOTH SIDES AGREEING TO THE SAME KNOWINGLY AND BEING AFFORDED THE OPPORTUNITY TO HAVE THEIR RESPECTIVE LEGAL COUNSEL CONSENT TO THE MATTERS CONTAINED HEREIN. ANY PARTY TO THIS LEASE MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY AND THE AGREEMENTS CONTAINED HEREIN REGARDING THE APPLICATION OF JUDICIAL REFERENCE IN THE EVENT OF THE INVALIDITY OF SUCH JURY TRIAL WAIVER. IN THE EVENT OF ANY SUCH COMMENCEMENT OF LITIGATION, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY SUCH COSTS AND REASONABLE ATTORNEYS' FEES AS MAY HAVE BEEN INCURRED, INCLUDING ANY AND ALL COSTS INCURRED IN ENFORCING, PERFECTING AND EXECUTING SUCH JUDGMENT. AS FURTHER MATERIAL CONSIDERATION TO LANDLORD ENTERING INTO THIS LEASE WITH TENANT, TENANT HEREBY WAIVES ALL RIGHTS TO RECORD A LIS PENDENS AGAINST THE PREMISES OR ANY PART THEREOF UNDER SECTIONS 405 ET SEQ. OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, OR ANY OTHER PROVISION OF LAW, IF A DISPUTE ARISES CONCERNING THIS LEASE OR TENANT'S USE OR OCCUPANCY OF THE PREMISES OR ANY PART THEREOF. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

28.13 **Tenant as Corporation, Partnership or Limited Liability Company, Prohibited Persons and Transactions.** If Tenant is a corporation, (a) each individual executing this Lease on behalf of Tenant represents and warrants (1) that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant in

accordance with a duly adopted resolution of the Board of Directors of Tenant in accordance with the governing documents of Tenant, and (2) that this Lease is binding upon and enforceable by Landlord against Tenant in accordance with its terms, and (b) Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of its Board of Directors authorizing or ratifying the execution of this Lease. If Tenant is a partnership or limited liability company, each individual executing this Lease on behalf of Tenant represents and warrants (1) that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant in accordance with the terms of Tenant's partnership agreement or operating agreement, as the case may be, or has received such authorization pursuant to the terms of such partnership agreement or operating agreement, as the case may be, and (2) that this Lease is binding upon and enforceable by Landlord against Tenant in accordance with its terms. In addition to the foregoing, if Tenant is a partnership, (a) each general partner shall be jointly and severally liable for keeping, observing and performing all of the provisions of this Lease to be kept, observed or performed by Tenant, and (b) the term "**Tenant**" shall mean and include each of them jointly and severally and the act of or notice from, or notice or refund to, or the signature of, any one or more of them, with respect to this Lease, shall be binding upon Tenant and each and all of the general partners of Tenant with the same effect as if each of them had so acted or so given or received such notice or refund or so signed. Dissolution of any partnership which is "Tenant" under this Lease shall be deemed to be an assignment, jointly to all of the partners, who shall thereafter be subject to the terms of this Lease as if each such former partners had initially signed this Lease as individuals. Tenant represents and warrants that neither Tenant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not Transfer this Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

28.14 **No Offer.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of the Premises, offer, or option for lease, and it is not effective as a lease or otherwise until execution by and delivery to both Landlord and Tenant.

28.15 **Brokerage.** Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Lease, other than Cushman & Wakefield of California, Inc., representing Landlord, whose commission shall be paid by Landlord pursuant to separate written agreement. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party.

28.16 **ARPA Provisions.** To the extent applicable to Tenant, Tenant shall comply with the provisions set forth in Exhibit "H" attached hereto (collectively, the "**ARPA Provisions**") with respect to Tenant's construction of the Tenant Work pursuant to the Tenant Work Letter Agreement, Tenant's performance of any other improvements or alterations to the Premises and Tenant's performance of its maintenance, repair and replacement obligations under this Lease. Tenant's compliance with the ARPA Provisions shall not be a condition to, nor shall Tenant's failure to comply with any of the ARPA Provisions and/or to qualify for any funds that may be made available to Tenant in connection with Tenant's compliance with the ARPA Provisions relieve or release Tenant from, any of Tenant's obligations under this Lease, including, without limitation, the obligation to make any payment(s) of Rent. In the event of conflict between the terms of the ARPA Provisions with any other provision(s) of this Lease and/or any Exhibit hereto, the terms of this Lease and/or any Exhibit hereto shall prevail over the conflicting ARPA Provisions. For clarity, under no circumstances shall the ARPA Provisions or any portion thereof apply to Landlord or the performance of any of Landlord's obligations under this Lease.

28.17 **Counterparts; Electronic Signatures.** This Lease may be signed by facsimile, PDF or other electronic signature mechanism and/or in multiple counterparts which, when signed by all parties, shall constitute a binding agreement. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Lease upon request.

28.18 **Accessibility Inspection Disclosure (California Civil Code Section 1938).** A Certified Access Specialist (CASp) can inspect the Premises and determine whether the Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Tenant, if requested by Tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises. In the event of any conflict between the terms of this Section 29.18 and Section 6 above, the terms of Section 6 shall control.

28.19 **California Department of Energy Reporting Obligations.** Tenant shall promptly provide to Landlord (a) all information reasonably requested by Landlord from time to time regarding the energy consumption of the Premises during the Term, and (b) such consents, approvals, authorizations or other documents or instruments as may be necessary to cause the applicable utility providers to release such information regarding the energy consumption of the Premises as may be required pursuant to any state or local laws, ordinances, orders and regulations, now or hereinafter enacted related to building energy benchmarking or reporting.

28.20 **Former Tenant Officials.** Landlord has set forth on Exhibit "G" attached hereto certain information on former Tenant's administrative officials (as defined below) who are employed by or represent Landlord, if any. The information provided includes a list of the full names of former Tenant administrative officials who terminated Tenant employment within the last five years and who are now officers, principals, partners, associates or members of Landlord, if any. The information should also include the title/description of the official's last position with Tenant, the date the official terminated Tenant employment, the official's current employment and/or representative capacity with Landlord, and the date the official entered Landlord's employment and/or representation. For purposes of this provision, "**Tenant administrative official**" is defined as a member of the Board of Supervisors or such officer's staff, Tenant Administrative Officer or member of such officer's staff, Tenant department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

28.21 **Public Records Disclosure.** Landlord acknowledges and agrees that all information received by Tenant from Landlord or any source concerning the Lease or the Property, including the Lease itself (collectively, "**Lease-Related Information**"), may be required by Tenant to be treated as public information, subject to disclosure under the provisions of the California Public Records Act (Government Code Section 6250 et seq.), the Ralph M Brown Act, or any other open records laws ("**Public Records Laws**"). Landlord further acknowledges and agrees that, although all Lease-Related Information is intended for the exclusive use of Tenant, such Lease-Related Information is, subject to the terms of this Section 28.21, potentially subject to disclosure under Public Records Laws. Landlord hereby requests that all Lease-Related Information be held in confidence. Tenant shall endeavor to promptly notify Landlord of any request for the disclosure of any Lease-Related Information under Public Record Laws and shall thereafter disclose the requested Lease-Related Information (strictly in accordance with, and only to the minimum extent required by, the applicable Public Record Laws) unless Landlord, within five (5) days of Tenant's notice of such disclosure request: (i) requests that the information not be disclosed; (ii) provides a legally sound basis for nondisclosure (as determined in Tenant's reasonable discretion); and (iii) agrees in writing to indemnify, defend (with counsel reasonably approved by Tenant), and hold harmless Tenant and its officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of or related to Tenant's failure to make any such requested disclosure of Lease-Related Information as required by applicable Public Record Laws. Notwithstanding anything to the contrary in the Lease, if Tenant does not deem Landlord's basis for nondisclosure to be legally sufficient, as determined by Tenant in its reasonable discretion, Tenant shall not be liable for any claims for damages, lost profits, or other injuries of any and all kinds and Landlord waives any and all such claims against Tenant except to the extent Tenant fails to comply with its obligations under this Section 28.21. Landlord's indemnity obligation shall survive the expiration or earlier termination of the Lease.

[SIGNATURE PAGE FOLLOWS]

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

TENANT:
SAN BERNARDINO COUNTY

By: _____
Curt Hagman, Chairman
Board of Supervisors

Date: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
San Bernardino County

By: _____
Deputy

Date: _____

Approved as to Legal Form:

TOM BUNTON, County Counsel
San Bernardino County, California

By: _____
Agnes Cheng, Deputy County Counsel

Date: _____

LANDLORD:
PSIP EBS FRANCIS LLC; by PSIP FRANCIS LLC

By: _____
Quinn Johnson

Title: Managing Member

Date: _____

EXHIBIT "A-1"

DESCRIPTION OF THE LAND

THE LAND SITUATED IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 3 OF PARCEL MAP NO. 20187, AS PER MAP FILED IN BOOK 257, PAGES 5 THROUGH 9, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "A-2"

PREMISES DEPICTION

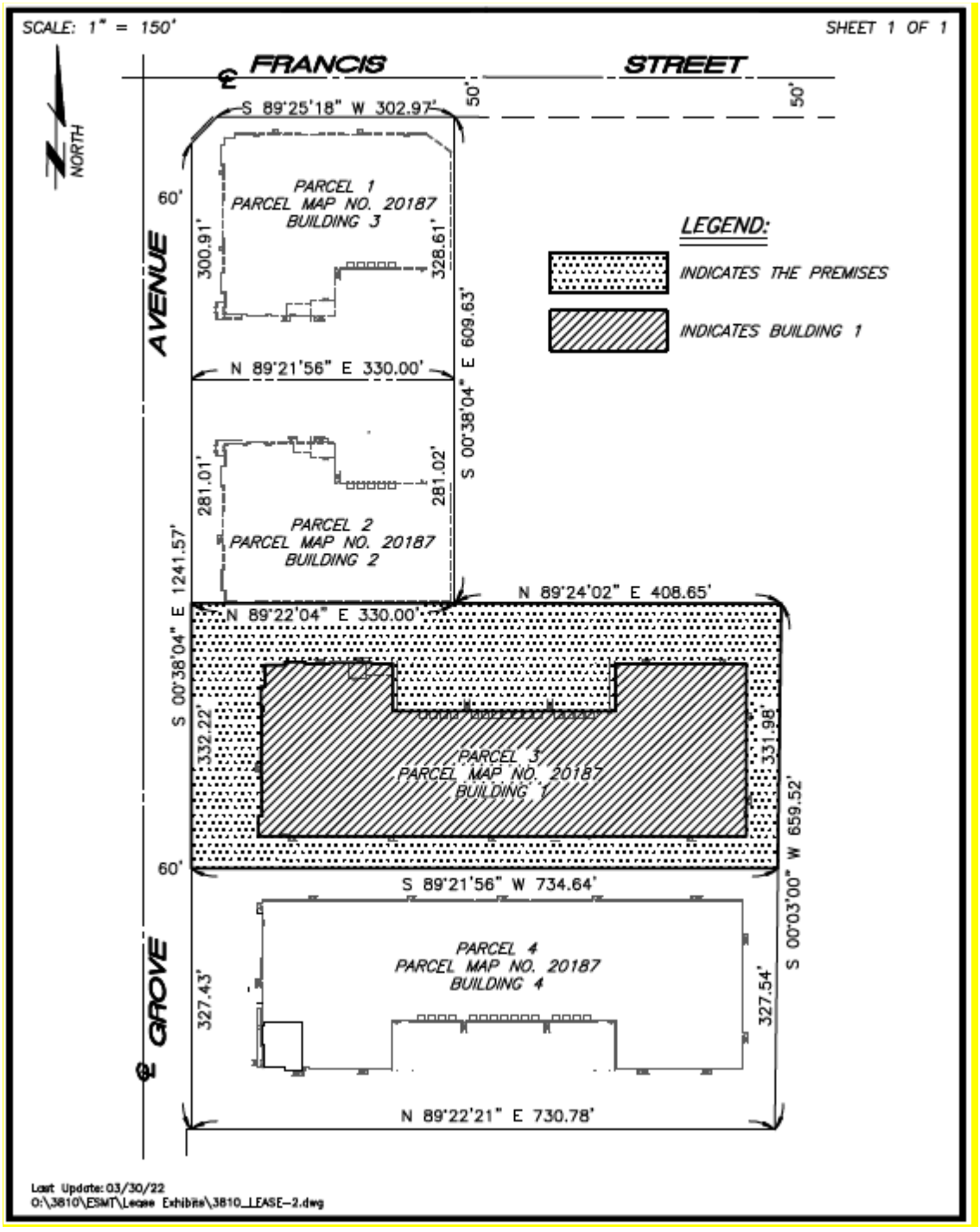

EXHIBIT "B-1"

LANDLORD WORK LETTER AGREEMENT

1. **Plans; Work**. The City of Ontario has approved the plans described in Schedule 1 attached hereto for the Building shell and related improvements to be constructed and/or installed at the Premises (collectively, as amended from time to time by any changes thereto required by Landlord, which changes shall only be subject to Tenant's approval if the changes reduce the rentable square footage of the Premises, and/or any governmental authorities, which changes shall not be subject to Tenant's approval, or by any change orders approved pursuant to Section 3 below, the "**Plans**"). As used in this Agreement, the term "**Premises standard**" work, specifications, materials, and finishes means and refers to the specifications set forth in the Plans and otherwise Landlord's standard elements of construction, specifications, materials, finishes, and quantities with respect to the Premises, as determined by Landlord from time to time in its sole and absolute discretion. As used herein, "**Landlord Work**" means all improvements to be constructed by Landlord in accordance with and as indicated on the Plans. Tenant shall, at Landlord's request, sign the Plans to evidence its review and approval thereof.

2. **Performance of Work**. Landlord shall cause the Landlord Work to be performed in substantial accordance with the Plans, using licensed contractors and subcontractors selected by Landlord. Landlord shall perform and complete the Landlord Work: (i) in good and workmanlike manner; (ii) utilizing new and first-class materials; and (iii) in compliance with this Landlord Work Letter Agreement, the Lease and applicable Laws. Landlord shall obtain or cause to be obtained all licenses, permits, approvals and "sign-offs" required in connection with the performance and completion of the Landlord Work.

3. **Intentionally Deleted**.

4. **Definitions**. As used herein, a "**Tenant Delay Day**" means each day of delay in the performance of the Landlord Work that occurs: (a) because of Tenant's negligence or breach of the Lease or this Landlord Work Letter Agreement; or (b) because Tenant or its agents, employees, representatives, or contractors otherwise delays completion of the Landlord Work, including, without limitation, in connection with Tenant's access to the Premises during the Early Access Period. Landlord shall notify Tenant of any actual delays caused by Tenant Delay Days and the number of such Tenant Delay Days. As used herein, "**Substantial Completion (Landlord Work)**," "**Substantially Completed (Landlord Work)**" and any derivations thereof mean the Landlord Work is substantially completed in substantial accordance with the Plans, as evidenced by the issuance of the architect of record of a Certificate of Substantial Completion (AIA G704), or such earlier date that Substantial Completion (Landlord Work) would have occurred but for any Tenant Delay Days. Substantial Completion (Landlord Work) shall have occurred even though minor details of construction, decoration, landscaping and mechanical adjustments remain to be completed by Landlord.

5. **Walk-Through; Punchlist**. Landlord will notify Tenant upon the occurrence of Substantial Completion (Landlord Work) and, within three (3) business days thereafter, Landlord's representative and Tenant's representative shall conduct a walk-through of the Premises and identify any necessary touch-up work, repairs and minor completion items that are necessary for final completion of the Landlord Work. Neither Landlord's representative nor Tenant's representative shall unreasonably withhold his or her agreement on punchlist items. Landlord shall use reasonable efforts to cause the contractor performing the Landlord Work to complete all punchlist items within thirty (30) days after agreement thereon; provided, however, that Landlord shall not be obligated to engage overtime labor in order to complete such items.

6. **Costs**. Landlord shall bear the entire cost of the Landlord Work described on the Plans.

7. **Construction Representatives**. Landlord's and Tenant's representatives for coordination of construction and approval of change orders will be as follows, provided that either party may change its representative upon written notice to the other:

Landlord's Representative:	Quinn Johnson c/o EBS Realty Partners, LLC 1300 Bristol Street North, Suite 290 Newport Beach, CA 92660 Telephone: 714-653-9855 Email: q@ebsrp.com
Tenant's Representative:	San Bernardino County Real Estate Services Department 385 North Arrowhead Avenue, Third Floor San Bernardino, CA 92415-0180

8. **Miscellaneous**. To the extent not inconsistent with this Exhibit, including, without limitation, Section 9 below, Sections 12 and 24 of this Lease shall govern the performance of the Landlord Work and Landlord's and Tenant's respective rights and obligations regarding the improvements installed pursuant thereto.

9. **Surrender and Restoration**. With reference to Section 12 of this Lease, upon the expiration or earlier termination of this Lease, in no event shall Tenant be required to remove any components of the Landlord Work described in the Plans.

SCHEDULE 1 TO LANDLORD WORK LETTER AGREEMENT

PLANS

[TO BE ATTACHED]

EXHIBIT "B-2"

TENANT WORK LETTER AGREEMENT

1. **Acceptance of Premises**. Except as set forth in the Lease, this Exhibit and the Landlord Work Letter Agreement, Tenant accepts the Premises in their "**AS-IS**" condition on the Term Commencement Date.

2. **Space Plans**.

(a) **Preparation and Delivery**. On or before the tenth (10^{th}) day following the date of this Lease (the "**Space Plans Delivery Deadline**"), Tenant shall deliver to Landlord a space plan prepared by a design consultant reasonably acceptable to Landlord (the "**Architect**") depicting improvements to be installed in the Premises (the "**Space Plans**").

(b) **Approval Process**. Landlord shall notify Tenant whether it approves of the submitted Space Plans within five (5) business days after Tenant's submission thereof. If Landlord disapproves of such Space Plans, then Landlord shall notify Tenant thereof specifying in reasonable detail the reasons for such disapproval, in which case Tenant shall, within three (3) business days after such notice, revise such Space Plans in accordance with Landlord's objections and submit to Landlord for its review and approval. Landlord shall notify Tenant in writing whether it approves of the resubmitted Space Plans within three (3) business days after its receipt thereof. This process shall be repeated until the Space Plans have been finally approved by Landlord and Tenant. If Landlord fails to notify Tenant that it disapproves of the initial Space Plans within five (5) business days (or, in the case of resubmitted Space Plans, within three (3) business days) after the submission thereof, then Landlord shall be deemed to have approved the Space Plans in question.

3. **Working Drawings**.

(a) **Preparation and Delivery**. On or before the tenth (10^{th}) day following the date on which the Space Plans are approved (or deemed approved) by Landlord and Tenant (the "**Working Drawings Delivery Deadline**"), Tenant shall provide to Landlord for its approval final working drawings, prepared by the Architect, of all improvements that Tenant proposes to install in the Premises; such working drawings shall include the partition layout, ceiling plan, electrical outlets and switches, telephone outlets, drawings for any modifications to the mechanical and plumbing systems of the Building, and detailed plans and specifications for the construction of the improvements called for under this Exhibit in accordance with all applicable Laws.

(b) **Approval Process**. Landlord shall notify Tenant whether it approves of the submitted working drawings within ten (10) business days after Tenant's submission thereof. If Landlord disapproves of such working drawings, then Landlord shall notify Tenant thereof specifying in reasonable detail the reasons for such disapproval, in which case Tenant shall, within three (3) business days after such notice, revise such working drawings in accordance with Landlord's objections and submit the revised working drawings to Landlord for its review and approval. Landlord shall notify Tenant in writing whether it approves of the resubmitted working drawings within five (5) business days after its receipt thereof. This process shall be repeated until the working drawings have been finally approved by Tenant and Landlord. If Landlord fails to notify Tenant that it disapproves of the initial working drawings within ten (10) business days (or, in the case of resubmitted working drawings, within five (5) business days) after the submission thereof, then Landlord shall be deemed to have approved the working drawings in question.

(c) **Landlord's Approval; Performance of Work**. If any of Tenant's proposed construction work will affect the Building's structure or the Building's systems, then the working drawings pertaining thereto must be approved by the Building's engineer of record. Landlord's approval of such working drawings shall not be unreasonably withheld, provided that (1) they comply with all Laws, (2) the improvements depicted thereon do not adversely affect (in the reasonable discretion of Landlord) the Building's structure or the Building's systems (including the Building's restrooms or mechanical rooms), or the exterior appearance of the Building, (3) such working drawings are sufficiently detailed to allow construction of the improvements in a good and workmanlike manner, (4) the improvements depicted thereon conform to the rules and regulations promulgated from time to time by Landlord for the construction of tenant improvements, and (5) they will not delay Substantial

Completion (Landlord Work) of the Landlord Work. As used herein, "**Working Drawings**" means the final working drawings approved by Landlord, as amended from time to time by any approved changes thereto, and "**Tenant Work**" means all improvements to be constructed in accordance with and as indicated on the Working Drawings, together with any work required by governmental authorities to be made to other areas of the Building as a result of the improvements indicated by the Working Drawings. Landlord's approval of the Working Drawings shall not be a representation or warranty of Landlord that such drawings are adequate for any use or comply with any Law, but shall merely be the consent of Landlord thereto. Tenant shall sign the Working Drawings to evidence its review and approval thereof. After the Working Drawings have been approved, Tenant shall cause the Tenant Work to be performed in accordance with the Working Drawings.

4. **Contractors; Performance of Tenant Work**. The Tenant Work shall be performed only by licensed contractors and subcontractors approved in writing by Landlord, which approval shall not be unreasonably withheld. All contractors and subcontractors shall be required to procure and maintain insurance against such risks, in such amounts, and with such companies as Landlord may reasonably require. Certificates of such insurance, with paid receipts therefor, must be received by Landlord before the Tenant Work is commenced. The Tenant Work shall be performed in a good and workmanlike manner free of defects, shall conform strictly with the Working Drawings, and shall be performed in such a manner and at such times as and not to interfere with or delay Landlord's completion of the Landlord Work or any other contractors or the operation of the Building. All contractors and subcontractors shall contact Landlord and schedule time periods during which they may use Building facilities in connection with the Tenant Work (e.g., excess electricity, etc.).

5. **Construction Contracts**.

(a) **Tenant's General Contractor**. Tenant shall enter into a construction contract with a general contractor selected by Tenant and approved by Landlord in a form acceptable to Tenant's representative for the Tenant Work, which shall comply with the provisions of this Section 5 and provide for, among other things, (1) a one-year warranty for all defective Tenant Work; (2) a requirement that Tenant's Contractor maintain general commercial liability insurance of not less than a combined single limit of $5,000,000, naming Landlord, Landlord's property management company, Landlord's asset management company, Landlord's lender, Tenant, and each of their respective affiliates as additional insureds; (3) a requirement that the contractor perform the Tenant Work in substantial accordance with the Space Plans and the Working Drawings and in a good and workmanlike manner; (4) a requirement that the contractor is responsible for daily cleanup work and final clean up (including removal of debris); and (5) those items described in Section (b) (collectively, the "**Approval Criteria**"). Landlord shall have three (3) business days to notify Tenant whether it approves the proposed construction agreements. If Landlord disapproves of the proposed construction agreements, then it shall specify in reasonable detail the reasons for such disapproval, in which case Tenant shall revise the proposed construction agreements to correct the objections and resubmit them to Landlord within two (2) business days after Landlord notifies Tenant of its objections thereto, following which Landlord shall have two (2) business days to notify Tenant whether it approves the revised construction agreements. If Landlord fails to notify Tenant that it disapproves of the construction agreements within three (3) business days after the initial construction agreements or two (2) business days after the revised construction agreements (as the case may be) are delivered to Landlord, then Landlord shall be deemed to have approved the construction agreements.

(b) **All Construction Contracts**. Unless otherwise agreed in writing by Landlord and Tenant, each of Tenant's construction contracts shall: (1) provide a schedule and sequence of construction activities and completion reasonably acceptable to Landlord, (2) be in a contract form that satisfies the Approval Criteria, (3) require the contractor and each subcontractor to name Landlord, Landlord's property management company, Landlord's asset management company, and Tenant as additional insured on such contractor's insurance maintained in connection with the construction of the Tenant Work, (4) be assignable following a Tenant Default under this Lease to Landlord and Landlord's lender, and (5) contain at least a one-year warranty for all workmanship and materials.

6. **Change Orders**. Tenant may initiate changes in the Tenant Work. Each such change must receive the prior written approval of Landlord, such approval not to be unreasonably withheld or delayed; however, (a) if such requested change would adversely affect (in the reasonable discretion of Landlord) (1) the Building's structure or the Building's systems (including the Building's restrooms or mechanical rooms), or (2) the exterior appearance of the

Building, or (b) if any such requested change might delay the completion of the Landlord Work and/or the Term Commencement Date, Landlord may withhold its consent in its sole and absolute discretion. Tenant shall, upon completion of the Tenant Work, furnish Landlord with an accurate architectural "as-built" plan of the Tenant Work as constructed, which plan shall be incorporated into this Exhibit by this reference for all purposes. If Tenant requests any changes to the Tenant Work described in the Space Plans or the Working Drawings, then such increased costs and any additional design costs incurred in connection therewith as the result of any such change shall be added to the Total Construction Costs.

7. **Definitions**. As used herein "**Substantial Completion (Tenant Work),**" "**Substantially Completed (Tenant Work),**" and any derivations thereof mean the Tenant Work in the Premises is substantially completed (as reasonably determined by Landlord) in accordance with the Working Drawings. Substantial Completion (Tenant Work) shall have occurred even though minor details of construction, decoration, landscaping and mechanical adjustments remain to be completed.

8. **Walk-Through; Punchlist**. When Tenant considers the Tenant Work in the Premises to be Substantially Completed, Tenant will notify Landlord and within three (3) business days thereafter, Landlord's representative and Tenant's representative shall conduct a walk-through of the Premises and identify any necessary touch-up work, repairs and minor completion items that are necessary for final completion of the Tenant Work. Neither Landlord's representative nor Tenant's representative shall unreasonably withhold his or her agreement on punchlist items. Tenant shall use reasonable efforts to cause the contractor performing the Tenant Work to complete all punchlist items within thirty (30) days after agreement thereon.

9. **Excess Costs**. The entire cost of performing the Tenant Work (including design of and space planning for the Tenant Work and preparation of the Working Drawings, costs of construction labor and materials, electrical usage during construction, additional janitorial services, general tenant signage, related taxes and insurance costs, licenses, permits, certifications, surveys and other approvals required by Law, and the construction supervision fee referenced in Section 11 of this Exhibit, all of which costs are herein collectively called the "**Total Construction Costs**") in excess of the Construction Allowance (hereinafter defined) and, if applicable, the Additional Allowance (as defined below), shall be paid by Tenant. Upon approval of the Working Drawings and selection of a contractor, Tenant shall promptly execute a work letter agreement which identifies such drawings and itemizes the Total Construction Costs and sets forth the Construction Allowance and, if applicable, the Additional Allowance.

10. **Construction Allowance; Additional Allowance**. Landlord shall provide to Tenant a construction allowance not to exceed Three Hundred Sixty-One Thousand Nine Hundred Fifty-Three and 00/100 Dollars ($361,953.00) (i.e., $3.00 per rentable square foot of the Building) (the "**Construction Allowance**") to be applied toward the Total Construction Costs, as adjusted for any changes to the Tenant Work. Landlord shall also provide Tenant a supplemental construction allowance in the amount of Six Hundred Three Thousand Two Hundred Fifty-Five and 00/100 Dollars ($603,255.00) (i.e., $5.00 per rentable square foot of the Building) (the "**Additional Allowance**") to be applied toward the Total Construction Costs. If utilized, the Additional Allowance shall be amortized on a straight-line basis over the then-remaining portion of the Original Term at eight percent (8%) per annum and shall constitute Additional Rent under the Lease payable monthly concurrently with Base Monthly Rent. If the Additional Allowance is utilized, the parties shall thereafter promptly execute an amendment to this Lease setting forth the new Additional Rent payment schedule attributable to the Additional Allowance. Notwithstanding anything to the contrary in this Lease, under no circumstances shall any portion of the Construction Allowance and/or, if applicable, the Additional Allowance be made available for the payment of any costs attributable to Tenant's furniture, fixtures and equipment (including, without limitation, racking, computer systems or security systems) and/or any moving expenses. No advance of the Construction Allowance and/or, if applicable, the Additional Allowance shall be made by Landlord until Tenant has first paid to the contractor from its own funds (and provided reasonable evidence thereof to Landlord) the anticipated amount by which the projected Total Construction Costs exceed the amount of the Construction Allowance and, if applicable, the Additional Allowance. Thereafter, Landlord shall pay to Tenant the Construction Allowance and, if applicable, the Additional Allowance in a single disbursement following the receipt by Landlord of the following items: (a) a request for payment; (b) final, unconditional lien waivers from all persons performing work or supplying or fabricating materials for the Tenant Work, fully executed, acknowledged and in recordable form; (c) the Architect's certification that the Tenant Work has been finally completed, including any punch-list items, on the appropriate AIA form or another form approved by Landlord; (d) the permanent certificate of occupancy issued for the Premises; (e) evidence of Tenant's occupancy of the Premises; (f) delivery of the

architectural "as-built" plan for the Tenant Work as constructed to Landlord's construction representative (set forth below); and (g) an estoppel certificate confirming such factual matters as Landlord or Landlord's lender may reasonably request (collectively, the "**Completed Application for Payment**"). Landlord shall pay the amount requested in the Completed Application for Payment to Tenant within thirty (30) days following Tenant's submission of the Completed Application for Payment. If, however, the Completed Application for Payment is incomplete or incorrect, Landlord's payment of such request shall be deferred until thirty (30) days following Landlord's receipt of the Completed Application for Payment. Notwithstanding anything to the contrary contained in this Exhibit, Landlord shall not be obligated to make any disbursement of the Construction Allowance and/or, if applicable, the Additional Allowance during the pendency of any of the following: (A) Landlord has received written notice of any unpaid claims relating to any portion of the Tenant Work or materials in connection therewith, other than claims which will be paid in full from such disbursement, (B) there is an unbonded lien outstanding against the Building or the Premises or Tenant's interest therein by reason of work done, or claimed to have been done, or materials supplied or specifically fabricated, claimed to have been supplied or specifically fabricated, to or for Tenant or the Premises, (C) the conditions to the advance of the Construction Allowance or, if applicable, the Additional Allowance are not satisfied, or (D) a Tenant Default exists. The Construction Allowance and, if applicable, the Additional Allowance must be used (that is, the Tenant Work must be fully complete and the Construction Allowance and, if applicable, the Additional Allowance disbursed) within nine (9) months following the Term Commencement Date or shall be deemed forfeited with no further obligation by Landlord with respect thereto.

11. **Construction Management**. Landlord or its affiliate or agent shall supervise the Tenant Work and coordinate the relationship between the Tenant Work, the Building and the Building's systems. In consideration for Landlord's construction supervision services, Tenant shall pay to Landlord a construction supervision fee equal to three percent (3%) of the Total Construction Costs.

12. **Construction Representatives**. Landlord's and Tenant's representatives for coordination of construction and approval of change orders will be as follows, provided that either party may change its representative upon written notice to the other:

Landlord's Representative:	Quinn Johnson c/o EBS Realty Partners, LLC 1300 Bristol Street North, Suite 290 Newport Beach, CA 92660 Telephone: 714-653-9855 Email: q@ebsrp.com
Tenant's Representative:	San Bernardino County Real Estate Services Department 385 North Arrowhead Avenue, Third Floor San Bernardino, CA 92415-0180 Telephone: 909-387-5000

13. **Miscellaneous**. To the extent not inconsistent with this Exhibit, Sections 12 and 24 of this Lease shall govern the performance of the Tenant Work and Landlord's and Tenant's respective rights and obligations regarding the improvements installed pursuant thereto.

EXHIBIT "C"

TENANT INSURANCE REQUIREMENTS

Tenant shall procure and maintain at all times, at Tenant's own expense, during the term of this Lease, the insurance coverages and requirements specified below, insuring all operations related to the Lease.

The kinds and amounts of insurance are as follows:

(a) Workers' Compensation and Employers Liability Insurance.

As and to the extent required by applicable law, statutory workers' compensation insurance and employer's liability insurance with limits not less than legally required limits; including (if applicable) a Longshoremen's and Harbor Workers' Compensation Act coverage endorsement.

(b) Commercial General Liability Insurance.

Commercial general liability insurance, including coverage for contractual liability, tenants legal liability, products-completed operations liability, personal and advertising injury liability with respect to Tenant's use, maintenance and occupancy of the Premises, in amounts of not less than $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate for property damage and bodily injury, including death. If liquor is stored, served or distributed on or from the Premises, Tenant shall also maintain liquor liability insurance in a minimum amount of $1,000,000.00 either as an endorsement to the commercial general liability policy or as a separate policy.

(c) Umbrella Liability Insurance.

Umbrella and/or excess liability insurance with limits not less than $2,000,000 each occurrence and in the aggregate.

(d) Commercial Automobile Insurance (Primary and Umbrella).

If and when any motor vehicles (owned, non owned and hired) are used in connection with work to be performed, the Tenant shall provide automobile liability insurance with minimum limits of $1,000,000.00 each accident or combined single limit, including coverage for all owned, non-owned, hired and borrowed vehicles that are driven on to the Premises.

(e) All Risk Property Insurance.

Property insurance for loss or damage to Tenant's business personal property, including permanently installed improvements and betterments, and trade fixtures. Coverage shall be provided on an "all-risk" basis using the Special Cause of Loss form with replacement cost valuation and shall include the perils of wind and flood, including coverage for loss of business income.

An Additional Insured Endorsement shall be attached to the Certificate of Insurance listing Landlord and any other party reasonably designated by Landlord as additional insureds on the commercial general liability, umbrella liability, and commercial automobile insurance policies. All insurance policies required to be carried by Tenant pursuant to this Lease shall be primary and non-contributory.

Tenant shall additionally comply, at Tenant's sole cost and expense, with any and all insurance requirements now or in the future reasonably required by any Lender.

EXHIBIT "D"

INDEPENDENT CONTRACTOR INSURANCE REQUIREMENTS

1. **Insurance Carrier**: All policies shall be maintained with insurance companies holding a General Policyholders Best's Rating of "A-" or better and a Financial Rating of "XI" or better.

2. **General Liability Insurance**:

   A. Commercial General Liability Insurance with a combined single limit of not less than Three Million Dollars ($3,000,000), (combined primary and excess-umbrella) for bodily injury and property damage; and

   B. Comprehensive Automobile Liability Insurance (covering owned vehicles, leased vehicles, and all other vehicles) with a combined single limit of not less than One Million Dollars ($1,000,000) which shall include bodily injury and property damage.

3. **Workers' Compensation and Employers Liability**: Statutory Workers' Compensation Insurance in accordance with law with a Waiver of Subrogation, and Employer's Liability Insurance with a minimum coverage of One Million Dollars ($1,000,000);

4. **Landlord is Specifically Named as an Additional Insured**: An Additional Insured Endorsement shall be attached to the Certificate of Insurance listing Landlord and any other party reasonably designated by Landlord as additional insureds on the commercial general liability and commercial automobile insurance policies.

Each of the policies of insurance required to be carried pursuant to the terms of this Paragraph shall contain:

(i) a clause requiring written notice to be delivered to Landlord by the insurer not less than thirty (30) days prior to any cancellation of such policy of insurance, in whole or in part, or a reduction as to coverage or amount thereunder,

(ii) the condition that such insurance is primary and any liability insurance maintained by Landlord or any other additional insured is excess and non-contributory, and

(iii) Severability of Interest and Cross Liability clauses.

EXHIBIT "E-1"

DEPICTION OF PREMISES PARKING AREAS
PRIOR TO COMPLETION OF PROJECT CONSTRUCTION

[TO BE ATTACHED]

EXHIBIT "E-2"

DEPICTION OF PREMISES PARKING AREAS
FROM AND AFTER COMPLETION OF PROJECT CONSTRUCTION

[TO BE ATTACHED]

EXHIBIT "F"

FORM OF SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

[ATTACHED]

EXHIBIT "G"

LIST OF FORMER TENANT OFFICIALS

INSTRUCTIONS: List the full names of former Tenant Administrative Officials, the title/description of the Official's last position with Tenant, the date the Official terminated Tenant employment, the Official's current employment and/or representative capacity with Landlord, and the date the Official entered Landlord's employment and/or representation.

OFFICIAL'S NAME:	REQUIRED INFORMATION
None	

EXHIBIT "H"

ARPA PROVISIONS

COMPLIANCE WITH AMERICAN RESCUE PLAN ACT (ARPA)
CORONAVIRUS LOCAL FISCAL RECOVERY FUND (CLFRF) FEDERAL GUIDELINES
USE OF ARPA CLFRF AND REQUIREMENTS

This Contract[1] may be funded in whole or in part with funds provided by the American Rescue Plan Act - Coronavirus Local Fiscal Recovery Fund (ARPA), *Federal Award Identification Number (FAIN): SLT0628 and Assistance Listing Number (formerly known as a CFDA number): 21.027*, and therefore Contractor agrees to comply with any and all ARPA requirements in addition to any and all applicable County, State, and Federal laws, regulations, policies, and procedures pertaining to the funding of this Contract. The use of the funds must also adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. Any funds expended by Contractor or its subcontractor(s) in any manner that does not adhere to the ARPA requirements shall be returned or repaid to the County. Any funds paid to Contractor i) in excess of the amount to which Contractor is finally determined to be authorized to retain; ii) that are determined to have been misused; or iii) that are determined to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid, shall constitute a debt to the federal government. Contractor agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to the Act, and guidance issued by Treasury regarding the foregoing. Contractor shall provide for such compliance in any agreements with subcontractor(s).

Contractor agrees to comply with the following:

A. In accordance with Title 2 Code of Federal Regulations (C.F.R.) Section 200.322, the non-Federal Contractor should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. For purposes of this section: "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

B. In accordance with Title 2 C.F.R. Section 200.471, costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, cloud servers are allowable except for the following circumstances: Obligating or expending covered telecommunications and video surveillance services or equipment or services (as described in Title 2 C.F.R. Section 200.216) to: 1) Procure or obtain, extend or renew a contract to procure or obtain; 2) Enter into a contract (or extend or renew a contract) to procure; or 3) Obtain the equipment, services, or systems, as described in Title 2 C.F.R. Section 200.216 that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities) and: (i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); (ii) Telecommunications or video surveillance services provided by such entities or using such equipment; and (iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the

[1] All references to "Contract" in this Exhibit mean and refer to the applicable contract between Tenant and a third party and shall under no circumstances refer to this Lease.

Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country. In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

C. A non-Federal Contractor that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at Title 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

D. Byrd Anti-Lobbying Amendment (31 U.S.C. Section 1352) - Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by Title 31 U.S.C. Section 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

E. Clean Air Act (42 U.S.C. Sections 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. Sections 1251-1389), as amended - Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. Sections 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. Sections1251-1389).

F. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under Title 37 C.F.R. Section 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the Title 33 U.S.C. Sections 1251-1387 recipient or subrecipient must comply with the requirements of Title 37 C.F.R. Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

G. Contract Work Hours and Safety Standards Act (40 U.S.C. Sections 3701-3708). Where applicable, all contracts awarded by the non-Federal Contractor in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with Title 40 U.S.C. Sections 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. Part 5). Under Title 40 U.S.C. Section 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of Title 40 U.S.C. Section 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to health or safety. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

H. Davis-Bacon Act, as amended (40 U.S.C. Sections 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. Sections 3141-3148) as supplemented by Department of Labor regulations (29 C.F.R. Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal contractor must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal Contractor must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. Section 874 and 40 U.S.C. Section 3145), as supplemented by Department of Labor regulations (29 C.F.R. Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal contractor must report all suspected or reported violations to the Federal awarding agency.

i. The Contractor and all Subcontractors and Sub-subcontractors are required to pay their employees and workers a wage not less than the minimum wage for the work classification as specified in both the Federal and California wage decisions. See Exhibit "B" for additional information regarding California Prevailing Wage Rate Requirements and the applicable general prevailing wage determinations which are on file with the County and are available to any interested party on request. The higher of the two applicable wage determinations, either California prevailing wage or Davis-Bacon Federal prevailing wage, will be enforced for all applicable work/services under this Contract.

I. Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by Title 41 U.S.C. Section 1908, must address administrative, contractual, or legal remedies in instances where Contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

J. All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal Contractor including the manner by which it will be effected and the basis for settlement.

K. Equal Employment Opportunity. Except as otherwise provided under Title 41 C.F.R. Part 60, all contracts that meet the definition of "federally assisted construction contract" in Title 41 C.F.R. Section 60-1.3 must include the equal opportunity clause provided under Title 41 C.F.R. Section 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The identified clause is below and Contractor shall comply with the clause and all legal requirements and include the equal opportunity clause in each of its nonexempt subcontracts.

i. The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at Title 41 C.F.R. Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:
(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without

regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

L. Data Collection Requirements – Contractor agrees to collect pre-post data per County, and United States Treasury guidelines and timeline, for project tracking and monitoring and various reporting purposes. Data including, but not limited to: Required Project Demographic Distribution Data; Required Performance Indicators and Programmatic Data; Required Expenditure Report Data; and Required Program Evaluation Data. Contractor agrees to track and monitor data in a quantifiable and reportable database - retrievable collective data that needs to be available to County, State or Federal governments upon request.

M. Data Submission Requirements - Contractor agrees to furnish data to the County upon request, per County, and United States Treasury guidelines and timeline, for project tracking and monitoring and various reporting purposes. Data including, but not limited to: Required Project Demographic Distribution Data; Required Performance Indicators and Programmatic Data; Required Expenditure Report Data; Required Program Evaluation Data. Contractor agrees to track and monitor data in a quantifiable and reportable database - retrievable collective data that needs to be available at request.

N. Project Progress Reporting - Contractor agrees to provide project timeline and progress updates to the County upon request, per County, and United States Treasury guidelines and timeline. Contractor agrees to routine and impromptu program and project evaluation by the County.

O. Contractor shall comply with Title 2 Code of Federal Regulations Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), including, but not limited to, Title 2 C.F.R. Section 200.303 (internal control), Title 2 C.F.R. Sections 200.331 through 200.333 (subrecipient monitoring and management), and Title 2 C.F.R. Part 200 Subpart F (audit requirements), as these sections currently exist or may be amended. The use of funds must also adhere to official federal guidance issued or to be issued on what constitutes an eligible expenditure. Any funds expended by Contractor or its subcontractor(s) in any manner that does not adhere to official federal guidance shall be returned to the County. Contractor agrees to comply with all official guidance regarding the ARPA CLFRF. Contractor also agree that as additional federal guidance becomes available, an amendment to this Contract may become necessary. If an amendment is required, Contractor agrees to promptly execute the Contract amendment.

P. Contractor shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts in a manner consistent with Title 2 C.F.R. Section 200.334 (retention requirements for records). Such documentation shall be produced to County upon request and may be subject to audit. Unless otherwise provided by Federal or State law (whichever is the most restrictive), Contractor shall maintain all documentation connected with its performance under this Contract for a minimum of five (5) years from the date of the last payment made by County or until audit resolution is achieved, whichever is later, and to make all such supporting information available for inspection and audit by representatives of the County, the State or the United States Government during normal business hours at Contractor. Copies will be made and furnished by Contractor upon written request by County.

Q. Contractor shall establish and maintain an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support Contractor's requests for reimbursement which segregate and accumulate costs of Contractor and produce monthly reports which clearly identify reimbursable costs, matching fund costs (if applicable), and other allowable expenditures by Contractor. Contractor shall provide a monthly report of expenditures under this Contract no later than the 20th day of the following month.

R. Contractor shall cooperate in having an audit completed by County, at County's option and expense. Any audit required by ARPA CLFRF and its regulation and United States Treasury guidance will be completed by Contractor at Contractor's expense.

S. Contractor shall repay to County any reimbursement for ARPA CLFRF funding that is determined by subsequent audit to be unallowable under the ARPA CLFRF within the time period required by the ARPA CLFRF, but no later than one hundred twenty (120) days of Contractor receiving notice of audit findings, which time shall include an opportunity for Contractor to respond to and/or resolve the findings. Should the findings not be otherwise resolved and Contractor fail to reimburse moneys due County within one hundred twenty (120) days of audit findings, or within such other period as may be agreed between both parties or required by the ARPA CLFRF, County reserves the right to withhold future payments due Contractor from any source under County's control.

T. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Title 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply.

U. Universal Identifier and System for Award Management (SAM), Title 2 C.F.R. Part 25.

V. Reporting Subaward and Executive Compensation Information, Title 2 C.F.R. Part 170.

W. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (nonprocurement), Title 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to Title 2 C.F.R. Part 180 and Treasury's implementing regulation at Title 31 C.F.R. Part 19. Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 C.F.R. Section 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at Title 2 C.F.R. Part 180 that implement Executive Orders 12549 (3 C.F.R. Part 1986 Comp., p. 189) and 12689 (3 C.F.R. Part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

X. Recipient Integrity and Performance Matters, pursuant to which the award terms set forth in Title 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

Y. Government Requirements for Drug-Free Workplace, Title 31 C.F.R. Part 20.

Z. New Restrictions on Lobbying, Title 31 C.F.R. Part 21.

AA. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. Sections 4601-4655) and implementing regulations.

BB. Applicable Federal environmental laws and regulations.

CC. Statutes and regulations prohibiting discrimination include, without limitation, the following:

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. Sections 2000d et seq.) and Treasury's implementing regulations at Title 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Sections 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Section 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. Sections 6101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. Sections 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

DD. Contractor understands that making false statements or claims in connection with the ARPA funded activities is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

EE. Any publications produced with ARPA funds must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number SLT-0628 awarded to San Bernardino County by the U.S. Department of Treasury."

FF. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Contractor is being encouraged to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented, or personally owned vehicles.

GG. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Contractor is being encouraged to adopt and enforce policies that ban text messaging while driving and establishing workplace safety policies to decrease accidents caused by distracted drivers.

HH. As a recipient of federal financial assistance, the Civil Rights Restoration Act of 1987 applies, and Contractor assures that it:

i. Ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal funds, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. Sections 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at Title 31 C.F.R. Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda and/or guidance documents.

ii. Acknowledges that Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Contractor understands that denying a person access to its programs, services, and activities, because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury's implementing regulations. Contractor shall initiate reasonable steps, or comply with the Department of the Treasury's directives, to ensure LEP persons have meaningful access to its programs, services, and activities. Contractor understands and agrees that meaningful access may entail provide language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication.

iii. Agrees to consider the need for language services for LEP persons during development of applicable budgets and when conducting programs, services, and activities.

iv. Agrees to maintain a complaint log of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome.

II. The County must include the following language in every contract or agreement subject to Title VI and its regulations:

"The sub-grantee, contractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or nation origin (42 U.S.C. Section 2000d et seq.), as implemented by the Department of the Treasury's Title VI

regulations, Title 31 C.F.R. Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. Section 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, Title 31 C.F.R. Sections Part 22, and herein incorporated by reference and made a part of this contract or agreement."

JJ. Contractor shall cooperate in any enforcement or compliance review activities by the County and/or the Department of the Treasury. Contractor shall comply with information requests, on-site compliance reviews, and reporting requirements.

KK. Contractor shall maintain records and financial documents sufficient to evidence compliance with section 603(c), regulations adopted by Treasury implementing those sections, and guidance issued by Treasury regarding the foregoing.

LL. County has the right of access to records (electronic or otherwise) of Contractor in order to conduct audits or other investigations.

MM. Contractor shall maintain records for a period of five (5) years after the completion of the contract or a period of five (5) years after the last reporting date the County is obligated with the Department of the U.S. Treasury, whichever is later.

NN. Contractor must disclose in writing any potential conflict of interest in accordance with Title 2 C.F.R. Section 200.112.

OO. In accordance with Title 41 U.S.C. Section 4712, subrecipient or Contractor may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

The list of persons and entities referenced in the paragraph above includes the following: (i) A member of Congress or a representative of a committee of Congress; (ii) An Inspector General; (iii) The Government Accountability Office; (iv) A Treasury employee responsible for contract or grant oversight or management; (v) An authorized official of the Department of Justice or other law enforcement agency; (vi) A court or grand jury; or (vii) A management official or other employee of Recipient, subrecipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct. Subrecipient or Contractor shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

PP. County and Contractor acknowledge that if additional federal guidance is issued, an amendment to this Contract may be necessary.