

**ORIGINAL**

Contract Number

23-28

SAP Number

Real Estate Services Department

Department Contract Representative	Terry W. Thompson, Director
Telephone Number	(909) 387-5000
Contractor	State of California-Employment Development Department
Contractor Representative	Clyde Stormont
Telephone Number	(279) 946-8610 office (916) 704-4033
Contract Term	Three Years, ten months - commencing and retroactive to 8/1/2021 – 5/31/2025
Original Contract Amount	\$1,000,873.00
Amendment Amount	\$0.00
Total Contract Amount	\$1,000,873.00
Cost Center	5715352260
GRC/PROJ/JOB No.	61004251
Internal Order No.	

Briefly describe the general nature of the contract:

This sub-lease is for a period of three years, ten months, commencing and retroactive to August 1, 2021 through May 31, 2025, for the use of approximately 10,118 square feet of office space located at 9650 Ninth Street, Rancho Cucamonga by the State of California on behalf of the Employment Development Department. The County will receive revenue for the initial year of the term in the amount of \$20,741.90 per month subject to 3% annual increases with payments commencing and retroactive to August 1, 2021.

FOR COUNTY USE ONLY

Approved as to Legal Form

► Please see signature Page
Agnes Cheng, Deputy County Counsel

Date _____

Reviewed for Contract Compliance

► _____

Date _____

Reviewed/Approved by Department

► 
Lyle Ballard, Real Property Manager, RESD

Date 1/10/23



REAL ESTATE SERVICES DIVISION



STANDARD SUBLEASE FORM

<u>SUBLEASE COVERING PREMISES LOCATED AT</u> 9650 Ninth Street Rancho Cucamonga, CA 91730
<u>SUBLESSOR'S FED. TAX. I.D. NO. OR SOCIAL SECURITY NO.</u> 95-6002748
<u>SUBTENANT AGENCY</u> Employment Development Department

Lease No.: 5256-001

Project No.: 2775

Preamble

This Agreement, made and entered into this 20th day of May 2022, is a Sublease of that certain Lease Agreement (the "Master Lease") dated April 21, 2020, between Rancho Tech, LLC, as Lessor (the "Master Lessor") and San Bernardino County as Lessee. This Sublease agreement is between

SAN BERNARDINO COUNTY

hereinafter called the Sublessor, without distinction as to number or gender, and the State of California, acting by and through the Director of the Department of General Services, hereinafter called the State;

WITNESSETH

WHEREAS, under the Master Lease, Sublessor hires from Master Lessor certain premises located at 9650 Ninth Street, Rancho Cucamonga, CA as more particularly described in the Master Lease, and

WHEREAS, a copy of the Master Lease is attached hereto, incorporated herein as Exhibit "D" dated May 13, 2021 and made a part of this sublease by this reference; and

WHEREAS, the Master Lease provides that Sublessor shall have the right to sublet any portion of the Master Leased Premises; and Sublessor has obtained necessary consent from the Master Lessor; and

WHEREAS, San Bernardino County and the State of California's Employment Development Department (EDD) desire to consolidate certain of their operations at a facility currently under Master Lease to the Sublessor;

NOW, THEREFORE, it is mutually agreed between the parties as follows:

Description

1. The Sublessor hereby subleases unto the State and the State hereby hires from the Sublessor those certain premises with appurtenances situated in the City of Rancho Cucamonga, County of San Bernardino, State of California, and more particularly described as follows:

Approximately 10,118 net usable square feet of office space on the first floor (consisting of 7,445 net usable square feet of shared space as outlined in green and 1,300 net usable square feet of exclusive space as outlined in red and 1,373 square feet of common area as noted on the attached Exhibit A Plan), of the building located at together with Specifications marked Exhibit "B" and Sublessor compliance procedures marked Exhibit "C", said Exhibits "A" and "B" and "C", Project No. 2775 dated May 13, 2021, hereby being incorporated by said reference into this sublease, and including twenty-seven (27) nonexclusive, unobstructed parking spaces contiguous to the subject building, and unlimited use of the building's common facilities.

Term

2. The term of this sublease shall commence on August 1, 2021 and shall end on May 31, 2025, with such rights of termination as may be hereinafter expressly set forth.

**Early
Termination**

3. Both the State and the Sublessor may terminate this sublease at any time effective on or after August 1, 2023, by giving written notice to the other party at least ninety (90) days prior to the date when such termination shall become effective. If the State fails to complete its move out within the notice period and remains in the premises, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination.

Rent

4. Rental payments shall be paid by the State, from legally available funds and subject to the California Constitution, in arrears on the last day of each month during said term as follows:

TWENTY THOUSAND SEVEN HUNDRED FORTY-ONE AND 90/100 DOLLARS
(\$20,741.90) from August 1, 2021, through July 31, 2022; then

TWENTY-ONE THOUSAND FOUR HUNDRED FIFTY AND 16/100 DOLLARS
(\$21,450.16) from August 1, 2022, through July 31, 2023; then

TWENTY-TWO THOUSAND ONE HUNDRED FIFTY-EIGHT AND 42/100 DOLLARS
(\$22,158.42) from August 1, 2023, through July 31, 2024; then

TWENTY-TWO THOUSAND EIGHT HUNDRED SIXTY-SIX AND 68/100 DOLLARS
(\$22,866.68) from August 1, 2024, through May 31, 2025; and thereafter.

Rental payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on the actual number of days in the month. Rental shall be paid to Sublessor at the address specified in Paragraph 5 or to such other address as the Sublessor may designate by a notice in writing. If the premises are not complete pursuant to Paragraph 6 by the date shown in Paragraph 2, it is understood and agreed by and between the parties that, at the State's sole option, the dates shown in Paragraphs 2 and 3 and the dates and dollar amounts shown in Paragraph 4 may be adjusted to the first of the month following the State's acceptance of the completed premises, such acceptance shall not unreasonably be withheld. If the State exercises this option, it is agreed the State will complete unilaterally an amendment to the sublease to revise the herein above stated dates. Any accrued rents for the period of time prior to the unilaterally adjusted commencement date will be paid in accordance with Paragraph 8. Additionally, it is understood and agreed between the parties that, at the State's option, the dates shown in the "CPI Escalator Operating Expenses" paragraph, if incorporated herein, shall be adjusted to reflect the time delay between sublease commencement and the first of the month following the actual acceptance date.

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Notices

5. All notices and correspondence herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States Mail, certified and postage prepaid and addressed as follows:

To the Sublessor San Bernardino County
Real Estate Services Department
385 North Arrowhead Avenue, Third Floor
San Bernardino, CA 92415-0180

Phone No.: (909) 387-5000
Email: keith.burke@res.sbcountv.gov

and to the State: DEPARTMENT OF GENERAL SERVICES,
REAL ESTATE SERVICES DIVISION
LEASE MANAGEMENT (C) 5256-001
707 THIRD STREET, SUITE 5-305
WEST SACRAMENTO, CA 95605

PHONE NO. (916) 375-4172
FAX NO. (916) 375-4173

**ALL NOTICES AND CORRESPONDENCE MUST REFERENCE
TENANT AGENCY AND PREMISES ADDRESS**

Rental warrants shall be made payable to: San Bernardino County

and mailed to: Workforce Development Department
290 North D Street, Suite 600
San Bernardino, CA 92415-0046

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices and correspondence shall be mailed to either party may be changed by giving written notice to the other party.

**Completion and
Compliance with
Plans and
Specifications**

6. Sublessor agrees that, prior to August 1, 2021, and at Sublessor's sole cost and expense, all required construction, improvements and/or alterations, if any, shall be completed and the subleased premises made ready for State's occupancy in full compliance with Exhibit "A", consisting of one (1) sheet titled, "Office Quarters, Project No. 2775" dated May 13, 2021 and in accordance with Exhibit "B", consisting of twenty-six (26) pages, plus cover sheet, titled, "Outline Specifications, Project No. 2775" dated May 13, 2021, and Exhibit "C" consisting of ten (10) pages titled, "Administrative Requirements, Project No. 2775" dated May 13, 2021 which Exhibits "A" and "B" and "C" are by this reference incorporated herein. The parties hereby acknowledge and agree that as of the date of the sublease, the foregoing improvements have previously been completed and accepted by the State and notwithstanding anything to the contrary in this Sublease, no additional improvements are being constructed by Sublessor as of the date of this sublease.

**Notice of
Completion
and Access to
Premises
during
Construction**

7. ~~Following execution of this sublease, and not more than sixty days (60) prior to completion of construction and occupancy under this sublease, State or its contractors or other representatives shall have the right to enter the premises for the purpose of installing certain equipment such as, but not limited to, modular system furniture, and electrical and telecommunications cabling and equipment.~~

State agrees to indemnify and hold Sublessor harmless from and against any claims, damages, or other injury suffered by Sublessor as a result of the work to be performed pursuant to this right to enter the premises prior to State's acceptance and occupancy of the premises. Sublessor agrees to indemnify and hold State and its agents, contractors or other representatives harmless from and against any claims, damages, injury or other harm suffered by reason of the negligence or other wrongful act of Sublessor or any of Sublessor's agents, contractors, or other representatives.

In no event shall the exercise of this right of entry be construed so as to cause an acceleration of the occupancy date of this sublease or the obligation of the State to pay rent.

Sublessor and State shall each make all reasonable efforts to ensure that the respective construction and installation work is scheduled in such a manner so as to not interfere with or delay the other.

In the event that one or the other party causes a delay in the other party's work, such injured party shall be compensated in the following manner:

Delays caused by the Sublessor:

Credit the State a compensating day of delay in the occupancy date and corresponding day of delay in payment of rent.

Delays caused by the State:

Credit the Sublessor a compensating day of payment of rent from the actual date of occupancy.

Compensation will be in one day increments.

The parties agree that this shall be the sole remedy for delay, in that the calculation of damages in any other manner is too uncertain and not susceptible of accurate determination.

Early Occupancy

~~8. Sublessor agrees that if the subleased premises are ready for occupancy prior to the completion date specified above in Paragraph 6, State may elect to occupy the premises on the earliest date practical after its receipt of the herein required completion notice. The rent payable for any such early occupancy by the State shall be at the rate of per month, and shall be prorated on a daily basis for any partial month.~~

**Time limit and
Prior Tenancy**

9. No rental shall accrue under this sublease, nor shall the State have any obligation to perform the covenants or observe the conditions herein contained until the subleased premises have been made ready for occupancy in accordance with the provisions hereof. It is specifically agreed that in the event the subleased premises are not completed and ready for occupancy by the State on or before August 1, 2021, then and in that event the State may, at its option and in addition to any other remedies it may have, terminate this sublease and be relieved of any further obligations hereunder, providing that a fair and reasonable allowance for the following delays shall be added to said time for completion:

- A. Acts of the State, its agents or employees, or those claiming under agreement with or grant from the State: or by
- B. The acts of God which Sublessor could not reasonably have foreseen or guarded against: or by
- C. Any strikes, boycotts or like obstructive actions by employees or labor organizations and which are beyond control of Sublessor, and which cannot be reasonably overcome: or by
- D. Restrictive regulations by the Federal Government which are enforced in connection with a National Emergency.

It is understood by all parties hereto that it shall be the Sublessor's responsibility to remove any prior tenant.

**Conformity to
Exhibits**

10. Occupancy of the subleased premises by the State shall not relieve Sublessor in any respect from full compliance at all times with aforesaid Exhibits "A" and "B" and "C". It is further understood and agreed that any installation not in conformity with said Exhibits "A" and "B" and "C" shall be immediately corrected by the Sublessor at Sublessor's sole cost and expense. In the event Sublessor shall, after notice in writing from the State requiring the Sublessor to comply with the requirements of this paragraph in regard to a specified condition, fail, refuse or neglect to remedy such condition within 30 days after written notice from Sublessee and does not diligently pursue the remedy to completion, State may terminate this sublease without further obligation, or as to such specified condition, at its option and in addition to any other remedy the State may have, withhold rent due and bring the subleased premises into conformity with said Exhibits at its own cost including State's Administrative costs, if any, and deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

Asbestos

~~11. Sublessor hereby warrants and guarantees that the space subleased to the State will be operated and maintained free of hazard from Asbestos Containing Construction Materials (ACCM) and agrees to the conditions for survey, testing, and abatement of ACCM described in Exhibit "B" as applicable. Sublessor specifically agrees that, in the event the State elects to exercise its rights under the provisions of Paragraph 16 of this sublease, any costs related to abatement or hazard from asbestos shall be the Sublessor's responsibility as described in the aforementioned Exhibit "B."~~

Parking

~~12. Sublessor, at Sublessor's sole cost and expense, shall clearly mark the parking spaces described hereinabove as assigned to the State of California. Said Parking spaces will be arranged and maintained so as to provide unobstructed access to each parking space at any time. In addition to any assigned parking spaces, State and its invitees shall have equal access to common spaces provided to all tenants on a first-come, first-served basis.~~

**Services, Utilities,
and Supplies**

13. Sublessor, at Sublessor's sole cost and expense, during the term of this sublease shall furnish the following services, utilities, and supplies to the area subleased by the State, and also to the "common" building areas (if any) such as lobbies, elevators, stairways, corridors, etc., which State shares with other tenants, if any:

- A. Sewer, trash disposal, and water service, including both hot and cold water to the lavatories except lavatories in Employment Development Department public toilet rooms in lobby areas which need only cold water.
- B. Elevator (if any) service.
- C. Electricity and/or gas as necessary to provide power for heating, ventilating, and air conditioning, and electrical or gas service as needed for State's operations.
- D. Janitorial services sufficient to maintain the interior in a clean well-maintained condition; that is, to eliminate all visible dust, dirt, litter, grime, stains, smears, finger marks, etc., to the greatest practical degree possible, by performing at least the following:

Daily:

- (1) Empty and clean all trash containers, ashtrays, and dispose of all trash and rubbish.
- (2) Clean and sanitize all restroom fixtures, chrome pipes, mirrors, etc., and maintain in sanitary and odor-free condition all floors, wash mirrors, basins, toilet bowls, and urinals.
- (3) Clean splash marks from walls of restrooms.
- (4) Furnish and replenish all toilet room supplies (including soap, towels, seat covers, toilet tissue, and sanitary napkins).
- (5) Sweep or dust mop all hard surface floors, vacuum and/or carpet sweep traffic lanes of carpet including stairways.
- (6) Remove finger marks and smudges from all glass entrance doors.
- (7) Dust the tops of all furniture, counters and cabinets.
- (8) Clean and sanitize drinking fountain.
- (9) Damp clean coffee table tops in coffee rooms.
- (10) Clean kitchen sink and counters
- (11) Remove papers and debris outside main entrance.
- (12) Sweep entry way.
- (13) Brush down steps of inside stairwells.
- (14) Vacuum elevator carpet. All carpeted areas are to be vacuumed using a dual motor vacuum with a rotating cylindrical brush, rather than a beater bar.
- (15) Spot clean all walls and doors including elevator.
- (16) Spot clean carpets of small spills, footprints, etc.
- (17) Keep janitor closets neat and orderly.

Weekly:

- (1) Wet mop all tiled/terrazzo floors.
- (2) Clean all desktops that are cleared.
- (3) Clean hand marks from walls, doors and woodwork.
- (4) Vacuum all carpeting completely. All carpeted areas are to be vacuumed using a dual motor vacuum with a rotating cylindrical brush, rather than a beater bar.
- (5) Supply and replace interior entry mats with commercial grade cleaned mats.
- (6) Replace light bulbs and tubes inside building, as needed.

Twice Monthly:

- (1) Clean lobby directories and fire extinguisher glass.
- (2) Dust high areas including window coverings.
- (3) Vacuum upholstered furniture
- (4) Machine clean and seal all tiled floors

Monthly or as needed:

- (1) Licensed pest control service for interior and exterior of premises to be provided after regular business hours.

Quarterly:

- (1) Vacuum dust and dirt accumulation from air conditioning vents
- (2) Brush down cobwebs inside building
- (3) Replace cartridge in rest room automatic air fresheners
- (4) ~~Clean and sanitize the lobby, childcare, training, meeting and conference rooms, including and not limited to furniture, chairs, toys, removable floor carpeting and/or floor mats.~~
- (5) Wash all exterior and interior windows, window blinds, light fixtures, walls, and painted surfaces.
- (6) Carpet to be professionally cleaned using a wet/dry extraction process per the carpet manufacturer's instructions.

- E. Provide security alarm monitoring services and furnish ongoing maintenance and prompt repair of any and all security and access control systems, for which the State's fair share cost is included in the monthly rent as shown in paragraph 4.

In the event of failure by the Sublessor to furnish any of the above services or supplies in a satisfactory manner and the Sublessor does not commence to remedy such failure within thirty (30) days after written notice from Sublessee and does not diligently pursue the remedy to completion, the State may furnish the same at its own cost; and, in addition to any other remedy the State may have, may deduct the amount thereof, including State's Administrative costs, from the rent that may then be, or thereafter become due hereunder.

**Repair and
Maintenance**

14. A. During the sublease term, the Sublessor shall maintain the subleased premises in good repair and tenantable condition, so as to minimize breakdowns and loss of the State's use of the premises caused by deferred or inadequate maintenance, including, but not limited to:

- (1) Generally maintaining the subleased premises in good, vermin free, operating condition and appearance.
 - (2) Furnishing prompt, good quality repair of the building, equipment, and appurtenances.
 - (3) Furnishing preventative maintenance, including, but not limited to, manufacturers recommended servicing of equipment such as elevator (if any), heating, ventilating and air conditioning equipment, and fixtures.
 - (4) Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballast, starters, and filters for the heating, ventilating and air conditioning equipment as required.
 - ~~(5) Furnishing remedial painting as necessary to maintain the premises in a neat, clean and orderly condition.~~
 - (6) Annual testing and maintenance of all fire extinguishers in or adjacent to the subleased premises.
 - (7) Repairing and replacing as necessary intrabuilding network cable and inside wire cable used for voice and data transmission.
 - (8) Repairing and replacing parking lot bumpers and paving as necessary. Repaint directional arrows, striping, etc., as necessary.
 - (9) Maintaining landscaped areas, including sprinklers, drainage, etc., ~~on a weekly basis~~, in a growing, litter-free, weed-free, and neatly mowed and/or trimmed condition.
 - (10) Repairing and replacing floor covering as necessary. Sublessor, at Sublessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repairing or replacement of floor covering.
 - (11) Keeping all walkways, parking lots, entrances, and auxiliary areas free of standing water, oil spills, debris, or other materials which may be hazardous to users of the building.
- B. Sublessor shall provide prompt repair or correction for any damage except damage arising from a willful or negligent act of the State's agents, employees or invitees.
 - C. Except in emergency situations, the Sublessor shall give not less than 24 hour prior notice to State tenants, when any pest control, remodeling, renovation, or repair work affecting the State occupied space may result in employee health concerns in the work environment.

- D. In case Sublessor, after notice in writing from the State requiring the Sublessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply with such notice and Sublessor does not commence to remedy such failure within thirty (30) days after written notice from the State and does not diligently pursue to remedy to completion, or in the event of an emergency constituting a hazard to the health or safety of the State's employees, property, or invitees, the State may terminate this sublease without further obligation or at its option, perform such maintenance or make such repair at its own cost and, in addition to any other remedy the State may have, may withhold rent due and deduct the amount thereof, including necessary costs incurred by the State required for the administration of such maintenance and repairs, from the rent that may then be or thereafter become due hereunder.
- E. Sublessor understands and agrees that State shall not assume any of Sublessor's obligations under the Master Lease.

Painting

~~15. In addition to any painting completed prior to the commencement of this sublease, and touch-up painting required after initial occupancy upon receipt of written request from the State, Sublessor agrees at Sublessor's sole cost and expense to repaint all painted surfaces ([X] interior and [] exterior) of the subleased premises in accordance with the attached Exhibits "A" and "B". In no event shall Sublessor be required to repaint more than once during the first sixty (60) month period of this sublease after the painting completed prior to the commencement date, and once during any succeeding sixty (60) month period. Sublessor shall, within forty-five (45) days from the giving of any such notice, arrange for and complete the painting. Colors are to be approved by the State. Sublessor, at Sublessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repainting, and provide drop cloths, and covers as necessary.~~

Change Orders and Alterations

16. The State shall have the right during the existence of this sublease to make change orders and alterations; attach fixtures; and erect additions, structures, or signs in or upon the subleased premises with prior written approval of the Sublessor, which shall not be unreasonably withheld. Such fixtures, additions, structures, or signs so placed in or upon or attached to the premises under this sublease or any extension hereof shall be and remain the property of the State and may be removed therefrom by the State prior to the termination or expiration of this sublease or any renewal or extension hereof.

In the event alterations, fixtures, additions, structures, or signs in or upon the subleased premises are desired by State and State elects not to perform the work, any such work, when authorized in writing by the State shall be performed at by Sublessor in accordance with plans and specifications provided by State. Sublessor agrees to obtain competitive bids from at least three licensed contractors and to contract with the lowest bidder. Sublessor further agrees that the overhead and profit for the work shall not exceed fifteen percent (15%) total for Sublessor and any general contractor combined. Within forty-five (45) days after receiving Sublessor's notice of completion of the requested work and an invoice requesting payment therefor, together with a complete detailed accounting of all costs for each trade, State agrees to either reimburse Sublessor by a single total payment for the cost of such work; or, with Sublessor's prior written approval, State will amortize the cost of the requested work over the remaining term of this sublease by increasing the monthly rent by an amount to include principal and interest on the unpaid balance. The interest rate may not exceed the prime rate (the base rate on corporate loans posted by at least seventy-five percent (75%) of the nation's 30 largest banks) plus 2 percent (2%) as of the date of the State's written authorization to proceed.

In the event State terminates this sublease on or after the end of the firm term, but before the expiration date of the sublease, State agrees to pay to Sublessor the portion of the principal balance which is unamortized as of the effective date of termination. Said payment shall be a single payment to be made within forty-five (45) days after the effective date of the termination.

Assignment and Subletting

17. The State shall not assign this sublease without prior written consent of the Sublessor, which shall not be unreasonably withheld, and shall not sublet the subleased premises without the prior written consent of the Sublessor, which consent shall not be unreasonably withheld.

Quiet Possession

18. The Sublessor agrees that the State, while keeping and performing the covenants herein contained, shall at all times during the existence of this sublease, peaceably and quietly have, hold, and enjoy the subleased premises without suit, trouble, or hindrance from the Sublessor or any person claiming under Sublessor.

Inspection

19. The Sublessor reserves the right to enter and inspect the subleased premises at reasonable times, and to render services and make any necessary repairs to the premises.

Destruction

20. If the subleased premises are totally destroyed by fire or other casualty, this sublease shall terminate. If such casualty shall render 10 percent (10%) or less of the floor space of the subleased premises unusable for the purpose intended, Sublessor shall commence restoration of the premises as quickly as is reasonably possible within ninety (90) days.

In the event such casualty shall render more than 10 percent (10%) of such floor space unusable but not constitute total destruction, Sublessor shall forthwith give notice to State of the specific number of days required to repair the same. If Sublessor under such circumstances shall not give such notice within thirty (30) calendar days after such destruction, or if such notice shall specify that such repairs will require more than one hundred eighty (180) days to complete from date such notice is given, State, in either such event, at its option, and in addition to maintaining occupancy, may terminate this sublease.

In the event of any such destruction other than total, where the State has not terminated the sublease as herein provided, Sublessor shall diligently prosecute the repair of said premises and, in any event, if said repairs are not commenced within the period of ~~thirty (30)~~ ninety (90) days for destruction aggregating 10 percent (10%) or less of the floor space, or within the period specified in Sublessor's notice in connection with partial destruction aggregating more than 10 percent (10%), the State shall have the option to terminate this sublease.

In the event the State remains in possession of said premises though partially damaged, the rental as herein provided shall be reduced by the same ratio as the net square feet the State is thus precluded from occupying bears to the total net square feet in the subleased premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and restrooms.

It is understood and agreed that the State or its agent has the right to enter its destroyed or partially destroyed subleased facilities no matter what the condition. At the State's request, the Sublessor shall immediately identify an appropriate route through the building to access the State subleased space. If the Sublessor cannot identify an appropriate access route, it is agreed that the State may use any and all means of access at its discretion in order to enter its subleased space.

Any access by the Sublessee is at the Sublessee's sole risk. Notwithstanding anything to the contrary in this Section 20, Sublessor shall have no obligation to restore the premises in the last two years of the sublease term.

**Subrogation
Waived**

~~21. To the extent authorized by any fire and extended coverage insurance policy issued to Sublessor on the herein subleased premises, Sublessor hereby waives the subrogation rights of the insurer, and releases the State from liability for any loss or damage covered by said insurance.~~

**Prevailing Wage
Provision**

22. For those projects defined as "public works" pursuant to Labor Code §1720.2, the following shall apply:

- A. Sublessor/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.
- B. The Sublessor/contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Sublessor will post at the job site. All prevailing wage rates shall be obtained by the Sublessor/contractor from:

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

- C. Sublessor/contractor shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.
- D. Prior to commencement of work, Sublessor/contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6, and §1777.7 of the Labor Code and Applicable Regulations

Fair Employment Practices 23. During the performance of this sublease, the Sublessor shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Sublessor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

Sublessor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5), and the regulations or standards adopted by the awarding State agency to implement such article.

DVBE Participation Requirement 24. The State of California supports the use of Disabled Veteran Business Enterprise (DVBE) and California Certified Small Business (SB) and we encourage the Sublessor to utilize DVBE and Certified SB to fulfill its sublease obligation under this sublease.

Service Companies 25. Within fifteen (15) days after occupancy of the subleased premises by the State, Sublessor shall provide the State with the name, address, and telephone number of an agency or person convenient to the State as a local source of service regarding the Sublessor's responsibilities under this sublease as to repairs, maintenance, and servicing of the premises and any or all related equipment, fixtures, and appurtenances.

Service Credit 26. Sublessor agrees that the rental provided under the terms of Paragraph 4 hereof is based in part upon the costs of the services, utilities, and supplies to be furnished by Sublessor in accordance with Paragraph 13 hereof. In the event the State vacate the premises prior to the end of the term of this sublease, or, if after notice in writing from the State, all or any part of such services, utilities, or supplies for any reason are not used by the State, then, in such event, the monthly rental as to each month or portion thereof as to which such services, utilities, or supplies are not used by the State shall be reduced by an amount equal to the average monthly costs of such unused services, utilities, or supplies during the six-month period immediately preceding the first month in which such services, utilities, or supplies are not used.

Holding Over 27. In the event the State remains in possession of the premises after the expiration of the sublease term, or any extension or renewal thereof, and to the extent that the County also remains in possession of the premises, this sublease shall be automatically extended on a month to month basis, subject to ninety (90) days termination by either party, and otherwise on the terms and conditions herein specified, so far as applicable. If the last rental amount shown in Paragraph 4 included the amortization of a capital sum expended by Sublessor for certain alterations and improvements, as described in a separate paragraph herein, and the capital sum has been fully amortized, the holdover rent shall be reduced by the amount of the monthly amortization. If the State fails to vacate the premises within the notice period and remains for an extended period, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination. ~~In the event the Holding Over period lasts longer than one hundred and eighty (180) days, the State may unilaterally, reduce the monthly rent to seventy percent (70%) of the last base rental amount paid less any amortization under paragraph (4). Notwithstanding the aforementioned option to reduce the monthly rent, anytime during the Holding Over period, the State may unilaterally relinquish any proportion of the Premises thereby reducing the net usable square feet specified in paragraph (1) herein and reduce the monthly rent in proportion to the reduction in net usable square feet. It is understood and agreed by and between the parties that the State, at the State's sole option, may unilaterally amend the sublease to exercise options described herein.~~

Surrender of Possession 28. Upon termination or expiration of this sublease, the State will peacefully surrender to the Sublessor the subleased premises in as good order and condition as when received, except for reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which State has no control or for which Sublessor is responsible pursuant to this sublease. The State shall have no duty to remove any improvements or fixtures placed by it on the premises or to restore any portion of the premises altered by it, save and except in the event State elects to remove any such improvements or fixtures and such removal causes damages or injury to the subleased premises, and then only to the extent of any such damage or injury.

Time of Essence, Binding upon Successors 29. Time is of the essence of this sublease, and the terms and provisions of this sublease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns to the respective parties hereto. All of the parties hereto shall be jointly and severally liable hereunder.

**No Oral
Agreements**

30. It is mutually understood and agreed that no alterations or variations of the terms of this sublease shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

**Construction
Related
Accessibility
Standard
Compliance Act**

31. Pursuant to California Civil Code §1938, the Sublessor states that the subleased premises:
- ☐ have not undergone an inspection by a Certified Access Specialist (CASp). Although state law does not require a CASp inspection of the premises, the Sublessor may not prohibit the subtenant from obtaining a CASp inspection of the premises for occupancy by the subtenant, if requested by the subtenant. 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 with the premises.
 - ☒ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the subleased premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.53 et seq. Sublessor shall provide a copy of the current disability access inspection certificate and any inspection report to the State within seven days of the date of execution of the sublease pursuant to subdivision (b).
 - ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the subleased premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.53 et seq. Sublessor shall provide a copy of any inspection report to the State prior to the execution of the Sublease. If the report is not provided to the State at least 48 hours prior to execution of the sublease, the State shall have the right to rescind the sublease, based upon the information contained in the report, for 72 hours after execution of the sublease.

Insurance

32. Sublessor understands and agrees to the following:

In accordance with Government Code section 11007.4, the State of California has elected to be self-insured for liability exposures. Under this form of insurance, the State and its employees acting in the course and scope of their employment are insured for tort liability arising out of official State business. All claims against the State of California based on tort liability should be presented as a government claim to the Victim Compensation and government Claims Board, P.O. Box 3035, Sacramento, CA 95812-3035. (Gov. Code Section 900, et seq.) Internet link www.vcgcb.ca.gov.

The State of California has also elected to be insured for its motor vehicle liability exposures through the State Motor Vehicle Liability Self-Insurance Program (VELSIP). This program provides liability coverage arising out of the operations of motor vehicles used by State employees for official business (California Vehicle Code Sections 17000 and 17001). Motor vehicle liability claims against the State of California should be presented to the Office of Risk and Insurance Management, PO Box 989052 MS-403, West Sacramento, CA 95798-9052, (800) 900-3634, claims@dgs.ca.gov. If your motor vehicles liability claim is not resolved within six months from the date of loss, California law requires you to file a formal claim with the Victim Compensation and Government Claims Board (Gov. Code section 900, et. seq.)

The State of California has a Master Agreement with the State Compensation Insurance Fund regarding workers' compensation benefits for all state employees, as required by Labor Code.

Indemnification

33. The State agrees to indemnify and hold harmless the Sublessor to the extent authorized by Government Code Section 14662.5 and agrees to repair or pay for any damage proximately caused by reason of the State's use of said premises during the term of this sublease, except to the extent that any such damages or expenses suffered by Sublessor are the result of Sublessor's negligent or wrongful acts or the acts of any persons acting under or on behalf of the Sublessor and/or where the State is found to have no liability by reason of any immunity arising by statute or common law in connection with the fulfillment of the State's constitutional and statutory public responsibilities.

Sublessor agrees to indemnify and hold harmless the State in the event of any claim, demand, cause of action, judgments, obligations, or liabilities, and all reasonable expenses which State may suffer as direct and proximate result of the negligence or other wrongful act or violation of law by the Sublessor, its employees, or any person or persons acting under the direct control and authority of the Sublessor or its employees, in connection with the State's occupancy of said premises under and during the term of this sublease except to the extent that any such damages or expenses suffered by State are the result of State's sole negligence.

Subject to Master Lease

34. This Sublease is and shall be at all times subject and subordinate to the provisions of the Master Lease and the rights of Master Landlord pursuant to the Master Lease. Except as specifically provided herein, to the extent the terms of this Sublease conflict with the terms of the Master Lease, the Master Lease shall control and to the extent that any of the terms of this sublease directly conflict with a term of the Master Lease or purport to grant State a right that the Sublessor is not entitled to under the Master Lease, such term hereof shall be of no force or effect.

Superseding An Existing Sublease

35. Effective upon acceptance and occupancy of this space hired herein, this lease supersedes and cancels that certain sublease for premises located at 9650 Ninth Street, Rancho Cucamonga, California, dated September 9, 2016, by and between San Bernardino County as Sublessor, and the State of California by and through its Director of the Department of General Services.

IN WITNESS WHEREOF, this sublease has been executed by the parties hereto as of the date first above written.

STATE OF CALIFORNIA
Approval Recommended

COUNTY OF SAN BERNARDINO

See attached Signature page

DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

By [Signature]
Clyde Stormont, Real Estate Officer
Real Estate Leasing and Planning Section

Date 1/30/23

Approved

DIRECTOR OF THE DEPARTMENT
OF GENERAL SERVICES

By [Signature]
Brian Hensley, Leasing Manager
Real Estate Leasing and Planning Section

Date Jan 30, 2023

~~COUNTY OF SAN BERNARDINO~~ COUNTY

Dawn M. Rowe

Dawn M. Rowe ~~Curt Hagman~~, Chairman
Board of Supervisors

Date: JAN 24 2023

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

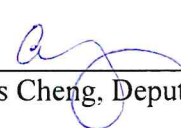
Lynna Monell, Clerk of the Board of
Supervisors

By: 
Deputy

Date: JAN 24 2023

Approved as to Legal Form:

TOM BUNTON, County Counsel
San Bernardino County, California

By: 
Agnes Cheng, Deputy County Counsel

Date: 1/4/2023



EXHIBIT A-1

ON FILE WITH

CLERK OF THE

BOARD

EXHIBIT B – OUTLINE SPECIFICATIONS

PROJECT: OFFICE QUARTERS PROJECT NO.: 2775
AGENCY: Employment Development Department LEASE NO.: 5256-001
LOCATION: 9650 Ninth Street DATE: May 13, 2021
Rancho Cucamonga, CA 91730

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PLANNER: Carrie Gordon PHONE: 279.946.8599
EMAIL: carrie.gordon@dgs.ca.gov

Confirmation Statement

I/we have read this Exhibit B: Outline Specifications and understand it is incorporated into, and is part of, this lease. I/we have acknowledged each and every page by placing my/our initials on this cover sheet.

Initials OR

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

DIVISION 1 – GENERAL REQUIREMENTS

1.1 SUMMARY

The Outline Specifications describe minimum standards of quality and performance for premises occupied by the State. Construction methods or materials other than those stated herein may be acceptable if, in the opinion of the State, they provide equal quality and performance.

1.2 RELATED DOCUMENTS

- A. Lease
- B. Exhibit "A" – Plans or Facility Design Program (written narrative)
- C. Exhibit "B" – Division 3 Special Provisions:
 - 1. Refer to Division 3 of this specification for Special Provisions, which may amend and/or supersede Division 1 and 2 requirements.
- D. Exhibit "B" – Division 4 Technical Requirements:
 - 1. Refer to Division 4 of this specification for Technical Requirements, which may amend or supersede Division 1 and 2 requirements.
- E. Exhibit "C" – Administrative Requirements
 - 1. Refer to Exhibit "C" for specific requirements related to the following:
 - a) Access Compliance Procedures (California Building Code/Americans with Disabilities Act)
 - b) Green Building Practices

1.3 GENERAL PROVISIONS

- A. Wherever reference is made to "State," "Agency," "Department," or other State of California administrative department, this shall be construed to mean the Department of General Services, Real Estate Services Division, Real Estate Leasing and Planning Section, here and after referred to as DGS.
- B. The State's intent is to achieve adequate standards of quality while avoiding unnecessary alterations, so that in all cases where an existing feature is acceptable to DGS, the Lessor's obligation is only to maintain that feature as it exists.
- C. The Lessor shall immediately address conflicts, omissions, or errors if discovered within the Exhibits, or any question regarding interpretation or clarification, by submitting in writing to the State a Request for Information (RFI). Responses from the State will not change any requirement of the lease exhibits unless so noted by the State in the response to the RFI. In case of conflicts between "Exhibit A" and Exhibit "B," the Exhibit "A" supersedes these specifications.
- D. Lessor shall patch, repair and refinish to match, all existing surfaces disturbed by the new construction. Upon completion of the project, there shall be no visual difference between the new work and the existing conditions. No changes, modifications, or substitutions shall be made to the premises as shown, except with the prior written approval of DGS.
- E. LEED Certification:
 - 1. When the lease contract requires LEED (Leadership in Energy and Environmental Design) certification the Lessor shall refer to the following requirements:
 - a) The Lessor shall assign the DGS planner as a team member on the LEED-Online workspace.
 - b) In a newly constructed building of 10,000 square feet (sf) or greater, the Lessor shall obtain Silver-level LEED certification or better from the U.S. Green Building Council (USGBC) within 12 months of project occupancy.
 - i. For requirements to achieve Silver certification, Lessor must refer to the latest version of LEED at <http://www.usgbc.org>. At completion of LEED documentation and receipt of final certification, the Lessor must provide

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 1

DGS an electronic copy on a compact disc of all documentation submitted to USGBC. Acceptable file format is Adobe PDF saved to disc from the LEED-Online workspace and templates. In addition, a DGS or tenant representative shall have access to the LEED-Online workspace during design and through the term of the lease.

- ii. Prior to the end of the first year of occupancy, if the Lessor fails to achieve LEED Silver certification, the State may assist the Lessor in implementing a corrective action program to achieve a LEED Silver certification and deduct its costs (including administrative costs) from the rent.
- c) In tenant improvements of 10,000 sf or greater, the Lessor shall obtain Silver-level certification or better from USGBC within 12 months of project occupancy. The DGS planner shall be consulted during the point selection process, and selection of which points to obtain shall be decided by mutual agreement. Points related to indoor air quality and lighting are a priority to the State.
 - i. For requirements to achieve certification, Lessor must refer to latest version of the LEED Reference Guide at: <http://www.usgbc.org>. At completion of LEED documentation and receipt of final certification, the Lessor must provide DGS an electronic copy on a compact disc of all documentation submitted to USGBC. Acceptable file format is Adobe PDF copied to disc from the LEED-Online workspace and templates. In addition, the Lessor will provide DGS viewing access to the LEED-Online workspace during design and throughout the time of the lease.
 - ii. Prior to the end of the first year of occupancy, if the Lessor fails to achieve LEED Silver certification, the State may assist the Lessor in implementing a corrective action program to achieve LEED certification and deduct its costs (including administrative costs) from the rent.
- d) When LEED certification is obtained, the Lessor shall provide two original LEED certificates to DGS.
- F. Prevailing wage: For those projects defined as "public works" pursuant to Labor Code §1720.2, Lessor/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.
- G. Project schedule: Upon execution of the lease, Lessor shall issue to DGS a complete and detailed Critical Path Method (CPM) schedule for the project, which may be adjusted by mutual agreement as the project proceeds. The schedule shall include allowances for periods of time necessary for the installation of State-owned equipment and modular systems furniture.
- H. Construction costs: Prior to construction, Lessor shall provide to the State competitive bids from at least three licensed contractors/subcontractors and shall contract with the lowest acceptable bidder. The bids shall include all charges such as (but not limited to) labor, materials, tools, equipment, fees, taxes, shipping, handling, permits, inspections, and fabrication for the work defined in the lease exhibits. The bids shall also include any architectural and engineering fees. The bids shall be itemized unit cost construction estimates developed by using the Construction Specification Institute (CSI) format, titles, and numbering system. Lump sum cost estimates are not acceptable.
- I. New shell condition: The following items shall be provided by the Lessor and shall not be construed as tenant improvements:
 - 1. Exterior window coverings
 - 2. Capital improvements to the building's core and shell
 - 3. Building's perimeter walls and core walls with drywall finish ready for paint
 - 4. Fire sprinkler main loop including drops and heads

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

5. Electrical service at a minimum of 5 watts per square foot
 6. HVAC equipment and ducting to the premises
 7. Code-required toilet room facilities
 8. Americans with Disabilities Act (ADA) and California Building Code (CBC) compliance work to correct all deficiencies to comply with current code.
- J. Previously constructed and occupied space (second-generation condition): In addition to items in paragraph I above, Lessor shall provide the following at no cost to the State:
1. Code-compliant ceiling
 2. Code-compliant lighting systems
 3. Any code-required exit door and frame assemblies
- K. Usable area calculation: For the purpose of determining the net usable square feet, State-leased space shall be calculated as follows:
1. Net usable office area includes all areas assigned to the State such as: offices, conference rooms, reception rooms, special use and supply rooms, hallways within the space, laboratories, private toilet rooms/showers, break rooms, auditoriums, cafeterias, and spaces exclusively used by the State. Net usable office area does not include stairwells, stacks/shafts, janitor closets, mechanical rooms, electrical rooms, code-required toilet rooms, code-required common areas, corridors and common area lobbies. Net usable office area is measured from the finished surface of the office side of the corridor and other permanent walls, the dominant surface (wall or glazing) of the exterior walls, and from the centerline of demising walls separating other building tenants.
- L. Record documents: Lessor, at Lessor's sole cost and expense, shall provide the State accurate architectural drawings of the "as-is" condition of the space to be leased, including building common areas, site/parking plan, and path of travel. The drawings shall be in an electronic format to be determined by DGS. Any required re-design work caused by discrepancies with the "as-is" drawings shall be the responsibility of the Lessor.
- M. Green building practices: The Lessor shall operate and maintain the leased premises in accordance with best practices to achieve energy efficiency, sustainability, improved air quality, reduced water usage and maximum recycling efforts throughout the term of the lease.
1. New (state) building leases shall, where economically feasible, include sub-meters and provide energy use data into Energy Star's Portfolio Manager.
 2. Renegotiated state (building) leases for buildings where the State is a sole tenant shall provide energy use data into Energy Star's Portfolio Manager.
 3. New and renegotiated state building leases shall encourage landlords to participate in utility-sponsored energy conservation measures, using alternative financing.
 4. Where economically feasible, Lessors are encouraged to implement measures of the California Green Building Standards Code (CalGreen) related to indoor environmental quality for all new or renegotiated leases.
 5. The State will identify and pursue opportunities to provide electric vehicle charging stations, and accommodate future charging infrastructure demand, at employee parking facilities in new and existing buildings.
 6. All equipment and appliances provided by Lessor shall be Energy Star-labeled if Energy Star is applicable to the equipment or appliance.
 7. Wherever restroom fixtures are replaced during construction, the California Green Building Standards voluntary measures are to be met to achieve a further reduction in water usage for state-leased space (Tier 1, 30 percent reduction minimum). Lessor to implement annual irrigation system audits, including leak detection, and perform immediate repairs to minimize any water loss.
 8. Lessor to implement annual irrigation system audits, including leak detection, and perform immediate repairs to minimize any water loss.

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 1

- 9. New and renegotiated state leases shall, when economically feasible, include provisions for reporting water use and installation of sub-meters where appropriate.
- N. Submittals: Lessor shall submit shop drawings of product data, as well as samples, to the State for review prior to construction or fabrication.
- O. Material Safety Data Sheet (MSDS): Prior to construction and upon request by the State, Lessor shall provide MSDS of all products or materials used in the maintenance, repair or renovation of the premises.

1.4 CONSTRUCTION AND CODE CRITERIA

- A. Construction documents: The Exhibit "A" Plan or the Exhibit "A" Facility Design Program (written narrative) are design development guidelines only. Lessor shall provide all required construction documents and calculations necessary to obtain a building permit from the local Building Department and to construct the improvements as indicated. The use of the Exhibit "A" Plan in lieu of construction documents is not acceptable to the State.
 - 1. Prior to submitting construction documents to the local building department for plan check or permitting, Lessor shall submit said construction documents to DGS for review. Any DGS comments to the construction documents shall be construed as advisory only and shall not relieve the Lessor in any respect from full compliance with Exhibits "A," "B" and "C" or any other exhibits.
 - 2. Lessor's architect, engineers, consultants, and contractors shall have current and valid licenses/certifications issued by the state of California.
 - 3. During construction of building's core, shell, and/or tenant improvements, Lessor shall maintain at the project site a complete set of lease exhibits consisting of Exhibits "A," "B," "C" and any other exhibits for DGS use.
- B. Fire and Life/Panic Safety: Concurrent with submission to the building department for permitting, Lessor shall submit a complete set of construction documents, including fire sprinkler plans and fire alarm plans, to the local Fire Marshal or authority having jurisdiction for plan check, permits, and inspections. No construction shall commence without approved plans.
- C. Access compliance: Lessor shall ensure that all new work and existing conditions comply with the requirements of California Code of Regulations (CCR) Title 24, California Building Code (CBC), and Americans with Disabilities Act (ADA). State agencies are public entities and shall comply with Title II of the ADA. Exceptions to the code for existing buildings are not permitted. Where CBC requirements conflict or differ with ADA requirements, the most stringent requirement shall take precedence. Access compliance shall apply to exterior areas such as, but not limited to, path of travel to and from public transportation and public right-of-way; parking; passenger drop-off and loading zones; walks and sidewalks; curb ramps; ramps; and all stairs. Access compliance shall also apply to interior areas such as, but not limited to, entrances and exits; lobbies; building common areas; elevators; access lifts; doors and gates; access to and through all rooms and spaces; restrooms; signs and identification; counters; waiting and seating areas; assistive listening systems; drinking fountains; alarms; and horizontal/vertical access. See Exhibit "C" for procedures.
- D. Codes and ordinances: All new work and existing conditions shall comply with all current regulations, laws, and ordinances of the governmental authorities having jurisdiction, as well as the applicable editions of the following codes, including but not limited to:
 - 1. Title 8 CCR, Industrial Relations
 - 2. Title 17 CCR, Public Health
 - 3. Title 19 CCR, Public Safety, State Fire Marshal Regulations
 - 4. Title 24 CCR, Part 1-Building Standard Administrative Code
 - 5. Title 24 CCR, Part 2-CBC, Vols. 1 & 2

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

6. Title 24 CCR, Part 3-California Electrical Code (CEC)
7. Title 24 CCR, Part 4 California Mechanical Code (CMC)
8. Title 24 CCR, Part 5-California Plumbing Code (CPC)
9. Title 24 CCR, Part 6 CEC
10. Title 24 CCR, Part 9-California Fire Code (CFC)
11. Title 24 CCR, Part 11 California Green Building Standards Code
12. Title 24 CCR, Part 12-California Reference Standards Code

If fire-life safety, health hazards, and/or noncompliant code conditions are discovered either before or after occupancy, then Lessor, at Lessor's sole cost and expense, shall correct the condition.

- E. Building permit: Lessor shall obtain a building permit for the required construction from the local building departments, if required. In the event there is no local building department, Lessor, at Lessor's sole cost and expense, shall provide a third-party, independent Inspector of Record (IOR). The IOR shall perform periodic inspections on the work for conformance with all regulations, laws and ordinances.
- F. Safety evacuation plans: Lessor shall provide safety evacuation plans of the leased premises. The safety evacuation plans shall clearly delineate evacuation routes, exits, fire extinguishers, and fire alarm pull station locations. The plans shall be a minimum of 8"x10" in size, framed and under glass or clear plastic. The plans shall be installed in all assembly occupancies including conference rooms, break rooms, reception areas, and where requested by the local Fire Marshal or authority having jurisdiction.
- G. Fire extinguishers: Lessor shall provide and install fire extinguishers. Fire extinguishers shall be housed in semi-recessed cabinets and shall be located as required by CA Title 19 CCR, Public Safety. Above each fire extinguisher, per current code requirements. Lessor shall furnish and install a red triangular shaped 3-D sign with printed text "Fire Extinguisher" with an arrow pointing down. Lessor shall provide annual servicing of the fire extinguishers throughout the term of the lease.
- H. Seismic performance: The State will consider only those facilities that can demonstrate the ability to meet a seismic performance level as set forth in:
 1. 1998 edition or subsequent editions of the California Building Code, or;
 2. 1976 edition or subsequent editions of the Uniform Building Code **and** the building does not have any one of the enumerated characteristics or conditions listed below:
 - a) Unreinforced masonry elements, whether load-bearing or not, not including brick veneer.
 - b) Precast, pre-stressed or post-tensioned structural or architectural elements, except piles.
 - c) Flexible diaphragm (e.g., plywood) shear wall (masonry or concrete) structural system constructed pursuant to editions of the Uniform Building Code prior to the 1997 edition.
 - d) Apparent additions, alterations, or repairs to the structural system made without a building permit.
 - e) Constructed on a site with a slope with one or more stories partially below grade (taken as 50 percent or less) for a portion of their exterior.
 - f) Soft or weak story, including wood frame structures with cripple walls, or if construction is over first-story parking.
 - g) Seismic retrofit of the building, whether voluntary or mandated, whether partial or complete.
 - h) Repairs following an earthquake. Welded steel moment frames (WSMF) that constitute the primary seismic force-resisting system for the building, and the structure was designed to code requirements preceding those of the 1997 edition of the Uniform Building Code, and the building site has experienced an earthquake of sufficient magnitude and site peak ground motions that inspection is required when any of the conditions of Section 3.2 of Federal Emergency

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

Management Agency (FEMA) 352 indicate an investigation of beam-column connections is warranted.

- i) Visible signs of distress or deterioration of structural or nonstructural systems, e.g., excessively cracked and/or spalling concrete walls or foundations, wood dry rot, etc.
3. Certification of the above requirements must be provided by an independent licensed structural engineer at the Lessor's expense.
4. Lessor shall provide and install all hardware required to brace and anchor all storage cabinets, lockers, bookcases, shelving units and similar furnishings 5'-0" or more in height whether provided by State or Lessor, in accordance with seismic design requirements of the code.
- I. Construction waste management:
 1. Items and materials existing in the premises, or to be removed from the premises during the demolition phase, are eligible for reuse in the construction phase of the project. The reuse of items and materials is preferable to recycling them; however, items considered for reuse shall be in refurbished condition and shall meet the quality standards set forth by the State in this Lease. The Lessor shall submit a list of items for reuse and DGS shall make the final determination for acceptance.
 2. Recycling construction waste is mandatory for initial space alterations and tenant improvements under the Lease.
 3. Recycling construction waste means providing all services necessary to furnish construction materials or wastes to organizations that will employ these materials or wastes in the production of new materials. Recycling includes required labor and equipment necessary to separate individual materials from the assemblies of which they form a part.
 4. The Lessor shall recycle the following items during both the demolition and construction phases of the project, subject to economic evaluation and feasibility:
 - a) Ceiling grid and tile
 - b) Light fixtures, including proper disposal of any transformers, ballasts and fluorescent light bulbs
 - c) Duct work and HVAC equipment
 - d) Wiring and electrical equipment
 - e) Aluminum and/or steel doors and frames
 - f) Hardware
 - g) Drywall
 - h) Steel studs
 - i) Carpet, carpet backing, and carpet padding
 - j) Wood
 - k) Insulation
 - l) Cardboard packaging
 - m) Pallets
 - n) Windows and glazing materials
 - o) All miscellaneous metals
 - p) All other finish and construction materials
 5. If any waste materials encountered during the demolition or construction phase are found to contain lead, asbestos, polychlorinated biphenyls (PCBs) (such as fluorescent lamp ballasts), or other harmful substances, they shall be handled and removed in accordance with federal and state laws and requirements concerning hazardous wastes.
 6. In addition to providing "one-time" removal and recycling of large-scale demolition items such as carpeting or drywall, the Lessor shall provide continuous facilities for the recycling of incidental construction waste during the initial construction.

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

7. Construction materials recycling records shall be maintained by the Lessor and shall be accessible to the State. Records shall include materials recycled or landfilled; quantity; date; and identification of hazardous wastes.
8. Leftover paint and open paint cans shall be returned to drop-off locations, paint retailers, hardware stores, transfer stations and household hazardous waste facilities for reuse, recycling or proper management. Unopened cans of paint shall be left on site for the Lessor's or agency's use for touch-up painting.

1.5 SUBSTANTIAL COMPLETION AND PROJECT COMPLETION

- A. Premises shall fully conform to all lease exhibits and shall be constructed in accordance with industry standards and best practices. Lessor guarantees that all mechanical, electrical, plumbing systems and other features (including architectural finishes, paint, hardware, doors, floor covering, etc.) are of quality capable of giving satisfactory service in accordance with these specifications for the term of this lease.
- B. Substantial completion is achieved when the building core, shell, and tenant improvements as defined in these lease exhibits, including the installation of any modular systems furniture (MSF), are sufficiently completed to allow the State to lawfully and physically occupy the premises for its intended purpose. Any work required to complete any outstanding punch-list items shall not interfere with or interrupt the State's daily operation. A DGS planner will make the final determination of when substantial completion is achieved.
- C. Lessor shall operate the HVAC system to provide continuous air for a minimum of 24 hours per day for seven days prior to occupancy.
- D. State employees, agents, and invitees shall have ready access to the building and premises through the main building entry and lobby. Elevators, stairs and restrooms shall be operational.
- E. The premises shall be free of all construction debris and thoroughly cleaned. Lessor shall touch up and restore damaged or defaced painted surfaces throughout the premises subsequent to installation of State's furnishing and equipment. All painting shall be coordinated with a DGS planner.
- F. Upon project completion, Lessor shall obtain final approvals from the authorities having jurisdiction and all punch-list items shall have been completed, and reinspected by the State. Lessor shall submit to the State the following completed documents, if applicable, with all appropriate signatures.
 1. Building permit
 2. Building inspection card
 3. Certificate of occupancy
 4. Fire Department approvals
 5. CBC/ADA Access Compliance Fee Calculation-Exhibit "C" Form E
 6. Verified Report-Exhibit "C" Form G
 7. LEED Certification-when applicable
 8. Air balance report
 9. Operation manuals and training for equipment such as (but not limited to) intrusion alarm system, video conferencing equipment, and appliances.

1.6 INDOOR AIR QUALITY

- A. Lessor shall implement mandatory measures and relevant and feasible voluntary measures of the CalGreen, Part 11, in new buildings and when performing alterations, modifications and maintenance.
- B. Maintenance staff shall use cleaning products that are low emitting; that meet Green Seal (GS) Standard GS-37; and that use non-chemical methods where feasible.
- C. Maintenance staff shall follow the Carpet and Rug Institute's Carpet Maintenance Guidelines for Commercial Applications.

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- D. Lessors shall, when feasible, use filters with a minimum efficiency reporting value (MERV) rating of no less than 13. Existing HVAC systems incapable of accommodating a 13 MERV rating shall use the highest MERV rating that their fan(s) can accommodate.
- E. All HVAC systems above 2,000 cubic feet per minute (cfm) shall be equipped with outdoor airflow measuring stations and be connected to a building energy management system, which shall be programmed to provide audible and visible alarms. For additional HVAC requirements see Division 2.

1.7 HAZARDOUS MATERIALS

- A. Lessor warrants and guarantees that the premises leased to the State will be operated and maintained free of hazard from asbestos, lead, mold, and PCBs.
 - 1. The areas include:
 - a) Premises leased to the State and air plenums in the same HVAC zone.
 - b) Common public areas which state employees or their invitees would normally and/or reasonably use.
 - c) Building maintenance areas, utility spaces, and elevator shafts within or servicing areas described in items (a) and (b) above.
 - 2. Lessor shall be responsible for all costs associated with the abatement of hazardous materials including (but not limited to) the following: cleanup of contaminated State-leased space, State-owned equipment, furnishings and materials and all required monitoring reports. Copies of all air monitoring reports shall be furnished to the State.
 - 3. The State-leased space shall be maintained at or below the permissible exposure levels for all substances regulated under Title 8 California Code of Regulations Section 5155. If it is determined by the State that the tenant must be relocated to prevent exposure above the permissible level, the Lessor shall provide comparable accommodating space at no cost to the State. In addition, the Lessor shall pay for all costs associated with this move including (but not limited to): administrative, furniture, communications contracts and equipment costs.
 - 4. In the event that after written notice is provided by the State, the Lessor fails, refuses, or neglects to diligently pursue abatement of any hazardous material, the State may affect such abatement. The State may deduct all reasonable costs of such abatement of hazardous materials from the rent.
 - 5. The Lessor shall indemnify, defend, and hold the state of California, its officers, and employees harmless from and against any and all losses, damages, judgments, expenses (including court costs and reasonable attorney fees), or claims whatsoever, arising out of, or in any way connected with or related to, directly or indirectly, the presence of hazardous materials within the State-leased space or the building in which the leased premises are located.
- B. Asbestos:
 - 1. For buildings constructed prior to January 1, 1979, the Lessor shall provide the State with a current written asbestos survey of the areas listed in Section 1.6. A.1. An independent California Division of Occupational Safety and Health (CalOSHA) Certified Asbestos Consultant shall complete the survey.
 - 2. For buildings constructed after December 31, 1978, and prior to any tenant improvements or major repairs, the Lessor and Lessor's construction contractor are responsible for sampling any suspected asbestos-containing material (ACM) to be disturbed during the project. Where ACM is suspected to be present, the Lessor shall provide the State with a written asbestos survey covering all materials to be disturbed during the project; the survey shall be performed by an independent Lessor-contracted consultant.

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3. Where ACM or suspect ACM has been identified by survey, the Lessor shall provide the State with a copy of a written Operations and Maintenance (O&M) plan. This O&M plan must be effective in minimizing damage or disturbance of any ACM or suspect ACM and provide for quick repairs of the same.
 4. If damaged ACM or suspect ACM is found, or the physical condition of ACM indicates possible fiber release, a response action in accordance with the approved O&M plan shall be conducted. The approved O&M plan shall include provisions for air sampling by an independent Certified Industrial Hygienist during and at the completion of all response actions. Analysis of air samples shall be conducted utilizing Transmission Electron Microscopy (TEM). The standard for reoccupancy of an affected area shall be concentrations at or below 70 asbestos structures per millimeter squared (structures/mm²).
 5. Lessor shall perform asbestos notification as required by Chapter 10.4 of the Health and Safety Code. Any abatement work shall be performed by a licensed contractor with asbestos certification (ASB). The State reserves the right to establish consultant oversight of any asbestos-related work program at its expense.
 6. In addition to any other remedies it may have, in the event the Lessor fails to diligently pursue abatement of hazard from ACM, as required under the provisions of this lease, the State may, by notice in writing, terminate this lease. Lessor shall be liable to the State for all expenses, losses and damages reasonably incurred by the State as a result of such termination, including (but not limited to) additional rental necessary to pay for an available, similar replacement facility. This rental shall extend over the period of what would have been the remaining balance of the lease term plus any option periods, costs or any necessary alterations to the replacement facility, administrative costs, and costs of moving furniture, data processing, and telephone equipment.
- C. Lead material:
1. Any material suspected of containing lead within the areas listed in Paragraph "A" shall be tested and identified through sampling by an independent California Department of Public Health (CDPH) Certified Lead-Related Construction Inspector/Assessor.
 2. In the event lead removal is required, Lessor shall provide an independent CDPH Certified Lead-Related Construction Inspector/Assessor to inspect the quality of work for compliance with applicable regulations; perform air monitoring; perform a final clearance visual inspection; conduct wet wipe sampling/lab analysis; and ensure proper handling and/or disposal of hazardous waste.
- D. Mold:
1. The Lessor shall operate and maintain the leased premises to be free of hazard from mold.
 2. If mold is detected within the State-leased space, an immediate response action in accordance with industry standard practices shall be undertaken by the Lessor. The Lessor shall contract for the services of an independent CalOSHA/Certified Industrial Hygienist to determine the appropriate response action.
 3. Lessor shall be responsible for all costs associated with any hazard response action.
- E. Underground Storage Tanks (UST):
1. Lessor shall comply with the requirements of the California Health and Safety Code, Section 25280-25299.8 (Underground Storage Tanks).

END OF DIVISION 1

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

DIVISION 2 – DESIGN REQUIREMENTS

For items that are shown with strikethrough (~~strikethrough~~) please refer to Division 3 – Special Provisions for amendments to the requirements.

2.1 FLOOR CONSTRUCTION AND FINISHES

A. Concrete floor:

1. Concrete floor construction is the standard for comparison. Floor of another material may be acceptable provided its use does not produce or transmit sound or vibration to a greater degree than a 4" reinforced concrete slab.
 - a) Lessor shall provide certification that the concrete slab is level and does not exceed a variance of ¼ inch in 10 feet from a true flat plane.
 - b) Where slab is out of compliance, leveling shall be achieved using a high-strength concrete topping compound, i.e., Mapei, Ardex, Inc., K-500, Hacker Ind., Firm Fill 4010, Maxxon, Level-Right, or approved equal material.
2. Concrete floors in janitor closets, mechanical, and/or electrical utility rooms shall be cleaned and treated with epoxy coating. Office areas throughout shall have carpet or other floor covering with 4" high cove base, unless noted otherwise. Floors in toilet rooms shall be of nonabsorbent material impervious to moisture, such as ceramic tile or approved equal, with minimum 4" high cove base. Floor covering shall extend under counters and cabinets. Colors and patterns shall be as selected or approved by State.
3. Prior to the installation of any finish floor material, Lessor shall perform a quantitative moisture test on the concrete slab. The test shall be administered in accordance with the flooring material manufacturer's written guidelines or recommendations. In the event the moisture content exceeds the flooring material manufacturer's recommendation, the Lessor, at Lessor's sole cost and expense, shall provide and install a waterproofing sealer as recommended by the flooring material manufacturer.
4. Exposed concrete floors are not acceptable in toilet rooms, locker rooms or shower rooms.

B. Carpet flooring – General:

1. Lessor shall provide and install carpet and cove base where shown in Exhibit "A." All carpet shall comply with American National Standards Institute (ANSI) NSF 140-2007 Platinum level.
 - a) When requested by DGS, Lessor shall submit carpet samples to DGS for selection. The samples shall be from a minimum of three different manufacturers and consist of a variety of patterns, textures, colors and styles.
 - b) Carpet shall have random graphic pattern loop non-generic branded, 6 or 6.6 nylon face yarn with inherent static control.
 - c) Broadloom loop pile carpet shall have inherent static control capability to assure a maximum 3.5 KV rating at 20 percent relative humidity and 70° F as measured by American Association of Textile Chemists and Colorists (AATCC) Test Method 134.
 - d) Carpet shall be installed according to manufacturer's guidelines. The carpet shall be securely attached; have a firm cushion, pad or backing; and be of level loop, textured loop, level-cut pile, or level-cut/uncut pile texture. The maximum pile height shall be ½ inch.
 - e) The carpet backing shall have a minimum 10-year guarantee against tuft pull and zippering, and surface wear shall not be more than 10 percent within 10 years.
 - f) Carpet adhesives shall be non-toxic, low-odor, solvent-free, and shall not produce toxic vapors or contain carcinogenic materials.

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- g) Carpet shall meet federal, state and local flammability standards.
 - h) Carpet shall be installed in accordance with the Carpet and Rug Institute (CRI) Carpet Installation Standard. The installation shall be guaranteed against bubbling, wrinkling, stretching/shrinking, opening seams, or other evidence of poor materials and workmanship for a period of two years following installation. This guarantee shall cover normal wear and tear and note deficiencies occurring as a result of damage, negligence and/or alterations. The materials shall be guaranteed against wear, delamination, tuft bind and be lightfast for a period of 10 years. The material shall remain colorfast as a result of atmospheric contaminants for a period of five years after installation.
 - i) Lessor shall maintain the carpet according to manufacturer's guidelines.
- C. Broadloom carpet requirements:
- 1. Density: 6000 minimum; heavy commercial use.
 - 2. Density: 36x finished pile weight divided by pile height.
 - 3. Tuft bind for broadloom shall be minimum 6 lbs., ASTM D 1335-98, Standard Test Method for Tuft Bind (edge ravel) of Pile Yarn Floor Coverings, tested wet or dry. Warranty edge ravel for 10 years.
 - 4. Face yarn weight: Minimum 22 oz./sq. yd.
 - 5. Minimum of 10 lbs. backing delamination test, ASTM D 3936-05 Standard Test Method for Resistance to Delamination of the Secondary Backing of Pile Yarn Floor Covering.
 - 6. Minimum rating of 7 anti-stain tests; AATCC Test Method 175-2008 Stain Resistance Pile Floor Coverings.
 - 7. Lessor shall provide 2 percent of product overage, including accent carpet, up to a maximum of 100 sq. yards from the same dye lot for future repairs.
- D. Carpet tile requirements:
- 1. Density: 5000 minimum; heavy commercial use.
 - 2. Tuft bind strength shall be minimum 5 lbs., ASTM D 1335-98: Standard Test Method for Tuft Bind (edge ravel) of Pile Yarn Floor Coverings, tested wet or dry. Warranty edge ravel for 10 years.
 - a) Face yarn weight: Minimum 16 oz./sq. yd.
 - b) Minimum of 10 lbs. backing delamination test, per ASTM D 3936-05 Standard Test Method for Resistance to Delamination of the Secondary Backing of Pile Yarn Floor Covering.
 - c) Minimum rating of 7 anti-stain tests, per AATCC Test Method 175-2008 Stain Resistance Pile Floor Coverings.
 - d) Lessor shall provide 2 percent of product overage, including accent carpet, up to a maximum of 100 sq. yards from the same dye lot for future repairs.
- E. Ceramic tile flooring requirements:
- 1. Ceramic tile flooring shall have a coefficient of friction of at least 0.6 per ASTM C 1028 (0.8 percent on sloped surfaces steeper than 6 percent). Unless otherwise noted by DGS, provide slip-resistant floor tile with matching wall tile base, and include all inner and outer corner and trim pieces. All adhesives, mastics, and grouts shall be non-toxic and low in volatile organic compound (VOC) emissions and shall be as recommended by the ceramic tile manufacturer. All grout shall be sealed and maintained according to manufacturer's guidelines.
- F. Resilient flooring requirements:
- 1. Resilient flooring shall meet ASTM F 1066, FS SS-T-312B, Type IV, Composition 1, Class 2, 12" x 12" having uniform thickness of 1/8" with square true edges of manufacturer's standard color and pattern as selected. Product shall comply with all regulations controlling the use of VOCs. Provide one carton (40 pieces) of additional matching floor tile.

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2. Resilient flooring shall have a coefficient of friction of at least 0.6 per ASTM D 2047. It shall be installed in strict accordance with manufacturer's approved installation instructions using the appropriate recommended 100 percent solvent-free adhesive.
- G. Rubber base requirements:
 1. Lessor shall provide and install cove wall base at all carpet and resilient floor finish areas. Wall base shall be extruded rubber cove, 1/8" thick x 4" high complying with ASTM F-1861. The color shall be selected by DGS.

2.2 EXTERIOR WALLS

- A. Exterior walls, including door and window assemblies, shall be weatherproof. All cracks that allow outside air to penetrate the building's envelope shall be sealed.
- B. Exterior walls shall be insulated to comply with CCR Title 24.

2.3 INTERIOR WALLS, PARTITIONS AND VESTIBULES

- A. Walls and partitions shall be ceiling height unless otherwise noted in Exhibit "A" or Division 3 'Special Provisions.' Subject to code limitations, those indicated as new partitions may be wood or metal stud with plaster or gypsum wallboard or other construction of equal sound transmission coefficient (STC). Provide a minimum STC 32. Demising walls separating State premises and other building tenants shall extend to the underside of structure above and shall be constructed to achieve an STC 50.
- B. Walls of equipment rooms, toilet rooms, conference rooms, hearing rooms, quiet rooms, training rooms, interview rooms, employee break rooms, and where otherwise indicated in Exhibit "A," shall be insulated to prevent transmission of sound or vibration. Wall construction shall achieve a minimum rating of STC 50 as set forth in ASTM E 90.
- C. Furnish and install insulation batts above the finished ceiling on each side of the wall for the entire length of the wall.
- D. Moisture-resistant wainscot of wall tile or other DGS-approved material shall be installed to all plumbing fixture walls and adjacent walls in the toilet rooms. Wall tile shall be a minimum of 4"x 4" glazed ceramic tile unless otherwise noted in Exhibit A. Wainscot shall extend a minimum of 4'-0" above finished floor, unless noted otherwise.
- E. Glazed openings in office partitions shall be set in metal frame assemblies and comply with Consumer Product Safety Commission impact-safety standards.

2.4 ROOF AND INSULATION

- A. Roof shall be weather tight and provided with a suitable drainage system that will effectively dispose of roof water without interfering with the use of premises.
- B. Roof shall be insulated such that the heat transfer values from roof to occupied areas comply with CCR Title 24.

2.5 CEILINGS

- A. Ceilings of office areas including reception, private offices, open office areas, corridors, and office storage areas shall have suspended "T" bar systems with acoustical lay-in tiles or other approved material with equivalent acoustical qualities. Ceiling heights shall be a minimum of 9'-0" and a maximum of 12'-0" unless otherwise approved by DGS.
- B. Where existing "T" bar system with acoustical lay-in tiles are reused, Lessor shall modify ceiling system as necessary to comply with all seismic safety regulations. "T" bar system and ceiling tiles shall be free of all dirt, dust, stains, and damage. Where replacement tiles are installed, all tiles shall be arranged as necessary to provide a uniform appearance in each enclosed space.
- C. Ceilings shall be a flat plane in each room and shall be suspended and finished as follows unless an alternate equivalent is preapproved by the State:
 1. Restrooms and evidence board rooms: Plastered or spackled and taped gypsum board.

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2. Offices, conference rooms and open office: Mineral and acoustical tile or lay-in panels with textured or patterned surface and regular edges or an equivalent preapproved by the State. Tiles or panels shall contain a minimum of 30 percent recycled content.

2.6 DOORS

- A. All interior doors shall be solid-core flush wood doors with wood veneer suitable for stain or paint finish. Doors shall be a minimum dimension of 3'-0" x 6'-8" x 1-3/4".
- B. Doors shall be manufactured per Window & Door Manufacturers Association (WDMA) and Architectural Woodwork Standards (AWS).
- C. The formaldehyde emission level of all new doors shall not exceed 20 parts per million.
- D. Glass vision panels in interior doors and sidelights shall be minimum 1/4" clear tempered glass set in metal frame assemblies. Fire protective glass assemblies shall be provided where required by code.
- E. Fire-rated door and frame assemblies shall be installed where noted in Exhibit "A" or as required by code. Doors and frames shall bear Underwriters Laboratory (UL) label for required fire-resistive rating.
- F. Doors separating conditioned and non-conditioned space shall have weather stripping to effectively limit air infiltration. Adhesive foam-type or felt weather stripping is not acceptable.
- G. Where indicated on plans, or required by code, a roll-down steel fire shutter bearing a UL 3/4 hour, "C" label shall be provided. Emergency operation shall be by smoke detectors with adjustable time delay, initially set at 45 seconds.
- H. Where existing door and frame assemblies are reused, Lessor shall patch, repair, adjust, and refinish the assemblies to provide a new-looking appearance.

2.7 DOOR HARDWARE

- A. Lessor shall provide and install door hardware and related items including keying of locksets necessary for a complete installation and operation of doors.
- B. All hardware shall be CBC/ADA access compliant, heavy-duty commercial quality equal to Schlage, Von Duprin or Falcon.
- C. Door hardware shall include (but is not limited to): cylindrical lock and latch sets, door butt hinges, doorstops, push plates, door pulls, closers, and exit devices.
- D. Hinges for exterior outswing doors shall have non-removable pins.
- E. Doorstops shall be provided and installed wherever an opened door or any item of hardware thereon would strike a wall, column, equipment, or other parts of building construction. Doorstops shall be floor-mounted.
- F. Lessor shall key all keyed locksets as directed by tenant agency and shall provide a minimum of three keys for each lock.
- G. Metal thresholds and weather strips shall be provided to all exterior doors. Thresholds shall have non-slip abrasive finish.
- H. Adjustable door closers shall be provided on entrance doors, toilet room doors, vestibule doors, doors with access-control hardware, and where shown on plans, and required by code.
- I. Metal kick plates that are 10" high shall be provided and installed on the push side of all doors equipped with door closers.

2.8 MILLWORK

- A. Lessor shall provide and install new millwork as shown and where indicated in Exhibit "A."
- B. All millwork shall be manufactured and installed in accordance with the AWS' latest edition for custom grades. Prior to fabrication, Lessor shall submit to DGS shop drawings of all new millwork.

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- C. Cabinets shall be of sizes and types as indicated in the Exhibit "A." Base cabinets shall have one row of drawers and one adjustable shelf below with concealed hinged doors, unless noted otherwise. Lessor shall provide a 4" toe space at base cabinets. Upper cabinets shall have two rows of adjustable shelves and hinged doors, unless noted otherwise.
- D. Counter tops shall be finished with plastic laminate or solid surface material. Counter tops shall be self-edged unless otherwise noted. Counter tops with sinks shall be fully formed and have a no-drip edge, and coved splash joint. All counter tops shall have a back and side splash unless otherwise noted. Sinks shall have a sanitary metal rim or be a self-rim stainless steel sink. Other materials may be submitted to the State for approval.
- E. Shelving units shall be a minimum of 3/4" thick white melamine, per AWS. Cover exposed edges with plastic laminate or hardwood edge bound.
- F. Face of millwork shall be high-pressure decorative plastic laminate. NEMA LD-3 grades as required by AWS.
- G. Lessor shall provide cabinet hardware such as (but not limited to): concealed hinges, pulls, catches, shelf rests, standards and brackets, and drawer slides. All hardware shall comply with ANSI A 156.9-01 and Builders Hardware Manufacturers Association.
- H. All millwork shall be installed in accordance with all seismic safety requirements of the code.
- I. Base cabinets containing sinks shall be CBC/ADA access compliant. Unless otherwise noted, Lessor shall provide cabinet doors with attached toe kicks with rubber base to conceal clear space below.

2.9 GYPSUM BOARD FINISH/PAINTING/WALL COVERING/SEALANTS

- A. Gypsum board finish shall be a smooth, blemish-free, level 4 finish and free of tool marks and ridges. Heavily textured wall surfaces are not acceptable.
- B. Water-based paints shall not be formulated with aromatic hydrocarbons, formaldehyde, halogenated solvents, mercury or mercury compounds, or tinted with pigments of lead, cadmium, chromium VI, antimony and their oxides. All architectural paints and coatings shall comply with VOC limits of the California Green Standards Code unless more stringent local limits apply.
- C. All wall texture and paint colors shall be selected and/or approved by DGS.
- D. New surfaces:
 - 1. New partitions without factory finish shall be painted with one coat of primer/sealer and two finish coats of premium quality latex, eggshell paint. Flat paint is not acceptable.
 - 2. Break rooms, toilet rooms, and janitorial closets shall be painted with semi-gloss enamel paint.
 - 3. Paint-grade doors and trim shall be latex semi-gloss enamel paint.
 - 4. Stained or natural finish wood shall be finished with sealer and two coats lacquer. They shall be finished using non-toxic, water-based urethanes or similar environmentally sensitive products.
- E. Existing surfaces:
 - 1. Interior walls and plaster or gypsum board ceilings shall be finished in latex eggshell paint.
 - 2. Heavy textured walls shall be sanded smooth and prepared for a new paint finish.
 - 3. Existing wall coverings shall be removed (unless otherwise noted), wall surface shall be prepared, and receive a new paint finish.
 - 4. Doors and frames shall be refinished to provide a new-looking appearance.
 - 5. HVAC registers and grilles shall be in a newly painted condition. In the event the registers are in poor condition; registers shall be replaced by the Lessor.
 - 6. Stained or natural finished wood shall be refinished with sealer and lacquer.

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- 7. Metal toilet stall partitions shall be repainted using electrostatic paint process.
- F. Where alteration work occurs, new painted surfaces shall extend to the natural break.
- G. Where wall covering is specified, the product shall be "breathable" to prevent mold and bacteria development. All adhesives (including but not limited to adhesives for carpet, carpet tile, plastic laminate, wall coverings, adhesives for wood, or sealants) shall meet the VOC content limit specified in CalGreen Sections 4.504.2.1-4.504.2.4 and 5.504.4.1-5.504.4.3.
- H. Interior sealants shall not contain mercury, butyl rubber, neoprene, styrene butadiene rubber (SBR), nitride, aromatic solvents (organic solvent with a benzene ring in its molecular structure), fibrous talc or asbestos, formaldehyde, halogenated solvents, lead, cadmium, hexavalent chromium, or their components.

2.10 BUILDING SPECIALTIES

- A. Toilet room partitions and accessories: In addition to any code-required toilet room accessories, Lessor shall furnish, install, maintain, and replenish where appropriate, the following accessories:
 - 1. Coin-operated sanitary napkin dispenser (one per women's toilet room)
 - 2. Folding utility shelf and coat hook (one per toilet stall)
 - 3. Mirror with metal frame assembly (one per lavatory, two or more lavatories may have one continuous mirror)
 - 4. Paper towel dispensers (one per every two lavatories)
 - 5. Sanitary napkin waste receptacle (one per women's toilet stall)
 - 6. Soap dispensers (one per lavatory)
 - 7. Toilet paper dispenser, continuous toilet-paper flow, capable of holding two rolls (one per toilet stall)
 - 8. Toilet seat-cover dispenser (one per toilet stall)
 - 9. Trash receptacles (one per toilet room)
- B. All accessories shall be constructed of stainless steel and exposed surfaces shall have satin finish.
- C. Toilet room partitions:
 - 1. New toilet stall partitions shall match building standard.
 - 2. Lessor shall furnish and install privacy screens at all urinal locations – screens shall match toilet partitions.
- D. Paper towel and soap dispensers:
 - 1. Where sinks and lavatories are provided for State's exclusive use, Lessor shall provide, install, and replenish paper towel and soap dispensers. Dispensers shall be constructed of stainless steel and exposed surfaces shall have satin finish. Locations shall include but are not limited to: break rooms, coffee bars, labs, work area, etc.
- E. Window treatment:
 - 1. Lessor shall provide and install horizontal or vertical window blinds or other DGS-approved device for privacy to all windows and interior glazed openings, including interior door sidelights.
 - 2. At sun-exposed areas, Lessor shall provide and install solar screens, reflective glass coatings, reflective glass panes, or other State- and Lessor-approved device for sun control.
- F. Knox Box:
 - 1. Where State occupies an entire building, Lessor shall furnish and install a Knox Box near building entrance as directed by Fire Department.
- G. Signage:
 - 1. Lessor shall provide and install room identification signage for all rooms.
 - 2. Lessor shall verify signage content, room number designation, and submit mockups of signage types to DGS for review and approval prior to fabrication.

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3. All signage located within the State's premises shall be tactile identification signage with raised letters and raised numbers between 5/8" and 2" high with a width-to-height ratio of between 3:5 and 1:1 and a stroke width-to-height ratio between 1:5 and 1:10. Letters shall be raised 1/32" above the background, sans-serif uppercase characters. Signage shall be installed per current code. Signage for all private offices shall have a clear 3"-4" high x 6" wide x 1/16" thick non-glare lens slide-out.
 - a) Characters and background of signage shall be eggshell, matte, or other non-glare finish.
 - b) Characters shall contrast with their background.
 4. Grade 2 California braille dots shall be raised 1/40" above the background. Braille shall be 1/10th inch on center within each cell and 2/10th inch between cells. Braille dots shall be domed or rounded.
 5. In addition to room identification signage, Lessor shall provide and install tactile exit signs and tactile exit route signs.
 6. Where signs are mounted on glass, such as but not limited to sidelights, furnish and install a blank of equal material, width, height, and background color to the opposite side of said glass.
 7. State of California identification:
 - a) On or near the suite entrance door, the words "STATE OF CALIFORNIA" shall be installed, and shall indicate the name of the State tenant/department/agency and suite numbers and shall include braille and tactile text and numbering.
 - b) Signage shall be building standard and subject to approval by the State. Painted or pressure-sensitive vinyl letters are not acceptable. Provide agency identification in the building directory, where available.
 8. Lessor shall provide "maximum occupancy" signage on the wall above or near the entry door for all conference, meeting, lunch, auditorium and assembly rooms.
 9. Exterior signs (applicable only if building is totally occupied by the State): Lessor shall provide and install exterior signs. Letters shall be of cast aluminum alloy, bronze, black anodized finish or dimensional plastic. Submit samples to DGS for approval. The words "STATE OF CALIFORNIA" and the name of the occupying department, and street address shall be in scale with the building elevation.
 - a) Lessor shall be solely responsible for any additional permits and fees.
- H. Assistive listening devices:
1. Lessor shall provide an assistive listening device system for all meeting, conference, quiet, assembly, and gathering rooms. The system shall comply with all accessibility requirements.
 - a) Occupant load less than 50:

One portable system per floor can be shared between rooms with occupant loads less than 50. The system shall be designed to accommodate the largest room size that is being shared. The portable, wireless FM-based system shall include high output acoustic headset(s) such as the Centrum Motiva PFM 360 (or current model) with disposable ear plugs, neck-loop(s), conference microphones and a lockable charger/accessory carry case large enough to hold all equipment. The system shall be hearing aid compatible. Lessor shall provide signage at reception area indicating that the device is available.
 - b) Occupant load of 50 or more:

Rooms with more than a 50-person occupant load and fixed seating must have a fixed assistive listening device system for 4 percent of the total number of seats in these rooms, but not less than two seats. Lessor shall provide signage inside each room and in the common hallway and/or corridor indicating that the device is available.
- I. Modular systems furniture (MSF):

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1. The State may elect to furnish and install MSF in lieu of traditional office furniture. MSF may be comprised of any combination of freestanding partition panels, panel-supported work surfaces, files, components, and access raceways.
 2. Where the State elects to install MSF as described above, Lessor, at Lessor's sole cost and expense, shall perform the following:
 - a) Obtain any required permits from the local jurisdiction.
 - b) Provide electrical engineering and installation of all wiring systems and components as necessary or required from the building's electrical system to the MSF for a complete and fully operational system.
 - c) Provide a minimum of four 20-amp circuits to each base feed and/or power pole feed. Each base feed or power pole shall serve a maximum of four workstations.
 - d) Coordinate electrical junction box locations with State-furnished MSF plans. See Division 3 Special Provisions for MSF wiring diagram.
 - e) Install voice and data communication cabling from the data communication closet to the final point of termination at the MSF panel.
 - f) Cut and assemble the supplied power pole to the appropriate length, insert pole into top trim of panel, align the pole true and plumb, seismically brace pole, cutting the correct size hole in the ceiling tile, routing the electrical and data conduit through the pole, and installing the ceiling escutcheon plate to complete the pole installation.
 - g) Coordinate the installation of new wall-mounted equipment to prevent interference with the MSF, such as electrical panels, lighting control switching, thermostats, and fire extinguisher cabinets.
 - h) Relocate any existing wall-mounted equipment as required to accommodate MSF.
 - i) State or its representative shall provide MSF layout drawing(s) to Lessor for use in the preparation of construction documents unless otherwise noted.
 - j) State shall complete all procurement procedures for purchase of MSF unless otherwise noted.
 - k) In the event that the Lessor fails to complete the required construction, improvements, and/or alterations prior to the scheduled MSF delivery date, Lessor, at Lessor's sole cost and expense, shall be responsible for all additional shipping, handling, and storage fees, including any "overtime" labor costs.
 - l) Where the State utilizes MSF, and the existing floor coverings are to be replaced as defined in the lease exhibits, Lessor, at Lessor's sole cost and expense, shall lift the existing MSF and disconnect as necessary all power, voice, and data cabling. The MSF shall be lifted using an MSF lift system as recommended by the MSF manufacturer. Upon completion of the installation of floor coverings, Lessor shall reconnect all power, voice, and data cabling and lower the MSF into place. Lessor shall realign and adjust the MSF to its original location and condition. Prior to lifting or moving the MSF, Lessor shall perform an inspection with State representatives and contractor to observe and document the condition of the MSF. In the event the MSF is damaged during the performance of any tenant improvement work, Lessor, at Lessor's sole cost and expense, shall repair and/or replace the MSF with approved equal product. MSF manufacturer's authorized installers shall perform all repair work.
- J. Flagpoles:
1. Where State is the sole or major tenant of the building (occupying more than 50 percent of the available space), the United States flag and California state flag shall be prominently displayed upon or in front of the building or grounds in conformance with all flag displaying protocols and etiquettes.
 - a) Lessor shall furnish and install the flagpole and flags.
 - b) Freestanding flagpole shall extend 30' above grade.

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

- c) Flagpoles mounted to building shall extend 14' above building parapet.
- d) Flagpoles shall be equipped with lockable halyard box.
- e) Flagpole and halyard shall be CBC/ADA access compliant.
- f) Flags shall be in scale with building and flagpole.
- g) Lessor shall provide automatic lighting for nighttime illumination.

2.11 LANDSCAPING

Where State is the sole tenant of the building:

- A. Landscape management practices shall prevent pollution by:
 - 1. Employing practices which avoid or minimize the need for fertilizers and pesticides.
 - 2. Prohibiting the use of 2,4-Dichlorophenoxyacetic Acid (2,4-D), herbicide and organophosphates.
 - 3. Composting/recycling all yard waste.
- B. The Lessor shall use landscaping products with recycled content as required by EPA.
- C. If the Lessor satisfies performance of this Lease by new construction, and where conditions permit, the site shall be landscaped with plants that are native or of low water use and are non-invasive to the area.
- D. Lessor should design landscape to survive a drought with reclaimed water whenever possible. Lessor shall maintain and design landscape to:
 - 1. Protect high priority landscape elements, such as trees.
 - 2. Protect all slopes from erosion.
 - 3. Convert conventional spray heads or rotors to drip and/or low-precipitation rate nozzles.
 - 4. Minimum three-inch layer of mulch applied on all exposed soil surfaces or planting areas.
- E. During a declared drought, Lessor shall water low-priority landscapes only to the extent required to control dust and erosion. Trees in lawn areas that provide shade to buildings are high priority. Lessor shall add drip irrigation around the drip line of the tree, or water slowly and deeply with a trickling hose. Lawns should not be fertilized.
- F. Installation of irrigation sub-meters, flow meters, master valves and smart irrigation controllers are recommended. Overhead irrigation shall be scheduled between 8:00 p.m. and 10:00 a.m.

2.12 PLUMBING

- A. Lessor shall furnish and install plumbing fixtures in quantity and type as shown in Exhibit "A" and as required by code. Where State occupies multiple floors, Lessor shall provide accessible toilet rooms on each floor. Lessor shall provide one or more drinking fountains within close proximity to office quarters or as indicated on plan. Drinking fountains shall be CBC/ADA access compliant.
- B. For new installations and whenever plumbing fixtures are being replaced (replacement per floor is required prior to Lease commencement in all instances of nonconformance where the State occupies the full floor):
 - 1. Water closets must conform to U.S. Environmental Protection Agency (EPA) WaterSense, or fixtures with equivalent flush volumes must be utilized.
 - 2. Urinals must conform to EPA WaterSense, or fixtures with equivalent flush volumes must be utilized. Waterless urinals are acceptable.
 - 3. Faucets must conform to EPA WaterSense, or fixtures with equivalent flow rates must be utilized.
- C. Lessor shall provide hot and cold water at each lavatory and sink. Domestic water heaters shall be located not more than 25 feet from furthest point of use unless a hot water recirculation or other temperature maintenance system is provided. Water heaters shall initially deliver water at 110° F.

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

- D. Where new toilet rooms, locker rooms with showers and shower rooms are provided and where shown on plans, Lessor shall provide floor drains.
- E. Domestic water supply systems shall be constructed with copper piping and tubing. Soldered connections on water supply lines shall use ASTM B 32, Tin Antimony solder. Lead solder is not permitted.

2.13 HEATING, VENTILATING AND AIR CONDITIONING

- A. Lessor shall provide a climate control system consisting of a fully automatic heating, ventilating, and air conditioning system capable of providing conditioned air continuously during occupied hours to the premises.
 - 1. The HVAC system shall be designed and capable of maintaining the following temperatures in all occupied areas:

<u>Design Criteria</u>	<u>Operating Criteria</u>
Winter: 76° F	Winter: 68° F
Summer: 72° F	Summer: 78° F
- B. Lessor shall provide and install thermostats with automatic changeover from heating to cooling. Thermostats shall have dead-band with adjustable range where no heating or cooling is activated. The temperature range of the thermostats shall be minimum 55° F to 85° F. Thermostats shall be cleaned, calibrated, and initially adjusted to 68° F maximum for heating and 78° F minimum for cooling. Thermostats shall be located within each zone. In multi-tenant buildings, thermostats shall not be shared with other building tenants.
- C. Lessor shall furnish and install lockable, tamperproof covers to all thermostats within the leased premises.
- D. Lessor shall furnish and install a dedicated air conditioning system with separate thermostats for the computer room, telecommunication room, server room, and other similar spaces. The system shall be capable of providing conditioned air 24 hours per day, seven days a week. The operating temperature shall comply with the telecommunication equipment manufacturer specifications.
- E. Lessor shall submit detailed heating and cooling calculations, Title 24 compliance information, equipment selection data, and "as-built" mechanical drawings to DGS upon request.
- F. The cooling load for conference rooms, quiet rooms, hearing rooms, public lobbies, waiting rooms, and employee break rooms shall be based on occupancy of 15 square feet per person. Cooling load for all other areas shall be based on occupancy of 100 square feet per person.
- G. Systems shall be zoned for each building exposure and for interior zones where appropriate. Each zone shall be of a size and shape to ensure even air distribution and temperature control throughout the leased premises. Each conference room, quiet room, hearing room, public lobby, waiting room, and employee break room shall be zoned separately.
- H. In multi-tenant buildings, HVAC zones shall not be shared with other building tenants.
- I. All fan systems supplying 2,000 cfm and above shall be equipped with an economizer system that will use outdoor air up to 100 percent of fan capacity for cooling of the premises. Operation of the economizer cycle shall be controlled by outside dry bulb air temperature.
- J. All lunch rooms and break rooms with microwave ovens or other food-heating appliances shall include a general exhaust fan.
- K. Toilet rooms shall be provided with a mechanical exhaust system providing a minimum of 15 air changes per hour. Replacement air shall be supplied directly or indirectly from the building system. Individual supply ducts or sound-lined transfer ducts are acceptable. Each exhaust fan shall be interlocked with the associated HVAC unit supply fan serving the room. Exhaust air shall be ducted to the building exterior.

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

- L. Ductwork construction and installation shall conform to the appropriate Sheet Metal and Air Conditioning Contractors' National Association, Inc. (SMACNA) low-velocity or high-velocity duct construction standards. Ductwork shall be concealed or aesthetically compatible with the architectural design of the interior space. Individual supply and return air outlets and ductwork shall be provided in each enclosed area. Undercutting of doors, door grilles, or jumper ducts is not acceptable. Return air shall be conducted through registers connected to ductwork or plenum above ceilings, except as otherwise approved by the State.
- M. Air distribution system shall be equipped with air volume controls and shall be capable of draftless operation at an acceptable noise level while handling the design flow of air. The acceptable noise level shall comply with ASHRAE Handbook - HVAC Applications.
- N. The complete HVAC system shall be checked, adjusted, and balanced. The air balance report shall be submitted to the State upon project completion.
- O. Lessor shall provide vibration isolation supports for all mechanical equipment, piping, and ductwork to prevent transmission of vibration to building structure.
- P. Where the heating design of outdoor temperature is below 35° F, Lessor shall provide one winter night setback thermostat for each HVAC system. The thermostat shall cycle the heating system to maintain 55° F.
- Q. Lessor shall provide automatic-control time clocks (7-day-programmable) or energy management systems (microprocessors) to allow the shutoff and startup of the HVAC equipment according to the State's occupancy schedule. State shall determine maximum daily hours of operation. Lessor shall provide one-hour bypass timers for each HVAC system for after-hours operation.
- R. Indirect evaporative cooling, desiccant dehumidification, and passive solar design measures are acceptable when approved by DGS.

2.14 ENERGY AND ELECTRICAL

- A. Energy efficiency and conservation
 - 1. Reporting Requirement Where the State is the sole tenant:
- B. General electrical requirements:
 - 1. Lessor shall provide electrical engineering and installation of all transformers, main switchboard, subpanels, branch circuits, wiring devices, electrical switching, energy management systems, lighting, receptacles, and control equipment for HVAC systems.
 - 2. Service and metering equipment shall be in accordance with utility company requirements. An Electrical Arc-Flash Hazard Analysis and Short-Circuit and Protective Device Coordination Study shall be performed based on the available fault current from the utility system and contribution from the facilities' motors. Electrical equipment warning labels shall be provided based upon the available arc hazard energy at each piece of electrical equipment. Labels shall comply with the requirements of the California Electrical Code and NFPA 70E.
 - 3. Where electrical service panels are installed to provide service to State premises, Lessor shall provide and install panels with a minimum of 20 percent more circuit capacity than the Lessor's calculated load total.
 - 4. The electrical panels serving the State's premises shall be accessible from the building core or from within the State's quarters. The location of the panels shall be coordinated and approved by DGS prior to installation.
 - 5. All appliances and all energy-consuming devices shall be Energy Star certified by the U.S. EPA.
- C. Power requirements:
 - 1. Duplex convenience outlets shall be 20A, 125V, three-wire grounding type provided in quantities indicated on the Exhibit "A." Lessor shall provide a minimum of two convenience outlets in each private office.

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

2. Electrical/data/telephone outlet heights:
 - a) Existing receptacles may remain at 12" above finished floor. New receptacles shall be installed at 15" above finished floor or as noted on plans.
3. Lessor shall furnish and install all special use outlets, dedicated circuits, and isolated ground convenience outlets for copy machines, electronic communications equipment, and where noted on plan.
 - a) Dedicated circuits shall have individual ungrounded circuit conductors from each device to panel board circuit breaker and individual grounded circuit conductors from each device to the neutral bus located in the panel board. Equipment grounding conductors shall be connected to the grounding electrode system through a ground bus located in the panel board.
- D. General lighting requirements:
 1. Lighting design guidelines:
 - a) Lighting shall comply with the design guidelines of the current edition of the IESNA Lighting Handbook.
 2. Where existing light fixtures are reused, Lessor shall modify fixtures as necessary to comply with all seismic guidelines. Lessor shall thoroughly clean fixture housings, lamps, and fixture lenses. All lenses shall be free of damage and discoloration. There shall be no visual discrepancy between existing lamp color temperature and new lamp color temperature in each enclosed space. Lessor shall replace incandescent lamp fixtures with new high efficiency lamp fixtures where applicable.
 3. Premises shall have sufficient light fixtures properly spaced and be capable of providing the recommended levels of illumination indicated in the following table.
 - a) Minimum lighting levels:

<u>AREA:</u>	<u>FOOTCANDLES:</u>
Work surfaces (includes task lighting)	40
Work area ambient lighting	40
Telecommunications rooms and closets	30
Special purpose area(s)	30
Repair garage	50
Hallways, aisles, corridors	25
Conference/meeting rooms	40
Incandescent lighting	10 – 30
Drafting areas	40
High density filing areas	40
Document processing area/room	30
Circulation space around work areas	30
Building entries	25
Restrooms	40
Waiting and lounge areas	15
Coffee counters	30
Lunch rooms/break rooms	30
Warehouse	10
 4. Minimum requirements for new or replacement linear fluorescent lighting systems:
 - a) Minimum Color Rendering Index (CRI) of 70
 - b) Option of common Color Temperature lamps (CCT) (3000° K through 4100° K)
 - c) Minimum power factor of 90 percent
 - d) Minimum system efficacy of 90 lumens per watt
 - e) High frequency electronic ballast
 - f) Maximum Total Harmonic Distortion (THD) of 20 percent
 - g) Minimum lamp life of 20,000 hours
 5. Minimum requirements for compact fluorescent lighting systems:

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 2

- a) Minimum Color Rendering Index (CRI) of 75 percent
- b) Option of common Color Temperature lamps (CCT) (2700° K through 4100° K)
- c) Minimum power factor of 90 percent
- d) Minimum system efficacy of 60 lumens per watt
- e) Electronic ballast
- f) Maximum Total Harmonic Distortion (THD) of 20 percent
- g) Minimum lamp life of 10,000 hours
- 6. Minimum requirements for LED lighting systems
 - a) Minimum Color Rendering Index (CRI) of 80
 - b) Option of common Color Temperature lamps (CCT) (3000° K through 4100° K)
 - c) Minimum power factor of 90 percent
 - d) Minimum system efficacy of 90 lumens per watt
 - e) Internal LED Driver
 - f) Lamps capable of being dimmed from 100 percent to 0 percent of maximum lighting output
 - g) Minimum lamp life of 50,000 hours
- 7. Pairs of one-lamp or three-lamp recessed fluorescent luminaires and continuous mounted fluorescents that are (1) on the same switch control, (2) in the same area, (3) within 10 feet of each other in accessible ceiling spaces; and (4) do not use electronic ballasts, shall be tandem wired and shall not use single lamp ballasts.
- 8. Where required, lighting panel switches, including exterior lighting, shall have a two-schedule, programmable, seven-day with holiday setting, battery-backup time clock. Time clock operation shall have manual override with a two-hour bypass. Override shall be accessible to the tenant.
- 9. Where exterior illumination is required, Lessor shall provide and install exterior solid-state luminaires that are designed for and exclusively use LED lamp technology. Luminaires shall include integrated controls and the required Backlight, Uplight, and Glare (BUG) ratings based on the Lighting Zone the luminaires are in for accent light and outdoor building security lighting. All building entrances shall be illuminated.
- E. Communication equipment requirements:
 - 1. Lessor shall provide and install all conduits and telephone service cabling from the building's main point of entry to the tenant agency's Telecommunication closet.
 - 2. Lessor shall furnish and install telephone terminal backboard. Backboard shall be 4' x 8' x 3/4" thick, fire-retardant plywood, and painted per code to match adjacent surfaces.
 - 3. Lessor shall furnish and install termination blocks, cable management hardware, and terminate and label all cables at both ends.
 - 4. Lessor shall provide and install all components as required by the telephone service provider's requirements.
 - 5. Unless otherwise noted, Lessor shall furnish and install a complete structured cabling system from the tenant agency's telecommunication closet to the final point of termination. Lessor shall provide all components such as (but not limited to): cabling, cable labels, cable trays, cable management hardware, patch panels, cross connects, patch cords, faceplate, jacks, wall outlets and MSF workstation outlets, as necessary or required for a complete and operational system.
 - 6. Lessor shall provide and install all conduit and outlet boxes with pull-wire.
 - 7. The system shall be tested pursuant to and meet ANSI/TIA/EIA standards.
 - 8. BICSI Certified cabling installers shall perform all work, and shall comply with all ANSI/TIA/EIA cabling standards.
 - 9. The system shall comply with the requirements of the tenant agency's specifications.

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

10. The State shall not be required to remove any communication equipment and/or cabling described herein either during the lease term or upon termination of this lease.

2.15 PARKING AND PAVING

- A. Parking areas and access from the public way shall be paved. Each parking stall shall have individual, unobstructed access. All stalls shall be marked with 4" wide painted stripes using white traffic-grade paint. Traffic areas shall have appropriate painted directional arrows and any other graphics noted on Exhibit "A." Lessor shall furnish and install appropriate signage as required by local jurisdiction.
 1. In the event that the State requests exclusive and/or secure parking all spaces shall be full size parking stalls.
- B. Pavement at existing parking areas shall be free of holes, patches, divots or badly weathered surface conditions. If new material is used, the existing asphalt shall be ground and used for fill in the parking area.

END OF DIVISION 2

EXHIBIT B – OUTLINE SPECIFICATIONS® DIVISION 3

DIVISION 3 – SPECIAL PROVISIONS

The following Special Provisions supplement the requirements specified in Divisions 1 and 2. Where Division 3 requirements conflict with Divisions 1 and 2, Division 3 supersedes those requirements.

There are NO SPECIAL PROVISIONS for this Project.

END OF DIVISION 3



EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 4

DIVISION 4 – TECHNICAL REQUIREMENTS

The following Technical Requirements supplement the requirements specified in Divisions 1 and 2. Where Division 4 requirements conflict with Divisions 1 and 2; Division 4 supersedes those requirements.

There are NO TECHNICAL REQUIREMENTS for this Project.

END OF DIVISION 4

EXHIBIT C – ADMINISTRATIVE REQUIREMENTS

PROJECT: OFFICE QUARTERS
AGENCY: Employment Development Department
LOCATION: 9650 Ninth Street
Rancho Cucamonga CA 91730

PROJECT NO.: 2775
LEASE NO.: 5256-001
DATE: May 13, 2021

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PLANNER: Carrie Gordon

PHONE: 279.946.8599

EMAIL: carrie.gordon@dgs.ca.gov

Confirmation Statement

I/we have read this Exhibit 'C' Administrative Requirements and understand it is incorporated into, and is part of, this lease. I/we have acknowledged each and every page by placing my/our initials on this cover sheet.

Initials

OR

EXHIBIT C – ADMINISTRATIVE REQUIREMENTS

DIVISION 1 – AUTHORITY AND POLICY REQUIREMENTS

1.1 GENERAL

- A. The State of California and its governing agencies have mandated that the Department of General Services (DGS), Real Estate Services Division (RES D) adhere to all regulations, policies and state statutes for all state agencies leasing private sector building space.
- B. This Exhibit 'C' document is a binding part of the lease document and shall function with Exhibits 'A' and 'B'.
- C. The forms contained in Division 4 are for the Lessor's reference. A separate Lessor's forms packet will be provided by RESD for the Lessor's use. The forms contained in the "Lessor's Packet" are to be used by the Lessor to accomplish the processes required by this document.
- D. Federal Americans with Disabilities Act (ADA) and California Building Code (Title 24) accessibility requirements are combined and noted hereafter as **CBC/ADA**.
- E. Abbreviations: State Fire Marshal (SFM), Division of the State Architect (DSA), Real Estate Services Division (RES D).

1.2 FIRE MARSHAL OR AUTHORITY HAVING JURISDICTION

- A. SB85 authorizes the governing body of a city, county, or city and county fire department to provide fire protection services and enforce building standards relating to fire and life/panic safety. This authority encompasses plan review, permits and construction inspections of State leased facilities. The State Fire Marshal retains authority over build to suit projects.
- B. For projects with no alterations (a change, addition or modification in construction, change in occupancy or use, or repair to an existing building or facility. Including, but not limited to remodeling, renovation, rehabilitation, reconstruction, rearrangement in the plan configuration of walls and full-height partitions), the Lessor is not required to submit construction documents to the Fire Marshal or Authority having jurisdiction.
- C. Per CBC 111.1: No building or structure shall be used or occupied until the building official has issued a certificate of occupancy.

1.3 ACCESS COMPLIANCE AUTHORITY

- A. California law incorporates the Americans with Disabilities Act requirements. California Government Code provides that buildings shall be made accessible to, and usable by, persons with disabilities, whether they are leased, rented, contracted, sublet, or hired by any municipal, county, or State divisions of government, or special district. California Building Standards Code defines that all State facilities shall meet the federal Architectural Barriers Acts.
- B. These statutes, in addition to the California Building Code, Title 24, generate the need for a standard process to ensure access compliance with respect to State leased facilities.
- C. The Division of the State Architect (DSA) is charged with the responsibility of ensuring compliance with the above standards.
- D. If at any time during the Design, Construction Document Review, or Construction Inspection processes, a conflict arises between the State and local authorities, the Lessor/architect will compile all pertinent information and present the situation to the RESD Space Planner.

- E. The DSA has delegated a component of the access compliance responsibility to RESD for leased facilities. Conforming to DSA delegation, RESD is requiring the Lessor to ensure compliance by utilizing one of the two procedures defined in this document. Refer to Division 3 (below) for specific requirements and procedures.
- F. Public right- of- way access is required for all State leased facilities. If the existing conditions do not meet the required codes and regulations, the design professional (Lessor's architect) must demonstrate and document a diligent effort to request that the authority (having control) over the public right- of- way, makes the necessary modifications to secure right-of-way access. All correspondence shall be documented and provided to the RESD Space Planner for the project file.

End of Division 1

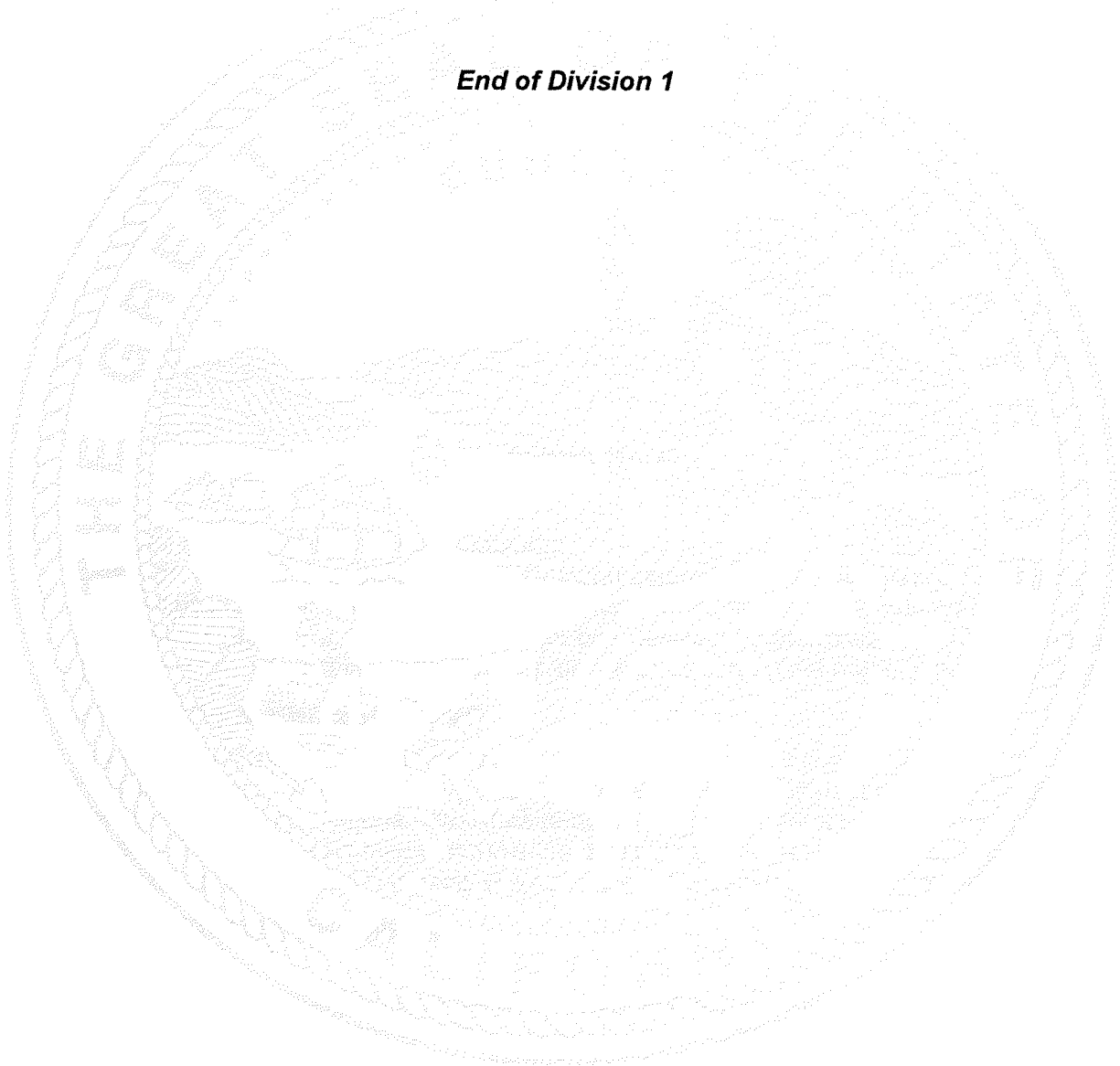


EXHIBIT C – ADMINISTRATIVE REQUIREMENTS

DIVISION 2 – PERMITTING AND CONSTRUCTION PROCEDURE

2.1 RESD LEASE EXHIBIT 'A'

Prior to the lease execution, the RESD Space Planner is responsible for the development and submittal of the lease Exhibit 'A' space plan(s) to the client agency for review and approval. The approved Exhibit 'A' plan(s) will reflect the design concept for the proposed lease within the configuration of the existing building shell. If RESD elects to use a narrative Facilities Design Program (FDP) in place of the Space Plan, the Lessor's architect shall develop the design concept and schematic plans for approval by the State.

2.2 CONSTRUCTION DRAWINGS

The Exhibit 'A' Plan or the Exhibit 'A' FDP are design development guidelines only. Lessor, at Lessor's sole cost and expense, shall provide all required construction documents and calculations necessary to obtain a building permit from the local Building Department and the Fire Marshal or Authority having jurisdiction. The use of Exhibit 'A' Plan in lieu of construction documents is not acceptable to the State.

2.3 PLAN REVIEW AND APPROVAL

The Lessor's architect is required to submit the construction documents to the Local Fire Marshal or authority having jurisdiction for plan review and approval prior to construction. All specific technical elements of the construction such as fire alarm and smoke detection systems, fire sprinklers, construction details of fire assemblies, etc. shall be included with the construction documents.

End of Division 2

EXHIBIT C – ADMINISTRATIVE REQUIREMENTS

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

3.1 GENERAL

- A. In cases where the lessor is in agreement to use the lease paragraph titled "Accessibility Compliance", then full compliance with current accessible building codes and the Americans with Disabilities Act (ADA) is the responsibility of the lessor, therefore, requirements listed in the remainder of this division would not apply to this lease.
- B. To comply with the accessibility requirements and ensure that the facility has complied with all accessibility codes and regulations, the Lessor is required to complete one of the two processes defined below. In each case the RESD Space Planner will remain the primary contact. The facilities are categorized according to size as either Group I or Group II projects. Each category has specific requirements as defined. Group I projects are submitted to RESD and Group II facilities are submitted to DSA for plan review and approval. The Lessor is required to follow the procedure of the applicable process and is responsible for the associated costs.

3.2 FEE REQUIREMENT

- A. The Lessor is required to submit the project fee to RESD for Group I or directly to the DSA regional office for Group II facilities. The RESD Space Planner will calculate the required fee using the CBC/ADA Access Compliance Fee Calculation Form E (attached) and include this in the Exhibit C lease document.

3.3 DETERMINATION OF FACILITY GROUP

- A. The group is determined by the category and the size of the State's net usable leased area. The respective administrative process is defined in the following Sections 3.3 (Group I) and 3.4 (Group II). The Group Types are defined below:

GROUP I:

Building Type:

Existing Office Buildings
Existing Warehouse Buildings
Any Building to be Constructed

Net Usable Square Footage:

Less than 100,000 square feet
Less than 500,000 square feet
Less than 30,000 square feet

GROUP II:

Building Type:

Existing Office Buildings with Alterations
Existing Warehouse Buildings with Alterations
Any Building to be Constructed

Net Usable Square Footage:

100,000 sq. ft. or greater
500,000 sq. ft. or greater
30,000 sq. ft. or greater

Note: Certain Group I projects, at the discretion of the State, may be determined compatible with Group II process regardless of the building size. The RESD Space Planner shall inform the Lessor which process applies to this particular project during lease negotiations.

3.4 GROUP I FACILITY PROCEDURE

For Group I facilities the Lessor's architect is required to complete the requirements outlined in paragraphs A through E below:

- A. Accessibility Survey: The Lessor must have an accessibility survey completed prior to the finalization and approval of the construction documents. The survey must be completed using the DGS' Accessibility Checklist for State-Leased Buildings and Facilities. The following consultants are acceptable:
 1. DSA certified accessibility consultants trained for Leased facilities or Certified Access Specialist (CASP)
https://www.apps2.dgs.ca.gov/DSA/casp/casp_certified_list.aspx
 2. ICC Accessibility Inspector/Plans Examiner
<https://www.iccsafe.org/search-for-certified-professionals/>
 3. Architect licensed in the State of California
- B. The consultant will survey the facility and site per CCR Title 24, California Building Code (CBC), and Americans with Disabilities Act (ADA). State agencies are public entities and shall comply with Title II of the ADA. Exceptions to the code for existing buildings are not permitted. Access compliance shall apply to exterior areas such as but not limited to path of travel to and from public transportation and public right-of-way, parking, passenger drop-off and loading zones, walks and sidewalks, curb ramps, ramps, and all stairs. Access compliance shall also apply to interior areas such as but not limited to entrances and exits, lobbies, building common areas, elevators, access lifts, doors and gates, access to and through all rooms and spaces, restrooms, signs and identification, counters, waiting, seating areas, assistive listening systems, telephones, drinking fountains, alarms, and horizontal/vertical access. Consultants will observe and record all deficiencies, as well as provide solutions needed to bring facility into compliance with sufficient detail to allow Lessor or his/her agent to develop a cost estimate for proposed barrier removal. Should all areas mentioned above not be fully constructed, consultants shall review the construction documents in addition to the physical evaluation.
- C. Fee Payment: The Lessor shall prepare a check payable to the Dept. of General Services, Real Estate Services Division. Lessor shall enclose a copy of the CBC/ADA Access Compliance Fee Calculation Form E (attached) as prepared by the RESD Space Planner, along with payment and mail to DGS, RESD (Include the project number on the check to RESD).
- D. Construction Documents: The Lessor's Architect will incorporate all items defined in the accessibility survey into the construction documents. The Lessor shall submit the completed drawings to RESD for review.
- E. Verified Report: Following the completion of construction, the Lessor's architect is responsible for verifying that the items outlined in the accessibility survey and incorporated into the construction documents have been completed. The Verified Report Form G (attached) shall be signed by the Lessor's architect. The architect shall forward the signed Verified Report to RESD Space Planner prior to the final inspection that will be performed by RESD. The project will not be accepted for occupancy prior to receipt of this document.

End of Group I Procedure

3.5 GROUP II FACILITY PROCEDURE

The Lessor is required to submit plans and specifications to the **Division of the State Architect (DSA)** for access compliance review and approval. Although the formal process for access compliance plan review and approval is processed through DSA, the DGS RESD Space Planner will continue as the project manager. The Lessor's architect shall inform RESD of the status of plan review/approval from DSA.

For Group II facilities the Lessor's architect is required to complete the requirements outlined in paragraphs A through E below:

Note: See Section 3.4.A. (Group I Facility Procedure) for parameters of survey.

- A. **Construction Drawings and Specifications:** The Lessor is required to retain an architect licensed in the State of California to design and develop plans and specifications in accordance with the lease exhibits and applicable codes and regulations. The Lessor's architect will incorporate all items defined in the accessibility survey into the construction documents. The architect is required to stamp and sign the construction documents.
- B. **Fee Payment:** In accordance with the calculation of fees per the CBC/ADA Access Compliance Fee Calculation Form E (attached), the Lessor shall prepare a check payable to the Division of the State Architect. This check along with a copy of the CBC/ADA Access Compliance Fee Calculation Form E shall be forwarded directly to the appropriate regional DSA office in the submittal package.
- C. **Submittal Package:** The submittals shall be sent to the appropriate DSA regional office. The state is divided into four regions, San Francisco Bay Area, Sacramento, Los Angeles and San Diego. The DSA regional office that will review this project can be confirmed by calling DSA at (916) 445-8100. The submittal package must be complete before the DSA accepts the project for review. Proceed to the DSA website using the link below for instructions on this process:

<https://www.dgs.ca.gov/DSA/Services/Page-Content/Division-of-the-State-Architect-Services-List/Start-Construction-Project-by-Submitting-Plans-for-Review>

Upon receipt of the submittal package, a DSA application number is assigned to the project for tracking purposes. A preliminary review of your submittal is performed within a few days. Plan review is scheduled after DSA verifies that a complete submittal package has been received. The Lessor's architect shall verify the estimated time for this project review with DSA at submittal. The architect shall make the necessary adjustments to the overall project schedule accordingly.

- D. **DSA Plan Approval:** Once approval has been granted by DSA, the Lessor is required to construct the project in compliance with the plans, specifications and lease exhibits. The Lessor shall provide a copy of DSA's letter of approval to the RESD Space Planner. Construction shall not commence until this process has been completed.
- E. **Verified Report:** Following completion of construction, the Lessor's architect shall visit the site to verify that the building and site are in compliance with the DSA approved plans and specifications. The Verified Report Form G (attached) shall be completed and signed by the Lessor's architect. The architect shall forward the Verified Report to RESD Space Planner prior to the final construction inspection by RESD. The project will not be accepted for occupancy prior to receipt of this document.

End of Group II Procedure

End of Division 3

EXHIBIT C – ADMINISTRATIVE REQUIREMENTS

DIVISION 4 – REFERENCE FORMS

ACCESS COMPLIANCE FEE CALCULATION – FORM E

RELPS Planner: Carrie Gordon Date: November 17, 2022

Agency: Employment Development Department

Address: 9650 Ninth Street, Rancho Cucamonga, CA, 91730

Project Number: 2775 Project Name: EDD Rancho Cucamonga 2775

For GROUP I Facilities Send to:
Dept. of General Services
Real Estate Services Division
Asset Management Branch
707 3rd Street, Suite 5-305
West Sacramento, CA 95605

For Group II Facilities Send to:
DSA Regional Office
See DSA website for office locations:
<https://www.dgs.ca.gov/DSA/contact>

Project Type	Project Size (net usable s.f.)		Project Value (PV)
<input type="checkbox"/> Existing Warehouse Buildings		\$20/sf	\$ -
<input type="checkbox"/> Existing Office Buildings		\$50/sf	\$ -
<input type="checkbox"/> New Construction		\$150/sf	\$ -

GROUP I (Under \$5,000,000)	Project Value	Multiplier	Fee
PV X 0.2% of 1st \$500,000 =	\$ -	0.002	\$ -
Remainder of PV x 0.1% =	\$ -	0.001	\$ -
Remainder between 2M and 5M x .01%	\$ -	0.0001	\$ -
Calculated total =			\$ -
x 10% (QA or \$200 Minimum) = Total Fee			\$ -

GROUP II (Over \$5,000,000)	Project Value	Multiplier	Fee
PV x 0.5% of 1st \$500,000	\$ -	0.005	\$ -
PV between 500,000 and 2M x .25%	\$ -	0.0025	\$ -
PV over 2M x .1%	\$ -	0.001	\$ -
Calculated total -			\$ -
Total Fee			\$ -

Total Lessor Fee Obligation:	\$ -
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DIVISION 4 – REFERENCE FORMS
DVBE PROGRAM CERTIFICATION SHEET – FORM F
CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE
PROGRAM CERTIFICATION SHEET

Lessor must complete and sign to certify if DVBE Participation was or was not obtained

LEASE AMOUNT/DVBE CERTIFICATION

Project No.: 2775

I hereby certify that the Lease Contract Amount, as defined below, is in the amount of

\$ _____ of which \$ _____ was awarded to a certified

DVBE firm resulting in _____ % DVBE participation. I understand that the Lease Contract

Amount is the total dollar figure against which the DVBE participation will be evaluated.

Lessor: _____ Date: _____

Lessor's Signature: _____ Printed Name: _____

DEFINITION: Lease contract amount is the total amount of lease costs expended by the Lessor over the firm term of the lease which are attributable to expenditures by the lessor to make the leased property sufficient for state occupancy. This typically includes, but is not necessarily limited to, tenant improvements, extraordinary maintenance, and janitorial services specified in the lease. In the case of a build-to-suit facility, the total of the construction and off-site development costs, as well as architectural and engineering costs, would be included.

DIVISION 4 – REFERENCE FORMS

STATE LEASED BUILDINGS AND FACILITIES VERIFIED REPORT – FORM G

The Architect having general responsible charge of the work of construction on the plans and specifications, is responsible for the submission of this report to the Department of General Services / Real Estate Services Division (DGS/RES D) Planner prior to the state tenant taking occupancy.

RES D Project Info:	Agency: Employment Development Department	RES D Project # 2775
	Project Type (Scope of Work): Lease Renewal or Amendment 56	Date: November 17, 2022
	RES D Planner: Carrie Gordon	Phone: 279.946.8599

Facility Info:	Building Name:	Hours of Operation:
	Address:	Suite:
	City:	Zip:
	Lessor Contact:	Phone:

Contractor:	Company Name:	License #:	Phone:
-------------	---------------	------------	--------

This report includes all construction work through the date of: _____ month _____ day _____ year			
<u>Exterior Work</u>	<u>% Compliant</u>	<u>Interior Work</u>	<u>% Compliant</u>
Parking & Accessible Stalls		Accessible Main Entrance	
Walks & Sidewalks		Doors & Gates	
Curb Ramps		Information / Reception Counter	
Stairways		Elevators / Ramps / Lifts	
Ramps & Landings		Sanitary Facilities / Sinks / Drinking Fountains	
Accessible Main Entrance		Stairwells / Exits	
Wayfinding & Signage		Conference / Meeting / Assembly Rooms	
		Wayfinding & Signage	
		Fire Alarms	
Total Project Percentage			

***All items required to be 100% compliant unless Hardship approved by Authorized Jurisdiction or Mitigation Plan outlined in lease.**

List work and percentage to be completed (attach additional pages as necessary):

I declare under penalty of perjury that I have read the above report and know the contents thereof; that all of the above statements are true and that I know of my own personal knowledge that the work during the period covered by the report has been performed and materials used and installed, and in every material respect are in compliance with the duly approved plans and specifications therefore.

Architect:	Signature:	Date:
	Name:	Architect #:
	Company / Firm:	Phone:
	Address:	

Submit completed forms to the location indicated below:

Department of General Services
Real Estate Services Division
Attn: Carrie Gordon
707 3rd Street, Suite 5-305
West Sacramento, CA 95605

EXHIBIT D

Project No.: 2775

Lease File No.: 5256-001

Date: May 13, 2021

9650 Ninth Street, Rancho Cucamonga, CA, 91730

MASTER LESSOR CONSENT TO SUBLEASE dated November 22, 2022

MASTER LEASE AMENDMENT THREE dated May 19, 2020

MASTER LEASE AMENDMENT TWO dated July 28, 2015

MASTER LEASE AMENDMENT ONE dated May 6, 2014

MASTER LEASE dated May 7, 2002

I/we have read this Exhibit "D" and understand it is incorporated into, and is part of, this lease.
I/we have acknowledged each and every page by placing my/our initials on this cover sheet.

Initials

OR

LESSOR CONSENT TO SUBLEASE

Rancho Tech, LLC as Lessor under a lease with San Bernardino County dated May 7, 2002, as amended May 6, 2014, and July 28, 2015, and May 19, 2020 for Premises located at 9650 Ninth Street, Rancho Cucamonga, California, hereby consents to a sublease between San Bernardino County and State of California, Employment Development Department, acting by and through the Director of the Department of General Services, and to the terms and conditions contained in said sublease. This consent shall apply only to this sublease and shall not be deemed to be consent to any other sublease.

Master Lessor Consent:

LESSOR

RANCHO TECH, LLC

By: _____

(Authorized Signature)

Date: _____

11/22/23

Name: _____

Sam Kermenien

(Please Type or Print)

Title: _____

Asset Mgmt Director



ORIGINAL

Contract Number
02-328 A-3

SAP Number

Real Estate Services Department

Department Contract Representative	Terry W. Thompson, Director
Telephone Number	(909) 387-5252
Contractor	Rancho Tech, LLC
Contractor Representative	Jian Torkan
Telephone Number	(323) 932-7777
Contract Term	1/1/03 – 5/31/2025
Original Contract Amount	\$10,496,512.00
Amendment Amount	\$ 2,978,317.00
Total Contract Amount	\$13,474,829.00
Cost Center	5715352260
GRC/PROJ/JOB No.	61001682
Internal Order No.	

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, Rancho Tech, LLC ("LANDLORD") as landlord and the County of San Bernardino ("COUNTY") as tenant have entered into a Lease Agreement, Contract No. 02-328 dated May 7, 2002, as amended by a First Amendment dated May 6, 2014, and a Second Amendment dated July 28, 2015 (collectively the "Lease") wherein LANDLORD leases certain premises comprising approximately 24,162 square feet at 9650 E. Ninth Street, Rancho Cucamonga, California, as more specifically set forth in the Lease, to the COUNTY for a term that expired on April 30, 2019 and has continued on a permitted month-to-month holdover; and,

WHEREAS the COUNTY and LANDLORD desire to amend the Lease to: reflect a thirteen month hold-over period from May 1, 2019 through May 31, 2020, with the LANDLORD's consent, exercise the COUNTY's final five-year option period following the permitted holdover to extend the lease term from June 1, 2020 through May 31, 2025, adjust the rent schedule, and amend certain other provisions as more specifically set forth in this amendment ("Third Amendment"); and,

NOW, THEREFORE, in consideration of mutual covenants and conditions, the parties hereto agree the Lease is amended as follows:

1. Pursuant to **Paragraph 8., HOLDING OVER**, the COUNTY shall, with LANDLORD's express consent granted herein, occupy the Premises on a month-to-month tenancy for the period of May 1, 2019 through May 31, 2020, at a rental amount of \$37,693.00 per month.

2. Effective June 1, 2020, DELETE Paragraph 2., PREMISES LEASED, and SUBSTITUTE therefore the following as a new Paragraph 2., PREMISES LEASED, which shall read as follows and ADD a new Exhibit A-1, Premises Depiction – Site Plan, which is attached to this Third Amendment:

"2. **PREMISES LEASED:** LANDLORD leases to COUNTY and COUNTY leases from LANDLORD approximately 24,162 square feet of office space ("Premises") situated within a building of approximately 147,670 square feet ("Building") located at the real property ("Property") with an address of 9650 Ninth Street, Rancho Cucamonga, CA, as the Premises is more particularly outlined in yellow on Exhibit A-1, Premises Depiction and Site Plan, pages 1 & 2 attached hereto and made a part hereof. Along with the lease of the Premises, COUNTY shall, at no additional cost, have the exclusive use of thirty-one (31) parking spaces located south of the Building, as shown in shaded green on Exhibit A-1, and the non-exclusive use of one hundred sixty-three (163) parking spaces located west of the Building, which includes the non-exclusive use of six (6) handicapped parking spaces, for a total of one hundred ninety-two (192) total parking spaces at the Property."

3. Effective June 1, 2020, pursuant to COUNTY's exercise of its option under **Paragraph 6, OPTION TO EXTEND TERM**, DELETE in its entirety the existing **Paragraph 3., TERM**, and SUBSTITUTE therefore a new **Paragraph 3., TERM**, which shall read as follows:

"3. **TERM:** The term of the Lease shall be extended for five (5) years, commencing on June 1, 2020 and expiring on May 31, 2025 (the "Second Extended Term")."

4. Effective as of June 1, 2020, DELETE in its entirety the existing **Paragraph 4., RENT**, and SUBSTITUTE therefore a new **Paragraph 4., RENT**, which shall read as follows:

"4. **RENT:**

a. COUNTY shall pay to LANDLORD the following monthly rental payments in arrears on the last day of each month, commencing on the last day of the month when the Second Extended Term commences, and continuing during the Second Extended Term as follows:

June 1, 2020 through May 31, 2021 – monthly payments of \$38,925.00
June 1, 2021 through May 31, 2022 – monthly payments of \$40,109.00
June 1, 2022 through May 31, 2023 – monthly payments of \$41,317.00
June 1, 2023 through May 31, 2024 – monthly payments of \$42,525.00
June 1, 2024 through May 31, 2025 – monthly payments of \$43,733.00

b. Rent for any partial month shall be prorated based on the actual number of days of the month. All rent shall be paid to LANDLORD at the address to which notices to LANDLORD are given."

5. Effective as of June 1, 2020, DELETE in its entirety the existing **Paragraph 6., OPTION TO EXTEND TERM**, and SUBSTITUTE therefore a new **Paragraph 6., OPTION TO EXTEND TERM**, which shall read as follows:

"6. **OPTION TO EXTEND TERM:** LANDLORD gives COUNTY the option to extend the term of the Lease on the same provisions and conditions for one (1) two-year period ("extended term") following expiration of the Second Extended Term, by COUNTY giving notice of its intention to exercise the option to LANDLORD on or prior to the expiration of the Second Extended Term or during any holding over pursuant to **Paragraph 8, HOLDING OVER**. The rent for the extended term shall be adjusted by good faith negotiations of the parties to the fair market rental rate then prevailing based upon the rental rates of comparable leased property in San Bernardino County.

If the parties have been unable to agree upon the said fair market rental rate for the Premises within five (5) months of the COUNTY's notice to exercise an option for an extended term, said

fair market rental rate shall be determined through arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. If the fair market rental rate is determined by arbitration, the COUNTY has the right to terminate the Lease by giving termination notice to the LANDLORD within thirty (30) days of being notified of the new fair market rental rate."

6. Effective as of June 1, 2020, DELETE in its entirety the existing **Paragraph 23., LANDLORD'S REMEDIES ON COUNTY'S DEFAULT**, and SUBSTITUTE therefore a new **Paragraph 23., LANDLORD'S REMEDIES ON COUNTY'S DEFAULT**, which shall read as follows:

"23. **LANDLORD'S REMEDIES ON COUNTY'S DEFAULT:** LANDLORD may, at any time after COUNTY is in default beyond any applicable notice and cure period, exercise any and all remedies available pursuant to law or granted pursuant to the Lease; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Monthly Rent or other sums due or otherwise declare any Monthly Rent or other sums due to be immediately payable. Each and every covenant hereof to be kept and performed by COUNTY is expressly made a condition and upon the default thereof LANDLORD may, at its option, terminate the Lease, provided that LANDLORD shall use reasonable efforts to mitigate its damages. In the event of such default beyond any applicable notice and cure period, COUNTY shall continue to remain liable for the payment of the Monthly Rent, other sums due, and/or damages for default of the Lease; in which case, such Monthly Rent, other sums, and/or damages shall be payable to LANDLORD only at the same time and in the same manner as provided for the payment of Monthly Rent."

7. Effective as of June 1, 2020, DELETE in its entirety the existing **Paragraph 37., VENUE**, and SUBSTITUTE therefore a new **Paragraph 37., VENUE**, which shall read as follows:

"37. **VENUE:** The parties acknowledge and agree that the Lease was entered into and intended to be performed in the County of San Bernardino, California. The parties agree that the venue for any action or claim brought by any party to the Lease will be the Superior Court of California, County of San Bernardino. Each party hereby waives any law, statute (including but not limited to Code of Civil Procedure section 394), or rule of court that would allow them to request or demand a change of venue. If any third party brings an action or claim concerning the Lease, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino."

8. Effective as of June 1, 2020, DELETE in its entirety the existing **Paragraph 40., COUNTY'S RIGHT TO TERMINATE LEASE**, and SUBSTITUTE therefore a new **Paragraph 40., COUNTY'S RIGHT TO TERMINATE LEASE**, which shall read as follows:

"40. **COUNTY'S RIGHT TO TERMINATE LEASE:** If the term of the Lease is extended beyond the Second Extended Term, the COUNTY shall have the right to terminate this Lease at any time subsequent to the Second Extended Term or any extended terms thereafter whenever COUNTY, in its sole discretion, determines it would be in COUNTY'S best interests to terminate this Lease. The COUNTY's Director of the Real Estate Services Department (RESA) shall give LANDLORD notice of any termination pursuant to this paragraph at least ninety (90) days prior to the date of termination. In the event COUNTY terminates this Lease pursuant to this paragraph, the LANDLORD shall have the right to receive from the COUNTY the rent which will have been earned through the effective termination date and the COUNTY shall be discharged of all further obligations under the Lease as of the effective termination date."

9. Effective as of June 1, 2020, DELETE in its entirety the existing **Paragraph 54., USE OF AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FUNDS AND REQUIREMENTS**, and SUBSTITUTE therefore a new **Paragraph 54.,** which shall read as follows:

"54. **RESERVED:**"


10. Effective as of June 1, 2020, DELETE in its entirety the existing **Paragraph 55., SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**, and SUBSTITUTE therefore a new **Paragraph 55.**, which shall read as follows:

"55. **RESERVED:**"

11. All other provisions and terms of the Lease shall remain the same and are hereby incorporated by reference. In the event of conflict between this Lease and this Third Amendment, the provisions and terms of this Third Amendment shall control.

END OF THIRD AMENDMENT

COUNTY OF SAN BERNARDINO

► 
Curt Hagman, Chairman, Board of Supervisors

Dated: **MAY 19 2020**

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
of the County of San Bernardino

By 
Deputy


LANDLORD: RANCHO TECH, LLC

(Print or type name of corporation, company, contractor, etc.)

✓ By 

(Authorized signature - sign in blue ink)

Name: Issac Moradi

(Print or type name of person signing contract)

Title Manager

(Print or Type)

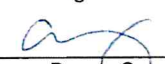
✓ Dated: 04/03/20

Address: 9301 Wilshire Blvd. Suite 315

Beverly Hills, CA 90210

FOR COUNTY USE ONLY

Approved as to Legal Form

► 
Agnes Cheng, Deputy County Counsel

Date 3/11/2020

Reviewed for Contract Compliance

►

Date

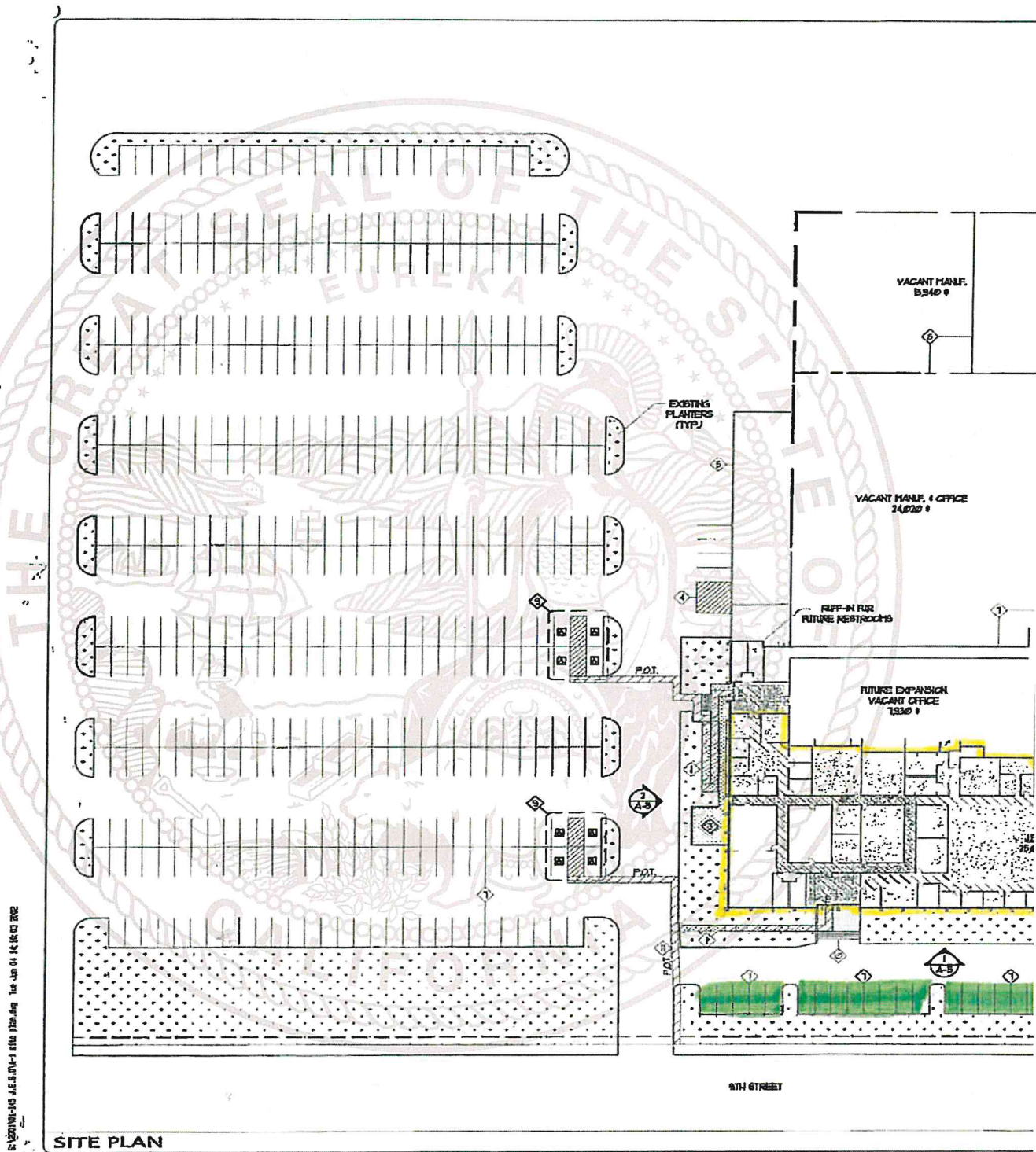
Reviewed/Approved by Department

► 

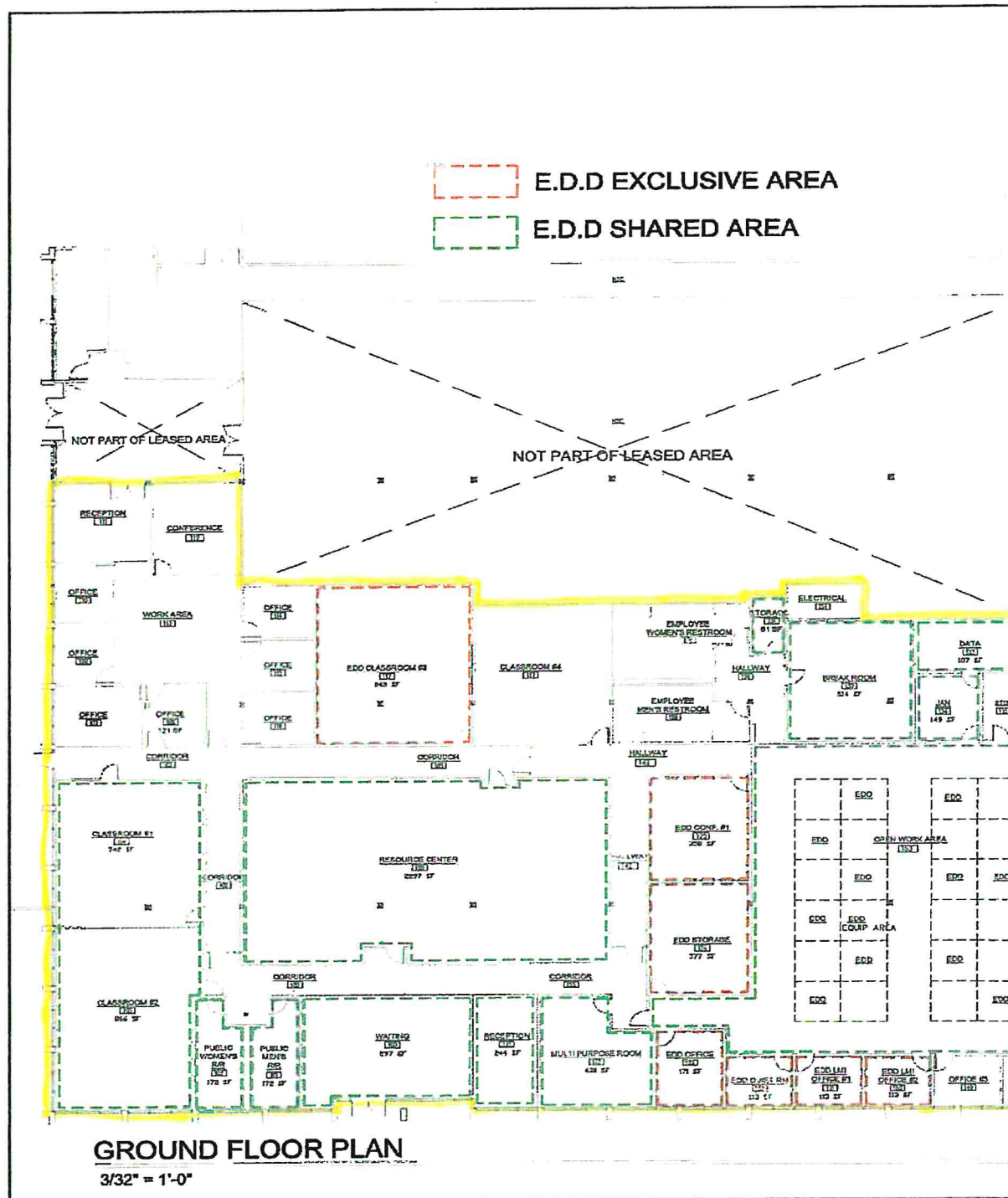
Jim Miller, Real Property Manager, RESD

Date 4-13-2020

EXHI
PREMISES DEI
(Premises outlined in yellow,
P



SITE PLAN





County of San Bernardino

F A S

STANDARD CONTRACT

SECOND AMENDMENT

ORIGINAL

FOR COUNTY USE ONLY

<input type="checkbox"/> New <input checked="" type="checkbox"/> Change <input type="checkbox"/> Cancel	FAS Vendor Code RANCHOT713	SC	Dept. RNT	A	Contract Number 02-328 A-2	
ePro Vendor Number				ePro Contract Number		
County Department Real Estate Services			Dept. RNT	Orgn. RNT	Contractor's License No.	
County Department Contract Representative Terry W. Thompson, Director			Telephone (909)387-5252		Total Contract Amount \$10,496,512.00	
Contract Type <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:						
If not encumbered or revenue contract type, provide reason:						
Commodity Code 96164		Contract Start Date Upon Full Execution		Contract End Date 4/30/2019	Original Amount \$8,350,924.00	Amendment Amount \$2,145,588.00
Fund AAA	Dept. RNT	Organization RNT	Appr. 200	Obj/Rev Source 2905	GRC/PROJ/JOB No 61001682	Amount \$
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount \$
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount \$
Project Name Rancho Cucamonga-WDD- 9650 Ninth St.-Rancho Tech- LLC.			Estimated Payment Total by Fiscal Year FY Amount I/D FY Amount I/D			

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and

Name
Rancho Tech, LLC.

hereinafter called LANDLORD

Address
9301 Wilshire Blvd. Suite 315

Beverly Hills, CA. 90210

Telephone
(323) 932 -7777

Federal ID No. or Social Security No.

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the COUNTY and LANDLORD have previously entered into a Lease Agreement, Contract No. 02-328 Dated May 7, 2002 ("Original Lease"), and amended by a First Amendment dated May 6, 2014 collectively ("the Lease") wherein LANDLORD agreed to lease certain property to the COUNTY; and,

WHEREAS, the COUNTY and LANDLORD now desire to amend the Lease to change the Completion Date and Critical Completion date and to modify certain other provisions of the Lease; and,

NOW, THEREFORE, in consideration of mutual covenants and conditions, the parties hereto agree the Lease, is amended as follows:

Auditor-Controller/Treasurer Tax Collector Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

1. DELETE in its entirety Paragraph 4.a., RENT, and SUBSTITUTE therefore a new Paragraph 4.a. RENT which shall read:

"4. RENT

a. COUNTY shall pay to LANDLORD the following monthly rental payments in arrears on the last day of each month as follows:

May 1, 2014 – April 30, 2015 – monthly payments of \$33,827.00
May 1, 2015 – April 30, 2016 – monthly payments of \$34,793.00
May 1, 2016 – April 30, 2017 – monthly payments of \$35,760.00
May 1, 2017 – April 30, 2018 – monthly payments of \$36,726.00
May 1, 2018 – April 30, 2019 – monthly payments of \$37,693.00"

Further as consideration for Tenant Improvements as constructed in accordance with Paragraph 41. LANDLORD'S IMPROVEMENTS, as described on Exhibit "A" to the First Amendment of the Lease, County shall pay to the Landlord the sum of One Hundred Twenty-Six Thousand Two Hundred Nine and 00/100 Dollars (\$126,209.00) in accordance with the schedule set forth below. In addition to the foregoing amount due to the Landlord, due to change orders authorized, County shall pay an additional sum of Fifty Five Thousand Six Hundred Thirty-Four and 16/100 Dollars (\$55,634.16) in accordance with the schedule set forth below. The total cost of Tenant Improvements constructed pursuant to the First Amendment is One Hundred Eighty One Thousand Eight Hundred Forty-Three and 16/100 Dollars (\$181,843.16).

\$75,725.00 – upon completion of framed walls, rough electrical, rough HVAC, Drywall prepared for painting and T-Bar grid installed
\$44,173.00 – upon acceptance by County of San Bernardino
\$6,311.00 – 30 days subsequent to acceptance by County of San Bernardino
\$55,634.16 – 60 days subsequent to the date of last execution by the Parties to this Second Amendment."

2. DELETE in its entirety Paragraph 11, HEALTH, SAFETY AND FIRE CODE REQUIREMENTS, and SUBSTITUTE therefore a new Paragraph 11, HEALTH, SAFETY AND FIRE CODE REQUIREMENTS, which shall read:

"11. **HEALTH, SAFETY AND FIRE CODE REQUIREMENTS:** As a condition precedent to the existence of this Lease, LANDLORD, at its sole expense will ensure the Premises meet the applicable requirements of all Health, Safety, Fire and Building Codes, statutes, regulations and ordinances for public and governmental buildings, including any requirements for a notice of completion, certificate of occupancy, California Title 24 requirements and the Americans with Disabilities Act ("ADA"). Specifically, LANDLORD must ensure there is an accessible path of travel from public transportation to the Premises pursuant to Title 24. Additionally, LANDLORD warrants that any improvements on or in the Premises which have been constructed or installed by LANDLORD or with LANDLORD's consent or at LANDLORD's direction shall comply with all applicable covenants or restrictions of record and applicable Codes, statutes, regulations and ordinances in effect on the Commencement Date. LANDLORD also warrants to COUNTY that LANDLORD has no knowledge of any claim having been made by any governmental agency that a violation or violations of applicable Codes, statutes, regulations, or ordinances exist with regard to the Premises as of the Commencement Date. Should the continued occupancy of the Premises be in any way prejudiced or prevented due to changes in the ADA or the Health, Safety, Fire and Building Codes, statutes, regulations or ordinances for public and governmental buildings, the LANDLORD shall correct, update and comply with said changes at LANDLORD's cost. LANDLORD, at its sole cost, shall correct all deficiencies as noted in that certain ADA Compliance Review as completed June 24, 2011, and performed by Brian H. Lee, Certified Access Specialist, attached hereto as Exhibit "A-1" and made a part hereof. LANDLORD further warrants that all the

aforementioned deficiencies as noted in that certain ADA Compliance Review completed June 24, 2011 have as of the date of this amendment been satisfactorily completed and a certificate of such executed by Brian H. Lee is attached hereto as a part of Exhibit "A-1" and made a part hereof."

3. DELETE in its entirety Sub-Paragraph 25.a., NOTICES and SUBSTITUTE therefore a new Sub-Paragraph 25.a., NOTICES, which shall read:

"25. **NOTICES:**

a. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party, including but not limited to, notices required under the California unlawful detainer statutes, or any other person shall be in writing and either served personally or sent by postage prepaid, first-class United States mail, certified or registered, return receipt requested. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notices shall be deemed delivered upon the earlier of: (i) actual receipt; or (ii) the date of delivery or refusal of the addressee to accept delivery if such notice is sent by postage pre-paid, first-class United States mail, certified or registered, return receipt requested.

LANDLORD's Address: Rancho Tech, L.L.C., a CA limited liability company
9301 Wilshire Blvd. Suite 315
Beverly Hills, CA 90210
Attn: Alexander Moradi

COUNTY'S Address: Real Estate Services Department
385 N. Arrowhead Avenue, 3rd Floor
San Bernardino, CA 92415-0180"

4. DELETE in its entirety Paragraph 40, COUNTY'S RIGHT TO TERMINATE LEASE and SUBSTITUTE therefore a new Paragraph 40, COUNTY'S RIGHT TO TERMINATE LEASE, which shall read:

"40. **COUNTY'S RIGHT TO TERMINATE LEASE:** The COUNTY shall have the right to terminate this Lease at any time subsequent to the First Extended Term and any extended terms thereafter whenever COUNTY, in its sole discretion, determines it would be in COUNTY's best interests to terminate this Lease. The Director of the Real Estate Services Department (RESA) shall give LANDLORD notice of any termination pursuant to this paragraph at least ninety (90) days prior to the date of termination. In the event COUNTY terminates this Lease pursuant to this paragraph, the LANDLORD shall have the right to receive from the COUNTY the rent which will have been earned through the effective termination date and the COUNTY shall be discharged of all further obligations under the Lease as of the effective termination date."

5. CHANGE that portion of Sub-Paragraph 41.A., LANDLORD'S IMPROVEMENTS, which now reads:

"...The Improvements shall be completed by June 30, 2014...."

to read:

"...The Improvements shall be completed by November 13, 2014...."

6. DELETE in its entirety Sub-Paragraph 41.F., LANDLORD'S IMPROVEMENTS, and SUBSTITUTE therefore the following as a new Sub-Paragraph 41.F., LANDLORD'S IMPROVEMENTS, which shall read:

"F. LANDLORD and COUNTY agree that the improvements are projected to be constructed, completed and certified for occupancy by the City of Rancho Cucamonga by November 13, 2014 and that the COUNTY must be able to occupy the improved Premises no later than November 26, 2014. In order to meet the projected occupancy date, the parties have agreed upon the following Project Construction Schedule setting forth the essential elements of construction, the projected completion dates, and the critical completion dates for each element. Those dates are as follows:

(1) Tenant Improvement Plan Preparation and Submittal to City: Projected Completion Date: May 21, 2014, Critical Completion Date: May 30, 2014

(5) Permit Issuance for Tenant Improvements: Projected Completion Date: August 18, 2014, Critical Completion Date: August 31, 2014.

(6) Construction of Tenant Improvements and Certified for Occupancy: Projected Completion Date: November 13, 2014. Critical Completion Date: November 26, 2014"

7. CHANGE that portion of Sub-Paragraph 41.G., LANDLORD'S IMPROVEMENTS, which now reads:

"...occupy the improved Premises by July 15, 2014,..."

to read:

"...occupy the improved Premises by November 26, 2014..."

8. CHANGE that portion of Sub-Paragraph 41.I., which now reads:

"Therefore, if LANDLORD does not deliver the improved Premises by the projected occupancy date of July 15, 2014, LANDLORD agrees to liquidated damages of Two Hundred and no/00 Dollars (\$200.00) for each day's delay from the Projected occupancy date of July 15, 2014,..."

to read:

"Therefore, if LANDLORD does not deliver the improved Premises by the projected occupancy date of November 26, 2014, LANDLORD agrees to liquidated damages of Two Hundred and no/00 Dollars (\$200.00) for each day's delay from the Projected occupancy date of November 26, 2014,..."

THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK

All other provisions and terms of the Lease Agreement, Contract No. 02-328, as previously amended, shall remain the same and are hereby incorporated by reference. In the event of conflict between this Lease, as previously amended, and this Second Amendment, the provisions and terms of this Second amendment shall control.

END OF SECOND AMENDMENT.

COUNTY OF SAN BERNARDINO

James Ramos, Chairman, Board of Supervisors

Dated: JUL 28 2015

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

Laura H. Welch
Clerk of the Board of Supervisors
of the County of San Bernardino

By Deputy

Rancho Tech, LLC.

By (Authorized signature - sign in blue ink)

Name Issac Moradi
(Print or type name of person signing contract)

Title Manager

Dated: 5/29/2015

Address 4221 Wilshire Blvd. Suite 380

Los Angeles, CA. 90010

Approved as to Legal Form

Agnes I. Cheng, Deputy County Counsel

Date 5/26/15

Reviewed by Contract Compliance

Date

Presented to BOS for Signature

Terry W. Thompson, Director, Real Estate Services Dept.

Date 4/30/15

ORIGINAL



FOR COUNTY USE ONLY

County of San Bernardino

FAS

STANDARD CONTRACT

FIRST AMENDMENT

REVISED

<input type="checkbox"/> New <input checked="" type="checkbox"/> Change <input type="checkbox"/> Cancel	FAS Vendor Code	SC	Dept. RNT	A	Contract Number 02-317 02-382 A-1	
ePro Vendor Number					ePro Contract Number	
County Department Real Estate Services			Dept. RNT	Orgn. RNT	Contractor's License No.	
County Department Contract Representative David H. Slaughter, Director			Telephone (909)387-5252		Total Contract Amount	
Contract Type <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:						
If not encumbered or revenue contract type, provide reason:						
Commodity Code 96164		Contract Start Date 5/1/2014		Contract End Date 4/30/2019		Original Amount \$
Amendment Amount \$179,208.00		Fund AAA		Dept. RNT	Organization RNT	Appr. 200
Obj/Rev Source 2905		GRC/PROJ/JOB No. 61001682		Amount \$		
Fund		Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.
Amount \$						
Fund		Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.
Amount \$						
Fund		Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.
Amount \$						
Project Name Rancho Cucamonga-WDD- 9650 Ninth St.-Rancho Tech, LLC.			Estimated Payment Total by Fiscal Year			
			FY	Amount	I/D	FY

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and

Name
Rancho Tech, LLC.

hereinafter called LANDLORD

Address
9301 Wilshire Blvd. Suite 315

Beverly Hills, CA. 90210

Telephone
(323) 932 - 7777

Federal ID No. or Social Security No.

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the COUNTY and LANDLORD have previously entered into a Lease Agreement, Contract No. 02-328 dated May 7, 2002 ("the Lease"), wherein LANDLORD agreed to lease certain property to the COUNTY; and,

WHEREAS, the COUNTY and LANDLORD now desire to amend the Lease to reflect the COUNTY's use of the first of two five-year options extending the term from May 1, 2014 through April 30, 2019, and,

NOW, THEREFORE, in consideration of mutual covenants and conditions, the parties hereto agree the Lease is amended as follows:

1. DELETE that portion of Paragraph 3.a., TERM, which now reads: "Initial Term. The Lease's initial term ("Initial Term") shall commence on January 1, 2003 ("Commencement Date") and end on December 31, 2012

Auditor-Controller/Treasurer Tax Collector Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By



ORIGINAL



County of San Bernardino

FAS

STANDARD CONTRACT

FIRST AMENDMENT

FOR COUNTY USE ONLY

<input type="checkbox"/> New <input checked="" type="checkbox"/> Change <input type="checkbox"/> Cancel	FAS Vendor Code	SC	Dept. RNT	A	Contract Number 02-382 A-1	
ePro Vendor Number					ePro Contract Number	
County Department Real Estate Services			Dept. RNT	Orgn. RNT	Contractor's License No.	
County Department Contract Representative David H. Slaughter, Director			Telephone (909)387-5252		Total Contract Amount	
Contract Type <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:						
If not encumbered or revenue contract type, provide reason:						
Commodity Code 96164		Contract Start Date 5/1/2014	Contract End Date 4/30/2019	Original Amount \$	Amendment Amount \$179,208.00	
Fund AAA	Dept. RNT	Organization RNT	Appr. 200	Obj/Rev Source 2905	GRC/PROJ/JOB No. 61001682	Amount \$
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount \$
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount \$
Project Name Rancho Cucamonga-WDD- 9650 Ninth St.-Rancho Tech, LLC.			Estimated Payment Total by Fiscal Year			
			FY	Amount	I/D	

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Name

Rancho Tech, LLC.

Address

9301 Wilshire Blvd. Suite 315

Beverly Hills, CA. 90210

Telephone

(323) 932 - 7777

Federal ID No. or Social Security No.

hereinafter called LANDLORD

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the COUNTY and LANDLORD have previously entered into a Lease Agreement, Contract No. 02-328 dated May 7, 2002 ("the Lease"), wherein LANDLORD agreed to lease certain property to the COUNTY; and,

WHEREAS, the COUNTY and LANDLORD now desire to amend the Lease to reflect the COUNTY's use of the first of two five-year options extending the term from May 1, 2014 through April 30, 2019, and,

NOW, THEREFORE, in consideration of mutual covenants and conditions, the parties hereto agree the Lease is amended as follows:

1. DELETE that portion of Paragraph 3.a., TERM, which now reads: "Initial Term. The Lease's initial term ("Initial Term") shall commence on January 1, 2003 ("Commencement Date") and end on December 31, 2012

Auditor-Controller/Treasurer Tax Collector Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

("Ending Date")...", and SUBSTITUTE therefore the following which shall read: "First Extended Term. The Lease's first extended term ("Extended Term") shall commence on May 1, 2014 and end on April 30, 2019 ("Ending Date")..."

2. DELETE Paragraph 4.a., RENT and SUBSTITUTE therefore a new Paragraph 4.a. RENT which shall read as follows:

"A. Commencing when the term commences, the COUNTY shall pay to the Landlord the following monthly payments in arrears on the last day of each month provided that all Improvements to be constructed by LANDLORD pursuant to **Paragraph 41, LANDLORD IMPROVEMENTS**, are substantially completed and are accepted by COUNTY. For the purposes of this Lease, "Substantially Completed" shall mean that the Premises can be used for their intended purposes and have been certified for occupancy by the entity that issued the building permits, notwithstanding that minor corrections and/or additions remain to be completed, it being understood that LANDLORD shall promptly complete said corrections and/or additions."

Commencement - April 30, 2015 – monthly payments of \$33,826.00 (\$1.40/sq. ft.)
May 1, 2015 – April 30, 2016 – monthly payments of \$34,793.00 (\$1.44/sq. ft.)
May 1, 2016 – April 30, 2017 – monthly payments of \$35,760.00 (\$1.48/sq. ft.)
May 1, 2017 – April 30, 2018 – monthly payments of \$36,726.00 (\$1.52/sq. ft.)
May 1, 2018 – April 30, 2019 – monthly payments of \$38,103.00 (\$1.57/sq. ft.)

Further as consideration for Tenant Improvements to be constructed in accordance with Paragraph 41. LANDLORDS IMPROVEMENTS, as described on Exhibit "A" attached here to and made a part hereof, COUNTY shall pay to the LANDLORD the sum of One Hundred Twenty-Six Thousand, Two Hundred Nine and 00/100 Dollars (\$126,209.00 in accordance with the following incremental payment schedule:

60% (\$75,725.00) – upon completion of framed walls, rough electrical, rough HVAC, drywall prepared for painting and T-Dar grid installed.
35% (\$44,173.00) – upon acceptance by County of San Bernardino
5% (\$6,311.00) – 30 days subsequent to acceptance by County of San Bernardino

3. DELETE Paragraph 17., HOLD HARMLESS and SUBSTITUTE therefore a new Paragraph 17. INDEMNIFICATION, which shall read as follows:

"17. **INDEMNIFICATION:** The LANDLORD agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless the COUNTY and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the COUNTY on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities. The LANDLORD's indemnification obligation applies to the COUNTY's "active" as well as "passive" negligence but does not apply to the COUNTY's "sole negligence" or "willful misconduct" within the meaning of Civic Code Section 2782."

4. DELETE Paragraph 18., INSURANCE and SUBSTITUTE therefore a new Paragraph 18. INSURANCE REQUIREMENTS AND SPECIFICATIONS, which shall read as follows:

"18. **INSURANCE REQUIREMENTS AND SPECIFICATIONS:**

A. COUNTY is a self-insured public entity for purposes of professional liability, general liability and workers' compensation.

B. The LANDLORD agrees to provide insurance set forth in accordance with the requirements herein. If the LANDLORD uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the LANDLORD agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the lease hereunder. Without in anyway affecting the indemnity herein provided and in addition thereto, the LANDLORD shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

(1) Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the LANDLORD and all risks to such persons under this lease agreement.

If LANDLORD has no employees, it may certify or warrant to the COUNTY that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the COUNTY's Director of Risk Management.

If, LANDLORD is a non-profit corporation, organized under California or Federal law, volunteers for LANDLORD are required to be covered by Workers' Compensation insurance.

(2) Commercial/General Liability Insurance – The LANDLORD shall carry General Liability Insurance covering all operations performed by or on behalf of the LANDLORD providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- (a) Premises operations and mobile equipment.
- (b) Products and completed operations.
- (c) Broad form property damage (including completed operations).
- (d) Personal injury
- (e) Contractual liability.
- (f) \$2,000,000 general aggregate limit.

(3) Commercial Property Insurance providing all risk coverage for the leased premises, building, fixtures, equipment and all property constituting a part of the premises. Coverage shall be sufficient to insure One Hundred percent (100%) of the replacement cost.

(4) Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

(5) Umbrella Liability Insurance - An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary

coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

(C) If LANDLORD performs any construction of the Premises on behalf of the COUNTY, LANDLORD shall also procure and maintain coverages as follows:

(1) Subcontractor Insurance Requirements. The LANDLORD agrees to require all parties or subcontractors, including architects or others it hires or contracts with related to the performance of this contract to provide insurance covering the contracted operation with the basic requirements for all contracts in B1 and the insurance sections for all contracts in B2, (including waiver of subrogation rights) and naming the COUNTY as an additional insured. The LANDLORD agrees to monitor and review all such coverage and assumes all responsibility ensuring that such coverage is provided as required here.

(2) Course of Construction/Installation (Builder's Risk) property insurance providing all risk, including theft coverage for all property and materials to be used on the project. The insurance policy shall not have any coinsurance penalty.

(D) Additional Insured – All policies, except for the Workers' Compensation, shall contain endorsements naming the COUNTY and their officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the use under this lease hereunder. The additional insured endorsements shall not limit the scope of coverage for the COUNTY to vicarious liability but shall allow coverage for the COUNTY to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

(E) Waiver of Subrogation Rights – The LANDLORD shall require the carriers of required coverages to waive all rights of subrogation against the COUNTY, their officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the LANDLORD and LANDLORD's employees or agents from waiving the right of subrogation prior to a loss or claim. The LANDLORD hereby all rights of subrogation against the COUNTY.

(F) Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the COUNTY.

(G) Severability of Interests – The LANDLORD agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the LANDLORD and the COUNTY or between the COUNTY and any other insured or additional insured under the policy.

(H) Proof of Coverage – The LANDLORD shall furnish Certificates of Insurance to the San Bernardino Real Estate Services Department (RESA) administering the lease evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to RESA, and LANDLORD shall maintain such insurance from the time LANDLORD commences use under the lease hereunder until the end of the period of the lease. Within fifteen (15) days of the commencement of this contract, the LANDLORD shall furnish a copy

of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

(I) Acceptability of Insurance Carrier – Unless otherwise approved by the COUNTY Department of Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A-VII".

(J) Insurance Review – Insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever the COUNTY's Department of Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the COUNTY. In addition, the COUNTY's Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the COUNTY, inflation, or any other item reasonably related to the COUNTY's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this lease. LANDLORD agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of RESD or COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of RESD or the COUNTY.

(K) Failure to Procure Insurance. All insurance required must be maintained in force at all times by LANDLORD. Failure to maintain said insurance, due to expiration, cancellation, etc., shall be cause for the COUNTY to give notice to immediately suspend all LANDLORD's business activities on the Premises. Failure to reinstate said insurance within the (10) days of notice to do so shall be cause for termination and for forfeiture of this agreement, and/or COUNTY, at its discretion, may procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by COUNTY shall be repaid by LANDLORD to COUNTY upon demand but only for the pro rata period of non-compliance.

(L) COUNTY shall have no liability for any premiums charged for such coverage(s). The inclusion of COUNTY as additional named insured is not intended to and shall not make a partner or joint venturer with LANDLORD in LANDLORD's operations.

(M) The LANDLORD agrees to require all parties or subcontractors, or others it hires or contracts with related to the use of this lease to provide insurance covering such use with the basic requirements and naming the COUNTY as additional insured. LICENSEE agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided as required herein.

5. ADD to Paragraph 11., HEALTH, SAFETY AND FIRE CODE REQUIREMENTS, the following which shall read:

"...LANDLORD, at his sole cost, shall correct all deficiencies as noted in that certain ADA Compliance Review as completed June 24, 2011, and performed by Brian H. Lee, Certified Access Specialist, attached hereto as Exhibit "B" and made a part hereof..."

6. DELETE Paragraph 41., LANDLORD'S IMPROVEMENTS, and SUBSTITUTE therefore a new Paragraph 41., LANDLORD'S IMPROVEMENTS which shall read as follows:

"41. LANDLORD'S IMPROVEMENTS:

A. LANDLORD, at its cost, agrees to make the improvements to the Premises set forth in Exhibit "A", Premises Specifications ("Improvements"). The Improvements shall be completed by June 30, 2014. LANDLORD shall, within ninety (90) days after the Commencement Date (or within ninety [90] days of any termination date if the termination date is prior to the Commencement Date), provide COUNTY receipts, invoices and other billing and/or accounting information necessary to verify the cost of all Improvements. The failure of LANDLORD to timely submit documentation to verify the cost of all Improvements shall waive LANDLORD's right to be reimbursed for the unamortized portion of such costs as provided in **Paragraph 40, COUNTY'S RIGHT TO TERMINATE LEASE, subparagraph 40C**. The costs of all Improvements made by LANDLORD pursuant to this paragraph shall be in accordance with **Paragraph 4a, RENT**, above.

B. LANDLORD understands and agrees that from the time that this agreement is executed through the completion of the Improvements pursuant to Exhibit "A", Premises Specifications and Room by Room Specifications, and acceptance of the improved Premises by COUNTY, LANDLORD shall not assign or transfer a controlling interest in the Premises to a third party, without COUNTY's prior review and approval.

(1) LANDLORD understands and agrees to provide to COUNTY all documents and relevant information concerning any proposed transfer. COUNTY will have ten (10) COUNTY working days after receiving all such documents and information to complete its review. Upon COUNTY approval of an assignment or transfer, the parties shall immediately execute an amendment to this Lease stating the change of ownership of the Premises.

C. LANDLORD understands and agrees not to make any modifications to the improvement plans and specifications as set forth in Exhibits "A", Premises Specifications and Room by Room Specifications, without first obtaining approval in the form of an amendment to this Lease. Any changes to these plans and specifications, without first acquiring said approval, will be at the expense of the LANDLORD and not the COUNTY.

D. In the event LANDLORD contracts for the construction of any portion of the Improvements set forth in Exhibit "A", Premises Specifications and Room by Room Specifications, LANDLORD shall comply with the applicable provisions of the California Public Contract Code 22000 through 22045 regarding bidding procedures and Labor Code Section 1720.2 and 1770 et seq. regarding general prevailing wages. LANDLORD shall indemnify and hold harmless COUNTY and its officers, employees, and agents from any claims, actions, losses, damages and/or liability arising out of the obligations set forth in this subparagraph. The LANDLORD's indemnity obligations shall survive the COUNTY's tenancy, and shall not be limited by the existence or availability of insurance.

E. LANDLORD, at its sole expense, must provide all plans including construction plans. All finishes shall match the existing finishes at the time of construction. LANDLORD agrees and understands that it will construct on the Premises during the period immediately following execution of this Lease Amendment, those Improvements shown on the plans prepared by LANDLORD and approved by COUNTY. The Improvements shall be constructed in accordance with **Paragraph 11, HEALTH, SAFETY AND FIRE CODE REQUIREMENTS**, and Exhibit "A", Premises Specifications and Room by Room Specifications.

F. LANDLORD and COUNTY agree that the Improvements are projected to be constructed, completed and certified for occupancy by the City of Rancho Cucamonga by June 30, 2014, and that the COUNTY must be able to occupy the improved Premises no later than July 15, 2014. In order to meet the projected occupancy date, the parties have agreed upon the following Project Construction Schedule setting forth the essential elements of construction, the projected completion dates, and the critical completion dates for each element. Those dates are as follows:

(1) Tenant Improvement Plan Preparation and Submittal to City: Projected Completion Date: May 21, 2014. Critical Completion Date: May 25, 2014.

(5) Permit Issuance for Tenant Improvements: Projected Completion Date: May 25, 2014. Critical Completion Date: May 30, 2014.

(6) Construction of Tenant Improvements and Certified for Occupancy: Projected Completion Date: June 30, 2014. Critical Completion Date: July 15, 2014.

G. LANDLORD agrees that its failure to meet any of the above Critical Completion Date(s) will mean that the COUNTY will not be able to occupy the improved Premises by July 15, 2014, and that the COUNTY may therefore elect to terminate this Lease in the event the LANDLORD fails to meet any of said dates. Any such election to terminate by the COUNTY must be in writing and given to LANDLORD within five (5) COUNTY working days of the missed Critical Completion Date, and before the LANDLORD completes the element and notifies the COUNTY of such completion.

H. LANDLORD agrees to provide the COUNTY a written progress report every fourteen (14) days. The report shall contain up-date information of construction progress and notification of any permit approval. LANDLORD shall immediately notify COUNTY of the completion of every element in the Project Construction Schedule.

I. LANDLORD acknowledges that late delivery of the Premises to COUNTY will cause COUNTY to incur costs not contemplated by this Lease agreement, the exact amount of such costs being extremely difficult and impracticable to fix. Therefore, if LANDLORD does not deliver the improved Premises by the projected occupancy date of July 15, 2014, LANDLORD agrees to liquidated damages of Two Hundred and no/00 Dollars (\$200.0) for each day's delay from the projected occupancy date of July 15, 2014, to the date the COUNTY accepts the Premises or terminates this Lease agreement. The parties agree that this charge represents a fair and reasonable estimate of the costs that COUNTY will incur by reason of late delivery. Acceptance of any charge shall not constitute a waiver of LANDLORD's default or prevent COUNTY from exercising any of the other rights and remedies available to COUNTY.

J. Notwithstanding subparagraphs "F", "G" and "I", above, in the event LANDLORD, after exercising all due diligence, is unable to meet any of the above mentioned Critical Completion Dates due to reasons which LANDLORD proves are outside the control of LANDLORD, such reasons include but are not limited to acts of God, unreasonable acts of governmental agencies causing unavoidable delays (the normal and reasonable times for review, action and reasonably anticipated delays by governmental agencies are already included in the timing of the Critical Completion Dates), strikes, or labor troubles, then the Critical Completion Dates(s) shall be extended for a period equivalent to the period of such delay.

(1) As soon as LANDLORD becomes aware, or should in the exercise of due diligence have become aware of any facts or circumstances that may or will cause such a delay, LANDLORD shall immediately notify COUNTY of any such delay or anticipated delay.

In the event LANDLORD fails to timely notify COUNTY of any such delay or anticipated delay, LANDLORD, notwithstanding the main portion of this **subparagraph "J" above**, shall be subject to **subparagraph "I"**, above, for the entire length of any delay.

7. ADD a new Paragraph 54. **USE OF AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FUNDS AND REQUIREMENTS**, which shall read as follows:

"The Parties acknowledge and agree that the following does not currently apply to the Lease as neither the COUNTY nor the LANDLORD will use the funds described below in connection with the Premises. Notwithstanding the applicability of the following, due to COUNTY requirements, the following Paragraph 54 is included:

"54. USE OF AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FUNDS AND REQUIREMENTS: This Contract may be funded in whole or in part with funds provided by the American Recovery and Reinvestment Act of 2009 ("ARRA"), signed into law on February 17, 2009. Section 1605 of ARRA prohibits the use of recovery funds for a project for the construction, alteration, maintenance or repair of a public building or public work (both as defined in 2 CFR 176.140) unless all of the iron, steel and manufactured goods (as defined in 2 CFR 176.140) used in the project are produced in the United States. A waiver is available under three limited circumstances: (i) Iron, steel or relevant manufactured goods are not produced in the United States in sufficient and reasonable quantities and of a satisfactory quality; (ii) Inclusion of iron, steel or manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent; or (iii) Applying the domestic preference would be inconsistent with the public interest. This is referred to as the "Buy American" requirement. Request for a waiver must be made to the COUNTY for an appropriate determination.

Section 1606 of ARRA requires that laborers and mechanics employed by LANDLORD or LANDLORD's subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 31). This is referred to as the "wage rate" requirement.

The above described provisions constitute notice under ARRA of the Buy American and wage rate requirements. LANDLORD must contact the COUNTY contact if it has any questions regarding the applicability or implementation of the ARRA Buy American and wage rate requirements. LANDLORD will also be required to provide detailed information regarding compliance with the Buy American requirements, expenditure of funds and wages paid to employees so that the COUNTY may fulfill any reporting requirements it has under ARRA. The information may be required as frequently as monthly or quarterly. LANDLORD agrees to fully cooperate in providing information or documents as requested by the COUNTY pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

LANDLORD may also be required to register in the Central Contractor Registration (CCR) database at <http://www.ccr.gov> and may be required to have its subcontractors also register in the same database. LANDLORD must contact the COUNTY with any questions regarding registration requirements."

8. ADD a new Paragraph 55., **SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**, which shall read as follows:

"The Parties acknowledge and agree that the following does not currently apply to the Lease as neither the COUNTY nor the LANDLORD will use the funds described below in connection with

the Premises. Notwithstanding the applicability of the following, due to COUNTY requirements, the following Paragraph 55 is included:

"55. **SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS:** In addition to the requirements described in "Use of ARRA Funds and Requirements," proper accounting and reporting of ARRA expenditures in single audits is required. LANDLORD agrees to separately identify the expenditures for each grant award funded under ARRA on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by the Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." This identification on the SEFA and SF-SAC shall include the Federal award number, the Catalog of Federal Domestic Assistance (CFDA) number, and amount such that separate accountability and disclosure is provided for ARRA funds by Federal award number consistent with the recipient reports required by ARRA Section 1512 (c).

In addition, LANDLORD agrees to separately identify to each subcontractor and document at the time of sub-contract and at the time of disbursement of funds, the Federal award number, any special CFDA number assigned for ARRA purposes, and amount of ARRA funds.

LANDLORD may be required to provide detailed information regarding expenditures so that the COUNTY may fulfill any reporting requirements under ARRA described in this section. The information may be required as frequently as monthly or quarterly. LANDLORD agrees to fully cooperate in providing information or documents as requested by the COUNTY pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

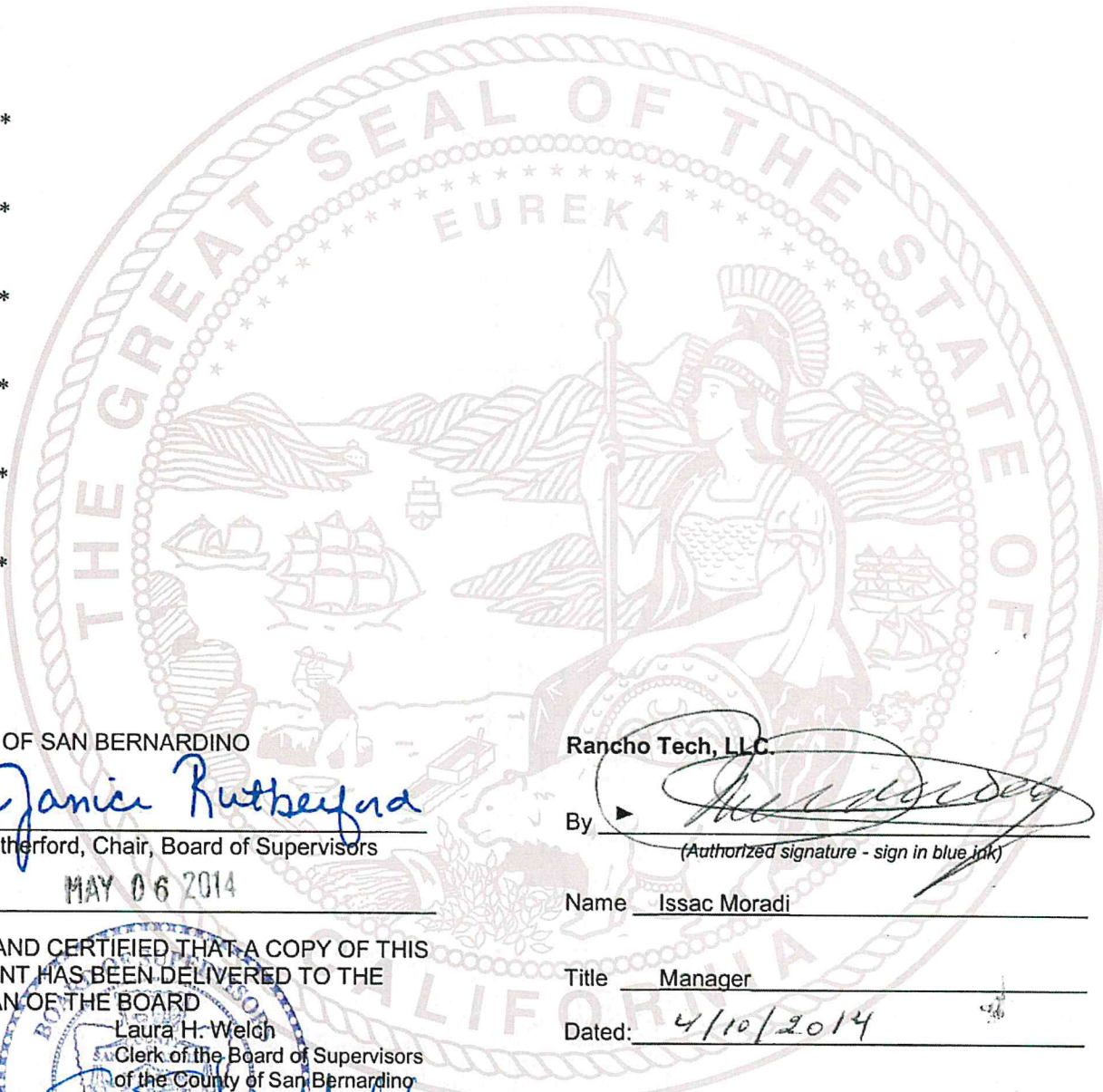
A. **Whistleblower Protection.** LANDLORD agrees that both it and its subcontractors shall comply with Section 1553 of the ARRA, which prohibits all non-Federal contractors, including the State, and all contractors of the State, from discharging, demoting or otherwise discriminating against an employee for disclosures by the employee that the employee reasonably believes are evidence of: (1) gross mismanagement of a contract relating to ARRA funds; (2) a gross waste of ARRA funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of ARRA funds; (4) an abuse of authority related to the implementation or use of recovery funds; or (5) a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) awarded or issued relating to ARRA funds.

LANDLORD agrees that it and its subcontractors shall post notice of the rights and remedies available to employees under Section 1553 of Division A, Title XV of the ARRA.

By executing this Agreement, LANDLORD acknowledges receipt of the American Recovery and Reinvestment Act (ARRA) Funding requirements that became effective August 12, 2009, and understands and agrees to the contractual obligations stipulated herein for contracts with the County.

9. All other provision and terms of the Lease Agreement, Contract No. 02-328, shall remain the same and are hereby incorporated by reference.

END OF FIRST AMENDMENT.



COUNTY OF SAN BERNARDINO

By Janice Rutherford
Janice Rutherford, Chair, Board of Supervisors

Dated: MAY 06 2014

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

By Laura H. Welch
Laura H. Welch
Clerk of the Board of Supervisors
of the County of San Bernardino
Deputy

Rancho Tech, LLC.
By Issac Moradi
(Authorized signature - sign in blue ink)

Name Issac Moradi

Title Manager

Dated: 4/10/2014


Address 9301 Wilshire Boulevard, Suite 315
Beverly Hills, CA 90210

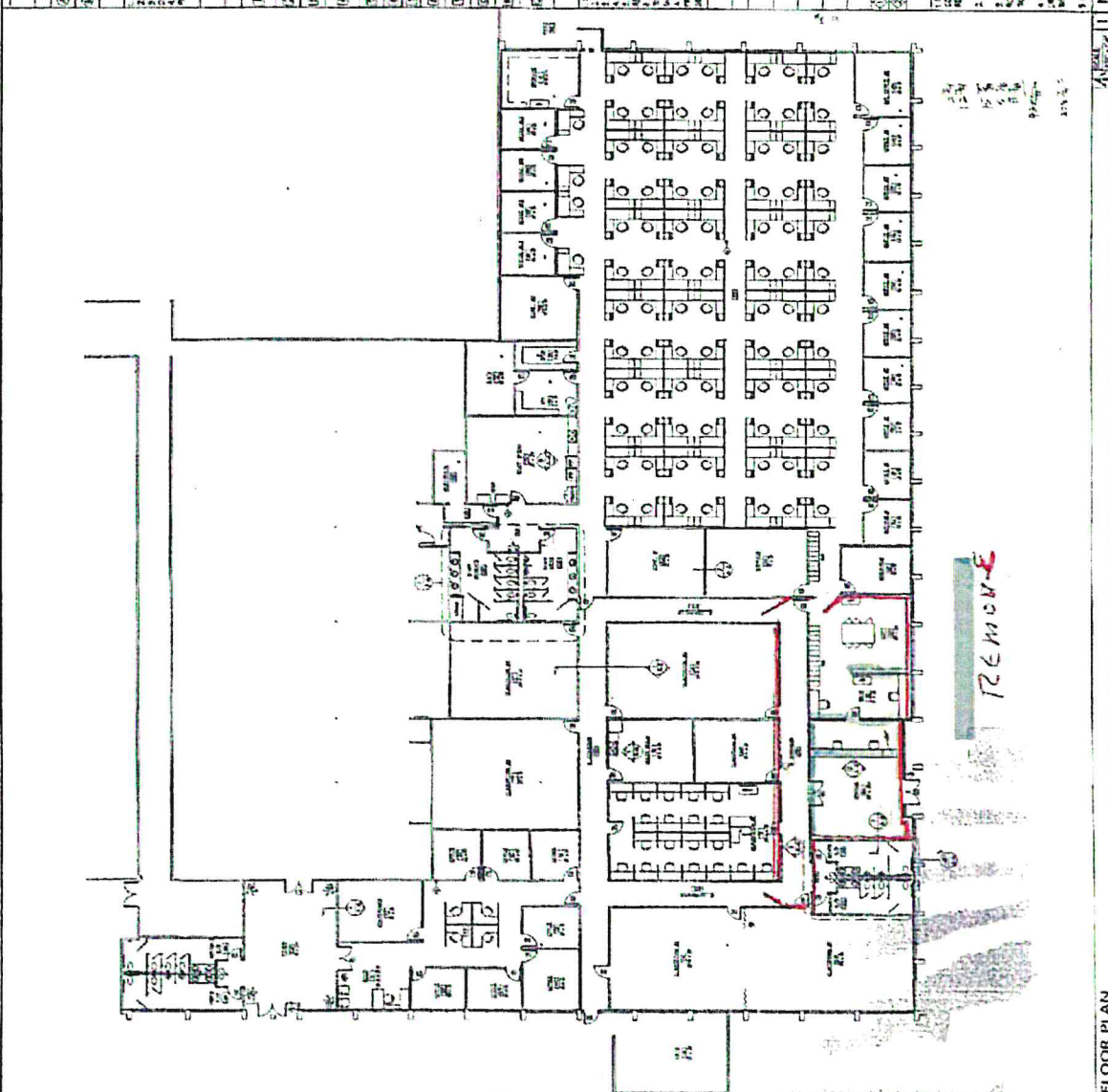
Approved as to Legal Form
By Alan Green
Alan Green, Deputy County Counsel
Date 4/2/14

Reviewed by Contract Compliance
By _____
Date _____

Presented to BOS for Signature
By Terry W. Thompson
Terry W. Thompson, Director, Real Estate Services Dept.
Date 4/23/14

EXHIBIT "A" **PREMISE SPECIFICATIONS-FLOOR PLAN**

		JOBS EMPLOYMENT SERVICES DEPARTMENT 12001 WILSON BLVD., SUITE 100 LOS ANGELES, CA 90024		FLOOR PLAN 01-145 A-2															
WINDOW SCHEDULE <table border="1" style="width:100%;"> <tr> <th>SIZE</th> <th>TYPE</th> <th>NOTES</th> </tr> <tr> <td>3'-0" x 4'-0"</td> <td>ALUMINUM W/ 1/2" GLASS</td> <td></td> </tr> </table>		SIZE	TYPE	NOTES	3'-0" x 4'-0"	ALUMINUM W/ 1/2" GLASS		WINDOW NOTES ALL WINDOWS TO BE LOW EMISSIVITY 2. MINIMUM 1/2" GLASS THICKNESS 3. MINIMUM 1/2" GLASS THICKNESS 4. GLASS SHALL BE LOW EMISSIVITY 5. GLASS SHALL BE LOW EMISSIVITY 6. GLASS SHALL BE LOW EMISSIVITY		DOOR SCHEDULE <table border="1" style="width:100%;"> <tr> <th>SIZE</th> <th>TYPE</th> <th>NOTES</th> </tr> <tr> <td>3'-0" x 7'-0"</td> <td>ALUMINUM W/ 1/2" GLASS</td> <td></td> </tr> </table>		SIZE	TYPE	NOTES	3'-0" x 7'-0"	ALUMINUM W/ 1/2" GLASS		DOOR NOTES ALL DOORS TO BE LOW EMISSIVITY 2. MINIMUM 1/2" GLASS THICKNESS 3. MINIMUM 1/2" GLASS THICKNESS 4. GLASS SHALL BE LOW EMISSIVITY 5. GLASS SHALL BE LOW EMISSIVITY 6. GLASS SHALL BE LOW EMISSIVITY	
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EXHIBIT "A"
PREMISE SPECIFICATIONS

Workforce Development Department
Rancho Cucamonga
Employment Resource Center

GENERAL SPECIFICATIONS:

On all items listed within Exhibit "A", Premises Specifications, **COUNTY** is to select and/or approve all colors, textures, types, models, styles, etc., used on the exterior and interior of the leased facility. Where "**COUNTY approved color board**" (CACB) is specified; only those materials and colors on the board may be used; any necessary substitutions must be approved by **COUNTY**. Where a brand name product is indicated, it shall be that brand name identified or a **COUNTY** approved equal. **LANDLORD** is to coordinate and provide for all health, Americans with Disabilities Act (ADA), building and safety, and fire requirements pursuant to all local, **COUNTY**, state and federal codes. All construction drawings are to be provided at **LANDLORD'S** expense. In the event any specified item is discontinued on the open market, notify **COUNTY** Real Estate Services to seek **COUNTY** approval for an alternate product.

Abbreviations:

AP1 –	Acoustical ceiling panels
AP2 –	High performance acoustical ceiling panels
CACB-	COUNTY approved color board
CARP –	Carpet
CT1 –	Glazed porcelain floor tile
CT2 –	Glazed porcelain floor tile
CT3-	Glazed ceramic wall tile
CT4 -	Glazed ceramic wall tile (accent)
P1 –	Semi-gloss latex paint
P2 –	High-gloss latex paint
P3 –	Semi-gloss latex paint (accent)
VT –	Vinyl floor tile

1. CEILINGS:

- a. 2' x 4' suspended acoustic ceiling with *Donn DX* exposed ceiling tile tee systems, white. Fire rated system in areas required by Code.
- b. Ceilings are to be Ten foot (10'), unless otherwise specified.
- c. Five-eighths inch (5/8") thick *Armstrong Cortega #769* acoustical ceiling panels (AP-1), color - white, unless otherwise specified in the Finish Specifications.
- d. Three-fourths inch (3/4") thick *Armstrong #1811 Fine Fissured High NCR* acoustical ceiling panels (AP-2), NRC range 0.70, color - white, when specified in Finish Specifications.

2. LIGHTING:

- a. 2' x 4', three (3) or four (4) tube fluorescent drop-in fixtures, minimum 70 foot - candles, or as allowed by current Energy Codes. Lighting must meet all Uniform Building Codes applicable to commercial office buildings. All rooms to have separate lighting controls (switches or light sensors).
- b. Each fluorescent light fixture shall be identified; with black permanent pen or equivalent, as to which circuit and electrical sub panel it receives power. Marking must be done in such a way as to be easily seen when cover is removed, but not seen with cover on.
- c. Lighting fixtures must run parallel to work surfaces, or shelving units in storage rooms. All reflected ceiling plans (light fixture locations) must be reviewed and coordinated with the modular furniture vendor and **COUNTY**.
- d. Night light fluorescent fixtures are to remain on at all times in each lobby, open area, and inside employee entrance door.
- e. Energy efficient emergency exit signs must be provided as per local building code to include restrooms. Provide additional emergency lighting for exit passages per local code approval. If fluorescent light fixtures are utilized for emergency battery back-up lighting purposes, they must be marked by dots (no larger than 1/4") or equivalent for easy identification. Dots must be able to be seen from floor level.
- f. All light switches that control lighting in lobbies or open work area are to be ganged together in the adjacent lobbies or open work areas. No light switches are to be located in areas used by the public.
- g. Hallway lighting controls should be located convenient to the designated employee entrance.
- h. Locations of all light switches are to be approved by **COUNTY**.

3. AIR CONDITIONING:

- a. The facility HVAC system shall be zone controlled properly to provide an even temperature throughout the facility, unless noted otherwise. **COUNTY** is to approve HVAC control locations.
- b. Landlord shall provide the **COUNTY** with a copy of any air and hydraulic balance report from the "third party" firm duly licensed to inspect and certify the performance of the HVAC and hydraulic systems. Landlord shall make any adjustments, repairs or replacement of equipment necessary to achieve a uniform air temperature and even water flows in all areas of the structure.
- c. Air conditioning supply register: Non- adjustable type. All registers are to be covered with tamper proof shields. Supply and return registers are to be approved by **COUNTY**.
- d. All rooms are to have ducted air conditioning supplies and returns. Except the janitor, IDF and telephone rooms.

- e. Main heating and air conditioning controls shall be placed in electrical room with remote sensors placed in the return air ducts or otherwise not accessible to employees.
- f. Air-conditioning requirements for the Telephone/Data Room are included in Exhibit "A" pages 20 through 30.

4. WALL CONSTRUCTION:

- a. The interior sides of all exterior concrete or block walls, and all interior concrete or block walls, are to be furred and drywalled.
- b. All interior walls shall be constructed from floor to ceiling, at a minimum, unless otherwise noted and approved by **COUNTY**.
- c. All exposed interior walls shall be drywall finished, unless otherwise noted.

5. WALL COVERINGS:

- a. See **RESTROOM FACILITIES** for complete specifications.

6. PAINTED WALLS:

- a. All interior walls shall receive texture coating - to be orange peel textured (without knock down) with one coat of primer. Apply color topcoats to match the selected color chip provided by manufacturer, with a minimum of two coats of paint, the final coat rolled on for a smooth finish.
- b. All paint shall be Dulux, Sinclair, Dunn-Edwards, or Spectratone.
- c. Paint colors (**P1**) semi-gloss, (**P2**) high-gloss, (**P3**) semi-gloss accent, to be approved by **COUNTY**. Placement of accent (**P3**) and high-gloss (**P2**) within facility to be approved by **COUNTY**. All other painted walls will be (**P1**). Window and doorframes and doors may be (**P2**), if not anodized and if applicable and approved by **COUNTY**.

7. INSULATION/SOUNDPROOFING:

- a. All wall cavities around hallways, rest rooms, offices, break rooms, meeting/conference rooms, lobby areas and any special areas as specified by **COUNTY** shall be completely filled with insulation to help reduce sound transmission.
- b. If walls in these areas do not extend above T-bar, sound tape must be installed between finished ceiling and top wall track.

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8. FLOORING:

- a. Ground floors must be constructed to withstand a minimum force of 125 pounds per square foot loading; all floors above the first floor must meet local building code.

9. FLOOR COVERINGS:

CARPET:

- a. A high-density modular 36" squares of carpet stock of Milliken Contact Colorweave and/or rolled carpet goods stock of Shaw-Movement (**CARP**). Manufacturer, type, color and placement in facility to be approved by **COUNTY**.
- b. Installation to be as per manufacturer recommendations, using approved installers, adhesives and seam sealers, as applicable.
- c. Binded carpet base to be installed in all carpeted areas. Binded carpet base to match carpet or to be approved by **COUNTY**. Installation to be as per manufacturer recommendations.

PORCELAIN FLOOR TILE:

- a. Glazed floor tile (**CT-1**), (**CT-2**) with a sanitary base to be of same manufacturer of tile selected. Manufacturer, size, type, color, grout, and placement to be approved by **COUNTY**. (See: *Restroom Facilities* for additional ceramic tile requirements.)

10. EXTERIOR SIGNAGE:

- a. Contractor will provide exterior premise signage, as consistent with that which exists if applicable, as approved by **COUNTY**.
- b. Raised, non-illuminated letters, monument type on stand-alone buildings, per City regulation and **COUNTY** approval.
- c. Signage to have address, County logo and "COUNTY OF SAN BERNARDINO" only, no department name.
- d. **COUNTY** will provide entry door lettering: County name, agency name, and hours of operation, as allowed by jurisdiction.

11. DOOR HARDWARE:

- a. All doors and door schedule to be approved by the County.
- b. Schlage Heavy-Duty, unless otherwise specified or **COUNTY** approved equal.
- c. Von Duprin 99L-RH (LH for left side handle) panic bars, 36" device, 2060 finish, electronic opening controls will be required on all doors utilizing the access card system unless otherwise specified.

- d. Door closures on all lobby, rest room, entry and exit doors.
- e. Push plates and pull handles instead of doorknobs or lever handles on rest room entrance doors, except for privacy restrooms, as allowed by code.
- f. All lockable doors must be pinned using a Grand Master hierarchy. **COUNTY** to approve all sub masters and change keys. All pinning information shall be submitted to the **COUNTY** for future use.
- g. All hardware must meet local and ADA requirements.

12. ELECTRICAL CONNECTIONS:

- a. LANDLORD is responsible for all electrical connections from portable partitions to power source on site.
- b. Large open work areas are to have "J" boxes above ceiling spaced at 20' each way or per design requirement to be provided by **COUNTY**.

13. TELEPHONE/DATA AND IDF ROOMS AND EQUIPMENT:

Specifications are included in Exhibit "A", pages 20 through 30 and as shown on plans. LANDLORD is responsible for the following:

- a. All telephone/data jack locations shall have 3/4-inch conduit, with pull strings, stubbed out above the ceiling. If the ceiling is not accessible for pulling cable, the conduit must home run to the nearest IDF location.
- b. Blank covers must be installed over all unused telephone/data outlets.
- c. Telephone and data equipment, lines, and jacks to be installed by **COUNTY**.

14. FIRE ALARM:

- a. Fire alarm system to be installed at LANDLORD expense with strobe lights and audible alarm in all rest rooms, general usage areas, hallways, lobbies, and any other area for common use as required to meet ADA requirements.
- b. **COUNTY** to approve location of fire alarm control panel.
- c. Fire alarm system must meet all City, **COUNTY**, State and Federal fire code requirements.

15. PLAN COPIES:

Landlord will supply to **COUNTY**:

- a. Two (2) clean, complete signed and stamped reproducible hardcopy sets of building construction plans.
- b. One (1) electronic CAD copy of the same plans in .dwg format, One (1) As-Built set of permitted drawings and One (1) set of red line drawings with building changes noted in red pen, over an approved set of plans; attach Change Orders and Addendum's that reflect the Tenant Improvements Only.
- c. The As-Built plans set is required to be delivered to the **COUNTY** within 60 days of issuance of Certificate Of Occupancy.

- | | | | |
|----------------------|-----|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 100. Lobby/Reception | CT1 | P2 | <ul style="list-style-type: none">• 10' high ceiling with AP-2 acoustical panels• 6 duplex, 1 @ 42" from floor and 1 @ 72" from floor• 6 data/phone, 2 @ 42" from floor and• 2 ceiling fans• Landlord to provide lobby seating from Furniture Vendor• Approximately 12' of counter space. Design to be approved by County |
|----------------------|-----|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



County of San Bernardino

FAS

FOR COUNTY USE ONLY

E	<input checked="" type="checkbox"/>	New	Vendor Code		SC	Dept.	A	Contract Number		02-328
M	<input type="checkbox"/>	Change						Contractor's License No.		
X	<input type="checkbox"/>	Cancel						Amount of Contract		
County Department					Dept.		Orgn.			
Real Estate Services Department										
County Department Contract Representative					Ph. Ext.					
John Yuhas, Interim Director					7-7813					
Fund	Dept.	Organization	Appr.	Obj/Rev Source	Activity	GRC/PROJ/JOB Number				
AAA	RNT	RNT	200	2905		N31682				
Commodity Code			FY		Estimated Payment Total by Fiscal Year					
			I/D		Amount	I/D	FY	Amount		
Project Name										
R.C. - JESD										

CONTRACT TRANSMITTAL

CONTRACTOR

RANCHO TECH, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY

Birth Date

Federal ID No. or Social Security No.

95-4535713

Contractor's Representative Alexander Moradi, Manager

Address 9301 Wilshire Boulevard, Suite 315, Beverly Hills, CA 90210

Phone (310) 247-0755, Ext. 112

Nature of Contract: (Briefly describe the general terms of the contract)

This Lease Contract is for a period of ten years with two five-year options to extend. Leased premises consist of 24,162 square feet with build-to-suit offices. Rental is \$1.35 per square foot per month and will increase annually.

LANDLORD shall provide all interior and exterior maintenance to include grounds, parking lot maintenance and exterior lighting. LANDLORD to pay water, sewer, trash and all other utilities. COUNTY to provide its own telephone service including pay telephones, vending machines and security service.

(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form

Reviewed as to Affirmative Action

Reviewed for Processing

SEE SIGNATURE PAGE

County Counsel

Agency Administrator/CAO

Date

Date

Date

COUNTY OF SAN BERNARDINO

LEASE AGREEMENT

LANDLORD: Rancho Tech, L.L.C., a California Limited Liability Company
9301 Wilshire Boulevard, Suite 315
Beverly Hills, CA 90210
Attention: Alexander Moradi

COUNTY: COUNTY OF SAN BERNARDINO
Internal Services Group
Real Estate Services Department
825 East Third Street
San Bernardino, CA 92415-0832

PREMISES: 9650 Ninth Street
Rancho Cucamonga, California

TERM OF LEASE: Ten years with two five-year options to extend

COMMENCEMENT DATE OF LEASE: _____

COST PER SQUARE FOOT: \$1.35 - full service

COUNTY CONTRACT NUMBER:

REV. 1/16/01 (110568.09)
TYPED: 4/18/2002

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Exhibit A, Premises Specifications

Exhibit B, Licensed Janitorial and Maintenance Contractor Services

Exhibit C, List of Former County Officials

Exhibit D, Principal Ownership Information Form

Exhibit E, Estoppel Certificate

Exhibit F, Subordination, Nondisturbance and Attornment Agreement

LEASE AGREEMENT

1. **PARTIES:** This lease ("Lease") is made between Rancho Tech, L.L.C., a California Limited Liability Company ("LANDLORD"), and the County of San Bernardino ("COUNTY"), who agree as follows:

2. **PREMISES LEASED:** LANDLORD leases to COUNTY and COUNTY leases from LANDLORD 24,162 square feet of building, real property, and other improvements, with twenty-nine (29) exclusive parking spaces, south of the Premises and one hundred sixty-three (163) reciprocal parking spaces, west of the Premises for a total of one hundred ninety-two (192) parking spaces, which includes six (6) handicapped parking spaces, located at 9650 Ninth Street, Rancho Cucamonga, California ("Premises"), as described in Exhibit A, Premises Specifications. The COUNTY reserves the right to require the LANDLORD at no cost to the COUNTY to install a temporary barrier as set forth in Exhibit A, Premises Specifications.

3. **TERM:**

a. **Initial Term.** The Lease's initial term ("Initial Term") shall commence on January 1, 2003 ("Commencement Date") and end on December 31, 2012 ("Ending Date"), provided that all Improvements to be constructed by LANDLORD are substantially completed and are accepted by COUNTY pursuant to **Paragraph 41, LANDLORD IMPROVEMENTS**. For the purposes of this Lease, "Substantially Completed" shall mean that the Premises can be used for their intended purposes and have been certified for occupancy by the entity that issued the building permits, notwithstanding that minor corrections and/or additions remain to be completed, it being understood that LANDLORD shall promptly complete said corrections and/or additions. In the event the term commences prior to the Commencement Date as the result of COUNTY's election under **subparagraph 3c, Early Possession**, the Ending Date shall not be changed. If LANDLORD is unable to Substantially Complete the Improvements or deliver possession of the Premises by the Commencement Date, COUNTY shall not be liable for any rent and this Lease shall not commence until LANDLORD Substantially Completes the Improvements and delivers possession of the Premises to COUNTY. Any such delay in possession shall not affect the Ending Date.

b. **Early Access.** LANDLORD shall allow the COUNTY early access ("Early Access") to the Premises at any time prior to the Commencement Date for the purpose of the COUNTY or its representatives installing communications equipment, modular furniture, alarms and such other items that the COUNTY may reasonably desire and to inspect the status of the construction of the Improvements for the Premises. COUNTY shall exercise its Early Access rights at a time and in a manner that will not unreasonably interfere with LANDLORD's construction of the Improvements. If COUNTY totally or partially occupies the Premises under this Early Access provision prior to the Commencement Date, the obligation to pay rent shall be abated for the period of the Early Access. All other terms of this Lease shall, however, be in effect during such period. Any such Early Access shall not affect the Commencement Date or the Ending Date.

c. **Early Possession.** The COUNTY may elect to totally or partially take possession of the Premises at any time prior to the scheduled Commencement Date ("Early Possession"). COUNTY shall exercise its Early Possession rights at a time and in a manner that will not unreasonably interfere with LANDLORD's construction of the Improvements. If COUNTY totally or partially takes

possession of the Premises under this Early Possession provision prior to the Commencement Date, the obligation to pay rent for only that portion of the Premises possessed shall commence for the period of such Early Possession. Such Early Possession shall not be considered as the COUNTY's acceptance of any portion of the Improvements as Substantially Completed. The COUNTY may vacate all or any portion it has possessed as Early Possession without in any manner affecting the Commencement Date, the Ending Date or any other portion of the Lease. All other terms of this Lease shall, however, be in effect during such period. Any such Early Possession shall not affect the Commencement Date or the Ending Date.

d. Delay in Possession. LANDLORD agrees to use all commercially reasonable efforts to deliver possession of the Premises with all of the Improvements Substantially Completed to COUNTY by the Commencement Date. If, as a result of causes beyond LANDLORD's reasonable control, LANDLORD is unable to deliver possession as agreed, this Lease shall not be voidable, nor shall such failure affect the validity of this Lease. If possession is not delivered within ninety (90) days after the Commencement Date, COUNTY can elect to terminate this Lease by giving written notice to LANDLORD at any time before LANDLORD delivers possession of the Premises to COUNTY. If COUNTY elects to terminate this Lease pursuant to this provision, COUNTY shall be discharged of all obligations under this Lease.

4. RENT:

a. COUNTY shall pay to LANDLORD the following monthly rental payments in arrears on the last day of each month, commencing when the term commences, continuing during the term:

Commencement thru Dec. 31, 2003 - monthly payments of \$32,619.00 (\$1.35/sq.ft.)
Jan. 1, 2004 thru Dec. 31, 2004 - monthly payments of \$33,380.00 (\$1.38/sq.ft.)
Jan. 1, 2005 thru Dec. 31, 2005 - monthly payments of \$34,164.00 (\$1.41/sq.ft.)
Jan. 1, 2006 thru Dec. 31, 2006 - monthly payments of \$34,971.00 (\$1.45/sq.ft.)
Jan. 1, 2007 thru Dec. 31, 2007 - monthly payments of \$35,803.00 (\$1.48/sq.ft.)
Jan. 1, 2008 thru Dec. 31, 2008 - monthly payments of \$36,659.00 (\$1.52/sq.ft.)
Jan. 1, 2009 thru Dec. 31, 2009 - monthly payments of \$37,542.00 (\$1.55/sq.ft.)
Jan. 1, 2010 thru Dec. 31, 2010 - monthly payments of \$38,451.00 (\$1.59/sq.ft.)
Jan. 1, 2011 thru Dec. 31, 2011 - monthly payments of \$39,387.00 (\$1.63/sq.ft.)
Jan. 1, 2012 thru Dec. 31, 2012 - monthly payments of \$40,351.00 (\$1.67/sq.ft.)

b. Rent for any partial month shall be prorated based on the actual number of days of the month. All rent shall be paid to LANDLORD at the address to which notices to LANDLORD are given.

c. If the COUNTY has accepted the Premises as Substantially Completed with minor corrections and/or additions remaining to be completed, only eighty percent (80%) of the monthly rental will be paid to LANDLORD, and the remaining twenty percent (20%) of the monthly rental will accrue from the Commencement Date of this Lease but will not be paid to LANDLORD until all such minor corrections and/or additions have been completed and accepted by COUNTY. If the COUNTY withholds monthly rental payments under this subparagraph, the COUNTY will not be in default and no interest or service charges will be added to the amounts due LANDLORD upon completion of the

minor corrections and/or additions. The minor corrections and/or additions remaining to be completed are subject to **subparagraph 13b, MAINTENANCE.**

5. **EXPANSION OF RENTAL SPACE:**

a. LANDLORD shall not lease or extend an existing lease covering all or any part of the area of the building in which the Premises are located that is marked on Exhibit A as Expansion Space ("Expansion Space") to a third party without first notifying COUNTY that LANDLORD intends to lease part or all of the Expansion Space. At any time during the term of this Lease that all or any part of the Expansion Space is not leased to a third person, COUNTY shall have the option to add to the Premises any part or all of the Expansion Space that is not leased to a third party. In the event LANDLORD makes or receives a bona fide offer to actually lease or extend an existing lease on some or all of the Expansion Space, LANDLORD shall provide COUNTY with written notice of LANDLORD's intention to lease (or extend an existing lease) some or all of the Expansion Space to a third party. LANDLORD's notice to COUNTY shall include all material terms of the third-party offer. COUNTY shall have thirty (30) days from COUNTY's receipt of LANDLORD's notice to determine whether COUNTY wishes to add any part or all of the Expansion Space identified in the third-party offer to the Premises. LANDLORD shall have the right to lease to a third party (or extend an existing lease with such third party), on the terms set forth in LANDLORD's notice to COUNTY, any part of the Expansion Space mentioned in the third-party offer as to which COUNTY has not notified LANDLORD of COUNTY's agreement to lease within thirty (30) days after COUNTY's receipt of LANDLORD's notice. If COUNTY does not exercise its option to add the Expansion Space mentioned in the third party offer to the Premises, and LANDLORD is unable to consummate the transaction described in the third-party offer with such third party, COUNTY's rights under this paragraph shall be reinstated automatically. Further, COUNTY's rights under this paragraph shall accrue anytime any of the Expansion Space is not leased to a third party or becomes available.

b. If COUNTY exercises its option to lease the Expansion Space or part of it, the Expansion Space or part of it shall be included within the Premises and leased to COUNTY pursuant to all provisions of this Lease, including, without limitation, the provisions relating to LANDLORD's Improvements, rent and parking. Additional parking spaces will be added to the Premises at the rate of eight (8) additional parking space(s) for each one thousand (1,000) square feet of Expansion Space leased. The rent payable under this Lease shall be increased proportionately by the sum of (i) the basic rental rate per square foot of floor area for each square foot of floor area in the Expansion Space leased by COUNTY, as set forth in subparagraph 6a(1), **OPTION TO EXTEND TERM**, plus (ii) the cost per square foot of floor area of all improvements made to the Expansion Space leased by COUNTY amortized over the balance of the unexpired portion of the Initial Term. All Improvements shall be made pursuant to plans and specifications, prepared by LANDLORD and approved by COUNTY. LANDLORD shall deliver said plans and specifications to COUNTY within thirty (30) days of COUNTY's election to lease the Expansion Space, or part thereof. The construction of all Improvements shall be governed by **Paragraph 41, LANDLORD'S IMPROVEMENTS**. COUNTY's obligation to pay rent on the Expansion Space shall be governed by **Paragraph 4, RENT**. The parties shall immediately execute an amendment to this Lease stating the addition of the Expansion Space or part thereof to the Premises and the additional rent for the Expansion Space.

c. If prior to executing this Lease, LANDLORD granted a third party an option to lease or extend an existing lease for all or part of the expansion space, the third party's option will take

precedence over the COUNTY's right of first refusal and option set forth in subparagraph a and b, above. Additionally, if during the term of this Lease, LANDLORD follows the provisions of subparagraphs a and b, above, and thereafter grants a third party an option to lease or extend an existing lease for all or part of the expansion space, the third party's option will take precedence over the COUNTY's right of first refusal and option set forth in subparagraphs a and b, above.

6. **OPTION TO EXTEND TERM:**

a. LANDLORD gives COUNTY the option to extend the term of the Lease on the same provisions and conditions, except for the monthly rent, for two (2) five-year periods ("extended terms") following expiration of the initial term, by COUNTY giving notice of its intention to exercise the option to LANDLORD prior to the expiration of the preceding term or during any holding over pursuant to **Paragraph 8, HOLDING OVER**. The rent for each extended term shall be adjusted by good faith negotiation of the parties to the fair market rental rate then prevailing based upon the rental rates of comparable leased property in San Bernardino County.

If the parties have been unable to agree upon the said fair market rental rate within five (5) months of the COUNTY's notice to exercise an option for an extended term, said fair market rental rate shall be determined through arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. If the fair market rental rate is determined by arbitration, the COUNTY has the right to terminate the Lease by giving termination notice to the LANDLORD within thirty (30) days of being notified of the new fair market rental rate.

(1) The negotiations and any dispute resolution method used will be guided by the fact that the monthly rent in **Paragraph 4, RENT**, includes amounts for basic rent for space and payment for building Improvements made by LANDLORD under **Paragraph 41, LANDLORD'S IMPROVEMENTS**. The basic rent for space starts at One Dollar and Five Cents (\$1.05) per square foot and increases at the rate of three percent (3%) per year to end at the rate of One Dollar and Thirty-seven Cents (\$1.37) per square foot. All LANDLORD Improvements will have been paid for within the Initial Term and no further payment for these Improvements will be made by COUNTY. The negotiated/arbitrated rent shall be based upon the ending basic rental rate for space and shall not include any rental amount for the LANDLORD's Improvements.

7. **RETURN OF PREMISES:** The COUNTY agrees that it will, upon any termination of this Lease, return the Premises in as good condition and repair as the Premises now are or shall hereafter be put; reasonable wear and tear excepted.

8. **HOLDING OVER:** In the event the COUNTY shall hold over and continue to occupy the Premises with the consent of the LANDLORD, expressed or implied, the tenancy shall be deemed to be a tenancy from month-to-month upon the same terms and conditions, including rent, as existed and prevailed at the time of the expiration of the term of this Lease.

9. **TAXES:** LANDLORD shall pay all real property taxes, and general and special assessments levied and assessed against the Premises.

10. **USE:** COUNTY shall occupy and use the Premises during the term hereof for the purposes of COUNTY business.

11. **HEALTH, SAFETY AND FIRE CODE REQUIREMENTS:** As a condition precedent to the existence of this Lease, LANDLORD, at its sole expense will ensure the Premises meet the applicable requirements of the Health, Safety, Fire and Building Codes for public and governmental buildings, including any requirements for a notice of completion, certificate of occupancy and the Americans with Disabilities Act ("ADA"). Additionally, LANDLORD warrants that any improvements on or in the Premises which have been constructed or installed by LANDLORD or with LANDLORD's consent or at LANDLORD's direction shall comply with all applicable covenants or restrictions of record and applicable building codes, regulations and ordinances in effect on the Commencement Date. LANDLORD also warrants to COUNTY that LANDLORD has no knowledge of any claim having been made by any governmental agency that a violation or violations of applicable building codes, regulations, or ordinances exist with regard to the Premises as of the Commencement Date. Further, LANDLORD shall ensure that all computer controlled Premises components (except those owned by the COUNTY, if any) are Year 2000 compliant prior to acceptance of the Premises for occupancy by the COUNTY. The LANDLORD must verify compliance by physical testing and/or written confirmation from the component and/or systems manufacturer. "Computer controlled Premises components" refers to software driven technology and embedded microchip technology. This includes, but is not limited to, programmable thermostats, HVAC controllers, auxiliary elevator controllers, utility monitoring and control systems, fire detection and suppression systems, alarms, security systems and any other Premises control systems utilizing microcomputer, minicomputer, or programmable logic controllers. "Year 2000 compliant" means computer controlled Premises components that accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations. Should the continued occupancy of the leased Premises be in any way prejudiced or prevented due to changes in the ADA or the Health, Safety or Fire Codes for Public Buildings, the LANDLORD herein shall correct, update and comply with said changes at LANDLORD's cost. Upon completion of repair/replacement to effect Year 2000 compliance, the LANDLORD shall verify compliance by physical testing and/or written confirmation from the component and/or systems manufacturer and advise the COUNTY that such replacement components have been verified as compliant.

12. **SIGNS:** COUNTY will display from the windows and/or marquee of the Premises only such sign or signs as are not prohibited by law.

13. **MAINTENANCE:**

a. LANDLORD at its cost shall perform such inspections, maintenance and repairs as are necessary to ensure that all portions of the Premises, including but not limited to the following, are at all times in good repair and safe condition:

(1) The structural parts of the building and other improvements that are a part of the Premises, which structural parts include the foundations, bearing and exterior walls (including glass and doors), subflooring, and roof; and,

(2) The electrical, plumbing, and sewage systems, including, without limitation, those portions of the systems owned or controlled by LANDLORD lying outside the Premises; and,

(3) Window frames, gutters, and downspouts on the building and other improvements that are a part of the Premises; and,

(4) Heating, ventilation and air conditioning (HVAC) systems servicing the Premises additionally, air-conditioning and heating filters are to be changed quarterly. Upon commencement of this lease agreement and every three (3) years thereafter, LANDLORD is to provide an air balance certificate and maintenance of HVAC servicing; and,

(5) The grounds, including all parking areas and outside lighting, grass, trees, shrubbery and other flora; and,

(6) The servicing of fire extinguishers or any other fire suppression equipment attached to the facility; and,

(7) Maintenance and janitorial services. Maintenance and janitorial services must be performed in a workman-like manner by licensed and qualified independent contractors, as set forth in Exhibit B, Licensed Janitorial and Maintenance Contractor Services. LANDLORD shall perform maintenance and janitorial services at a time and in manner that will cause the least possible inconvenience, annoyance, or disturbance to COUNTY. LANDLORD shall follow the carpet manufacture's maintenance requirements and maintain the carpet manufacture's warranty for the carpet.

(8) During the seventh year of the initial term and at the beginning of every seventh year thereafter, replace the carpet throughout the facility, meeting the same criteria as originally described in Exhibit A, Premises Specifications; and,

(9) During the third year of the initial term and at the beginning of every three year thereafter, repaint the interior of the facility, meeting the same criteria as originally described in Exhibit A, Premises Specifications; and,

b. Without in any way affecting LANDLORD's duty to inspect, maintain and repair the Premises and regardless of whether any specific notice of need for maintenance or repair is provided to LANDLORD by the COUNTY, the COUNTY may request specific maintenance or repairs. Any such request may be made orally, by telephone or otherwise. If, (a) COUNTY gives notice to LANDLORD of a condition requiring maintenance or repairs, and LANDLORD does not commence the performance of its maintenance or repair obligations within ten (10) days of receiving such notice, or does not diligently prosecute its obligations to completion thereafter, or (b) in the case of an emergency, whether or not COUNTY has given notice to LANDLORD, LANDLORD does not immediately perform its obligations, COUNTY can perform the obligations and have the right to be reimbursed for the sum COUNTY actually and reasonably expends (including charges for COUNTY employees and equipment) in the performance of LANDLORD's obligations. The sum expended by COUNTY shall be due from LANDLORD to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum was paid by COUNTY until COUNTY is reimbursed by LANDLORD. If LANDLORD fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other

remedies set forth in particular paragraphs of this Lease. COUNTY shall forward to LANDLORD receipts and/or documentation supporting the amount withheld.

c. COUNTY, at its option and sole discretion, reserves the right to require the LANDLORD to hire a qualified property management company to manage the Premises, and that property management services, not limited to maintenance and repair, be performed pursuant to a property management agreement. The Premises must be inspected by the Property Manager at least every other week, beginning the second week after the commencement date, and daily by the janitorial staff, to ensure the Premises are maintained properly. Inspections must be coordinated with the COUNTY representative. The COUNTY has the right to review the selection of the property manager and to review the agreement with the manager.

14. **ALTERATIONS:** COUNTY shall not make any structural or exterior improvements or alterations to the Premises without LANDLORD's consent. Any such alterations shall remain on and be surrendered with the Premises on expiration or termination of the Lease.

15. **FIXTURES:** COUNTY shall have the right during the term(s) of this Lease to install shelving and fixtures, and make interior, non-structural improvements or alterations in the Premises. Such shelving, fixtures, improvements, and alterations shall remain the property of the COUNTY and may be removed by the COUNTY during the term(s) of this Lease or within a reasonable time thereafter, provided that the COUNTY restores the Premises to the condition as it existed at the commencement of this Lease, reasonable wear and tear excluded, or the COUNTY in its sole discretion may elect to surrender all or any part of such shelving, fixture, improvements and alterations to the LANDLORD, in which case COUNTY shall have no duty to restore the Premises. Any such election to surrender must be in writing, but need not be accepted by LANDLORD to be effective.

16. **UTILITIES:** Except as set forth below in this paragraph under Electric Utility Expense Cap, LANDLORD shall furnish to the Premises and pay all service charges and related taxes for gas, water, sewer, trash, fire alarm service and all of the utilities. The COUNTY shall furnish and pay for security, vending machines and its own telephone service including pay telephones.

a. **Electric Utility Expense Cap.** For the purpose of this paragraph, the following definitions apply:

(1) **Electric Utility Expenses:** The term "Electric Utility Expenses," as used in this paragraph, shall include all direct costs and related taxes for electrical services billed to LANDLORD by the utility company for the Premises on a monthly basis. COUNTY shall be given credit for any rebates or other credits issued by the utility companies to the LANDLORD. COUNTY shall not be charged for any late fees or interest thereon charged by the utility companies to the LANDLORD. All common area Electrical Utility Expenses shall be at LANDLORD's sole expense and without reimbursement. COUNTY shall have the right to audit the LANDLORD's records concerning the Electric Utility Expenses.

(2) **Electric Utility Expense Cap:** The term "Electric Utility Expense Cap," as used in this paragraph, shall be defined as the point above which LANDLORD's payment of Electric Utility Expenses become reimbursable to LANDLORD by COUNTY.

b. The Electric Utility Expense Cap for the first (1st) Lease year (starting as of the Commencement Date) is Eighteen Cents (\$.18) per square foot per month and will increase three percent (3%) annually commencing on the anniversary of the Commencement Date.

c. No later than sixty (60) days following the anniversary of the Commencement Date of each Lease year, commencing on the first anniversary and concluding sixty (60) days past the Ending Date, LANDLORD shall notify the COUNTY in writing of any excess in Electric Utility Expenses over the Electric Utility Expense Cap for the previous year of his Lease. LANDLORD shall provide COUNTY with receipts and invoices necessary to verify the cost and payment of all Electric Utility Expenses. COUNTY shall review the Electric Utility Expenses within sixty (60) days of receiving the receipts and invoices, and reimburse LANDLORD for the verified expenses in excess of the Electric Utility Expense Cap. Failure by LANDLORD to notify COUNTY in writing of any such increase in Electric Utility Expenses or to provide COUNTY with receipts and invoices within the 60-day period set forth above shall be a waiver of any increase due for the preceding Lease year only. Any waiver of Utility Expense Cap coverage for any one (1) year period will not be a waiver for any succeeding one (1) year period.

d. LANDLORD shall provide separate electrical meters for the Premises. The parties agree to jointly read the separate meter and agree upon the initial reading on commencement of the Lease.

17. **HOLD HARMLESS:** The LANDLORD agrees to indemnify, defend (with counsel approved by COUNTY) and hold harmless the COUNTY, its authorized officers, agents, volunteers and employees, from any and all claims, demands, actions, losses, damages, liability, and/or for any costs or expenses incurred by the COUNTY arising out of: (a) any improvements constructed by the LANDLORD pursuant to the Lease; (b) the LANDLORD's acts and omissions in connection with its ownership of the property; (c) the use of common areas and leasehold spaces other than the Premises; and (d) toxic waste and environmental contamination not resulting from the COUNTY's use of the Premises, except where such indemnification is prohibited by law. The LANDLORD's indemnification obligation applies to the COUNTY's "active" as well as "passive" negligence, but does not apply to the COUNTY's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782. The LANDLORD's indemnification obligation shall survive the COUNTY's tenancy. The insurance provisions in **Paragraph 18 INSURANCE**, shall not be interpreted in a manner that limits the indemnification obligation.

18. **INSURANCE:**

a. COUNTY is a public entity and is self-insured.

b. Without in any way affecting the indemnity herein provided and in addition thereto, the LANDLORD shall secure and maintain throughout the Lease the following types of insurance with limits as shown:

(1) Workers' Compensation: A program of Workers' Compensation insurance or a state-approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with Two Hundred Fifty

Thousand and 00/100 Dollars (\$250,000.00) limits, covering all persons providing services on behalf of the LANDLORD and all risks to such persons under this agreement.

If LANDLORD has no employees, it may certify or warrant to COUNTY that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the COUNTY's Risk Manager.

If LANDLORD is a non-profit corporation organized under California or Federal law, volunteers for the LANDLORD are required to be covered by Workers' Compensation insurance. If the COUNTY's Risk Manager determines that there is no reasonably priced coverage for volunteers, evidence of participation in a volunteer insurance program may be substituted.

(2) Comprehensive General and Automobile Liability Insurance: This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than One Million and 00/100 Dollars (\$1,000,000.00).

(3) Fire Insurance: Standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements to the extent of at least sixty percent (60%) of the full replacement value of the Premises.

c. Additional Named Insured: All policies, except for Workers' Compensation, shall contain additional endorsements naming the COUNTY and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of this agreement.

d. Waiver of Subrogation Rights: LANDLORD shall require the carriers of the above required coverages to waive all rights of subrogation against the COUNTY, its officers, employees, agents, volunteers, contractors and subcontractors.

e. Policies Primary and Non-Contributory: All policies required above are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the COUNTY.

f. Proof of Coverage: LANDLORD shall immediately furnish certificates of insurance to COUNTY, evidencing the insurance coverage, including endorsements, above required prior to occupying the Premises and the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the COUNTY, and LANDLORD shall maintain such insurance from the time of occupancy and commencement of performance of services hereunder until the completion of such occupancy. Within sixty (60) days of the commencement of this agreement, the LANDLORD shall furnish certified copies of the policies and all endorsements.

g. Insurance Review: The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever the Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interests of the

COUNTY. In addition, if the Risk Manager determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the COUNTY, inflation, or any other item reasonably related to the COUNTY's risk. Any such reduction or waiver for the entire term of the agreement and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this agreement. LANDLORD agrees to execute any such amendment within thirty (30) days of receipt.

h. Failure to Have Insurance: In the event COUNTY receives a notice of cancellation concerning any of the required policies, or should LANDLORD fail to have in effect the required coverage at any time during this Lease, COUNTY may give notice to LANDLORD to immediately suspend all LANDLORD activities on the Premises and/or notice to reinstate or acquire the affected coverage. Should LANDLORD fail to reinstate or acquire the affected coverage within ten (10) days of COUNTY's notice to reinstate or acquire such coverage, COUNTY, in its sole discretion, may either; (a) terminate this Lease immediately upon written notice to LANDLORD, or, (b) reinstate or acquire the affected coverage, in which case LANDLORD shall reimburse COUNTY for the sum paid to reinstate or acquire the coverage. The sum paid by COUNTY shall be due from LANDLORD to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum was paid by COUNTY until COUNTY is reimbursed by LANDLORD. If LANDLORD fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease. COUNTY shall forward to LANDLORD receipts and/or documentation supporting the amount withheld.

i. COUNTY shall have no liability for any premiums charged for such coverage(s). The inclusion of COUNTY as additional named insured is not intended to and shall not make it a partner or joint venturer with LANDLORD.

19. **DESTRUCTION OF PREMISES:**

a. During the term of this Lease, if any casualty renders a portion of the Premises unusable for the purpose intended, then LANDLORD shall, at LANDLORD's expense, restore the Premises and repair any damages caused by such casualty as soon as reasonably possible and this Lease shall continue in full force and effect. If LANDLORD does not commence the restoration of the Premises in a substantial and meaningful way within thirty (30) days following the LANDLORD's receipt of written notice of the casualty, or should LANDLORD fail to diligently pursue completion of the restoration of the Premises, or if the time required to restore the Premises is estimated to exceed ninety (90) days, COUNTY may, at its option, terminate this Lease immediately upon written notice to the LANDLORD. If COUNTY elects to terminate this Lease pursuant to this provision, COUNTY shall be discharged of all future obligations under this Lease. Alternatively, if LANDLORD fails to commence the restoration of the Premises or fails to diligently pursue the completion of the restoration as aforesaid, COUNTY may, at its option and in its sole discretion, after notice to LANDLORD, perform LANDLORD's obligations and restore the Premises. If COUNTY elects to restore the Premises, COUNTY shall have the right to be reimbursed for all sums it actually and reasonably expends (including charges for COUNTY employees and equipment) in the performance of LANDLORD's obligations. The sum paid by COUNTY shall be due from LANDLORD to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum was paid by COUNTY until COUNTY is reimbursed by LANDLORD. If LANDLORD fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease. COUNTY shall forward to LANDLORD receipts and/or documentation supporting the amount withheld. For the purposes of this paragraph, the phrase "commence . . . in a substantial and meaningful way" shall mean either the unconditional authorization of the preparation of the required plans, the issuance of any required Building Permits or the beginning of the actual work on the Premises.

b. In the event there is a destruction of a portion of the Premises as set out in **subparagraph a above**, there shall be an abatement or reduction of the rent between the date of destruction and the date of completion of restoration or the date of termination of this Lease, whichever comes first. The abatement or reduction of the rent shall be in proportion to the degree to which COUNTY's use of the Premises is impaired.

c. In the event there is a destruction of a portion of the Premises as set out in **subparagraph a**, above, and the Lease is not terminated because of such destruction, LANDLORD agrees to use any and all insurance proceeds received for said destruction in the restoration of the Premises.

d. In the event LANDLORD is required to restore the Premises as provided in this paragraph, LANDLORD shall restore, at LANDLORD's expense, any structural or exterior improvements or alterations to the Premises made by COUNTY pursuant to **Paragraph 14, ALTERATIONS**, of this Lease, but shall not be responsible for restoring any shelving, fixtures, or interior nonstructural improvements or alteration made by the COUNTY pursuant to **Paragraph 15, FIXTURES**, of this Lease.

e. It is the purpose and intent of this paragraph to determine who shall bear the initial responsibility for restoration of the Premises in the event of any such destruction and not to determine the party ultimately responsible for the costs of such restoration.

20. **LANDLORD'S DEFAULT:** Except where another time limit is specifically provided, LANDLORD shall be in default of this Lease if LANDLORD fails or refuses to perform any material provisions of this Lease and such failure or refusal to perform is not cured within thirty (30) days following LANDLORD's receipt of written notice of default from COUNTY. If the default cannot reasonably be cured within thirty (30) days, LANDLORD shall not be in default of this Lease if LANDLORD commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default or, within thirty (30) days of the expiration of said time provided to LANDLORD to cure, the mortgagee or trust deed beneficiary commences to cure the default and diligently and in good faith continues to cure the default, including without limitation any time required for any such mortgagee or trust deed beneficiary to obtain possession of the Premises through foreclosure or otherwise, if such possession is required to cure such default. If COUNTY has received written notice from any mortgagee or trust deed beneficiary with an interest in any encumbrance affecting LANDLORD's interests in the Premises, which notice includes an address to which notices are to be delivered, COUNTY agrees to provide such mortgagee or trust deed beneficiary with notice of LANDLORD's default.

21. **COUNTY'S REMEDIES ON LANDLORD'S DEFAULT:** COUNTY, at anytime after LANDLORD is in default, can terminate this Lease immediately upon written notice to LANDLORD or can cure the default at LANDLORD's cost. If COUNTY at any time, by reason of LANDLORD's default, pays any sum or does any act that requires the payment of any sum (including charges for COUNTY's employees and equipment), the sum paid by COUNTY shall be due from LANDLORD to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum was paid by COUNTY until COUNTY is reimbursed by LANDLORD. If LANDLORD fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease.

22. **COUNTY'S DEFAULT:** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by COUNTY:

a. The vacating for more than thirty (30) consecutive days or abandonment of the Premises by COUNTY.

b. The failure by COUNTY to perform any material provisions of this Lease to be performed by COUNTY, including the payment of rent, where such failure shall continue for a period of thirty (30) days after notice by LANDLORD to COUNTY; provided, however, that if the nature of COUNTY's default is such that more than thirty (30) days are reasonably required for its cure, then COUNTY shall not be deemed to be in default if COUNTY commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. The purpose of this notice requirement is to extend the notice requirements of the unlawful detainer statutes of California.

23. **LANDLORD'S REMEDIES ON COUNTY'S DEFAULT:**

a. In the event of any default by COUNTY, which is not cured by COUNTY, LANDLORD may, at its election, terminate this Lease by giving COUNTY thirty (30) days notice of termination. The purpose of this notice requirement is to extend the notice requirement of the unlawful detainer statutes of California. On termination of the Lease for default pursuant to this paragraph, LANDLORD shall have the right to recover from COUNTY only the following amounts for any and all damages, which may be the direct or indirect result of such default:

(1) The worth, at the time of the award, of the unpaid rent that has been earned at the time of termination of this Lease; and,

(2) The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that LANDLORD proves could not have been reasonably avoided; and,

(3) The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that LANDLORD proves could not have been reasonably avoided; and,

(4) Any other amount necessary to compensate LANDLORD for all detriment proximately caused by COUNTY's default which LANDLORD proves could not have been reasonably avoided.

(5) "The worth, at the time of the award," as used in **subparagraphs a(1) and a(2)** of this paragraph, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award," as referred to in **subparagraph a(3)** of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

b. Notwithstanding **subparagraph a**, above, on any termination of the Lease for default pursuant to this paragraph, the amount LANDLORD shall have the right to recover from COUNTY for any and all damages which may be the direct or indirect result of such default shall not exceed the amount LANDLORD would have been entitled to receive had the COUNTY terminated the Lease under **Paragraph 40, COUNTY'S RIGHT TO TERMINATE LEASE**.

24. **LANDLORD'S ACCESS TO PREMISES:** LANDLORD and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

a. To determine whether the Premises are in good condition; and,

b. To do any necessary maintenance and to make any restoration to the Premises that LANDLORD has the right or obligation to perform; and,

c. To serve, post, or keep posted any notices required by law; and,

d. To post "for sale" signs at any time during the term, to post "for rent" or "for Lease" signs during the last three (3) months of the term; and,

e. To show the Premises to prospective brokers, agents, buyers, tenants, lenders or persons interested in an exchange, at any time during the term.

LANDLORD shall conduct its activities on the Premises as allowed in this paragraph in a manner that will cause the least possible inconvenience, annoyance, or disturbance to COUNTY.



25 **NOTICES:**

a. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated two (2) COUNTY working days from the time of mailing if mailed as provided in this paragraph.

LANDLORD's address: Rancho Tech, L.L.C., a Calif. Limited Liability Co.
9301 Wilshire Boulevard, Suite 315
Beverly Hills, CA 90210
Attention: Alexander Moradi

COUNTY's address: Internal Services Group
Real Estate Services Department
825 East Third Street, Room 207
San Bernardino, CA 92415-0832

b. If, at any time after the COUNTY accepts the Premises, the LANDLORD assigns or transfers a non-controlling interest of its rights in the Premises to a third party, LANDLORD must notify COUNTY of its action at least fifteen (15) COUNTY working days prior to completing any such action.

c. If, at any time after the COUNTY accepts the Premises, the LANDLORD assigns or transfers a controlling interest of its rights in the Premises to a third party, LANDLORD must notify COUNTY of its action at least fifteen (15) COUNTY working days prior to completing any such action. The new owner must provide COUNTY with evidence of completion of such action. The parties shall immediately execute an amendment to this Lease stating the change of ownership of the Premises.

(1) Within fifteen (15) COUNTY working days of completing any action which affects a change in the ownership of the Premises, the new owner must provide COUNTY evidence of obtaining insurance in compliance with **Paragraph 18, INSURANCE**.

26. **INCORPORATION OF PRIOR AGREEMENT:** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

27. **WAIVERS:** No waiver by either party of any provisions of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provisions.

28. **AMENDMENTS:** No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successor in interest, expressing by its terms an intention to modify this Lease.

29. **SUCCESSORS:** This Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.
30. **SEVERABILITY:** If any word, phrase, clause, sentence, paragraph, section, article, part or portion of this Lease is or shall be invalid for any reason, the same shall be deemed severable from the remainder hereof and shall in no way affect or impair the validity of this Lease or any other portion thereof.
31. **TIME OF ESSENCE:** Time is of the essence of each provision of this Lease which specifies a time within which performance is to occur. In the absence of any specific time for performance, performance may be made within a reasonable time.
32. **QUIET ENJOYMENT:** Subject to the provisions of this Lease and conditioned upon performance of all the provisions to be performed by COUNTY hereunder, LANDLORD shall secure to COUNTY during the Lease term the quiet and peaceful possession of the Premises and all right and privilege appertaining thereto.
33. **PROVISIONS ARE COVENANTS AND CONDITIONS:** All provisions, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.
34. **CONSENT:** Whenever consent or approval of either party is required that party shall not unreasonably withhold or delay such consent or approval.
35. **EXHIBITS:** All exhibits referred to are attached to this Lease and incorporated by reference.
36. **LAW:** This Lease shall be construed and interpreted in accordance with the laws of the State of California.
37. **VENUE:** The parties acknowledge and agree that this Lease was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue for any action or claim brought by any party to this Lease will be San Bernardino County. Each party hereby waives any law or rule of court which would allow them to request or demand a change of venue. If any action or claim concerning this Lease is brought by any third party, the parties hereto agree to use their best efforts to obtain a change of venue to the Central District of San Bernardino County.
38. **ATTORNEYS' FEES AND COSTS:** If any legal action is instituted to enforce or declare any party's rights hereunder, each party, including the prevailing party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against the COUNTY, including such costs and attorneys' fees payable under **Paragraph 17, HOLD HARMLESS, Paragraph 50, PUBLIC RECORDS DISCLOSURE, and Paragraph 49, HAZARDOUS SUBSTANCES.**
39. **JURY TRIAL WAIVER:** LANDLORD and COUNTY hereby waive their respective right to trial by jury and agree to accept trial by judge alone of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by either LANDLORD against

COUNTY or COUNTY against LANDLORD on any matter whatsoever arising out of, or in any way connected with, this Lease, the relationship of LANDLORD and COUNTY, COUNTY's use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

40. **COUNTY'S RIGHT TO TERMINATE LEASE:** The COUNTY shall have the right to terminate this Lease at any time whenever COUNTY, in its sole discretion, determines it would be in COUNTY's best interests to terminate this Lease. COUNTY shall give LANDLORD notice of any termination pursuant to this paragraph at least ninety (90) days prior to the date of termination. In the event COUNTY terminates this Lease pursuant to this paragraph, the LANDLORD shall have the right to receive from COUNTY only the following amounts under this Lease:

a. If on the date of termination, the COUNTY has been in possession of the Premises for at least seven (7) years after the date of commencement of the initial term of this Lease, the LANDLORD shall be entitled to the rent which will have been earned at the date of termination of this Lease.

b. If on the date of termination, the COUNTY has not occupied the Premises or has not been in possession of the leased Premises for at least seven (7) years after the date of commencement of the initial term of the Lease, the LANDLORD shall be entitled to the rent which will have been earned at the date of termination of this Lease and the amount of unpaid rent which would have been earned had the date of termination been on the date when the COUNTY would have been in possession of the Premises for seven (7) years after the date of commencement of the initial term of this Lease.

c. If the LANDLORD has completed any agreed upon Improvements for COUNTY under **Paragraph 41, LANDLORD'S IMPROVEMENTS**, the LANDLORD shall be entitled to be reimbursed for that portion of the Improvements which have been completed and which have not been amortized on the date of termination.

d. The total amount which the LANDLORD is entitled to receive under this paragraph shall be paid in monthly installments equal to the monthly rent being paid at the date of termination. The installment payments under this paragraph shall commence on the date after the date of termination when the next monthly rent would have been due, and shall continue until the total amount is paid in full. No interest or service charge shall be added to the total amount due. Unless specifically stated otherwise, the COUNTY's rental and reimbursement obligations under this paragraph are limited to a COUNTY termination of the Lease under this paragraph and do not apply to any termination pursuant to any other paragraph of the Lease.

41. **LANDLORD'S IMPROVEMENTS:**

a. LANDLORD, at its cost, agrees to make the improvements to the Premises set forth in Exhibit A, Premises Specifications ("Improvements"). The Improvements shall be completed by the Commencement Date. LANDLORD shall, within ninety (90) days after the Commencement Date (or within ninety [90] days of any termination date if the termination date is prior to the Commencement Date), provide COUNTY receipts, invoices and other billing and/or accounting information necessary to verify the cost of all Improvements. The failure of LANDLORD to timely submit documentation to

verify the cost of all Improvements shall waive LANDLORD's right to be reimbursed for the unamortized portion of such costs as provided in **Paragraph 40, COUNTY'S RIGHT TO TERMINATE LEASE, subparagraph 40.c.** The costs of all Improvements made by LANDLORD pursuant to this paragraph shall be amortized over the initial term of this Lease regardless of the actual commencement date of the initial term. The monthly rent, as set out in **Paragraph 4, RENT**, shall be deemed to include a proportionate share of the amortized cost of the Improvements.

b. LANDLORD understands and agrees that from the time that this agreement is executed through the completion of the Improvements pursuant to Exhibit A, Premises Specifications, and acceptance of the improved Premises by COUNTY, LANDLORD shall not assign or transfer a controlling interest in the Premises to a third party, without COUNTY's prior review and approval.

(1) LANDLORD understands and agrees to provide to COUNTY all documents and relevant information concerning any proposed transfer. COUNTY will have ten (10) COUNTY working days after receiving all such documents and information to complete its review. Upon COUNTY approval of an assignment or transfer, the parties shall immediately execute an amendment to this Lease stating the change of ownership of the Premises.

c. LANDLORD understands and agrees not to make any modifications to the improvement plans and specifications as set forth in Exhibit A, Premises Specifications, without first obtaining approval in the form of an amendment to this Lease. Any changes to these plans and specifications, without first acquiring said approval, will be at the expense of the LANDLORD and not the COUNTY.

d. In the event LANDLORD contracts for the construction of any portion of the Improvements set forth in Exhibit A, Premises Specifications, LANDLORD shall comply with the applicable portions of Labor Code Section 1720.2 and 1770 et seq. regarding general prevailing wages.

e. LANDLORD, at its sole expense, must provide all site plans (including elevations of the building and details of the exterior finish), space design plans and construction plans. LANDLORD agrees and understands that it will construct on the Premises during the period immediately following execution of this Lease, those Improvements shown on the space design and site plans prepared by LANDLORD and approved by COUNTY. The Improvements shall be constructed in accordance with **Paragraph 11, HEALTH, SAFETY AND FIRE CODE REQUIREMENTS**, and Exhibit A, Premises Specifications.

f. LANDLORD and COUNTY agree that the Improvements are projected to be constructed, completed and certified for occupancy by the City of Rancho Cucamonga by January 6, 2003, and that the COUNTY must be able to occupy the improved Premises no later than April 1, 2003. In order to meet the projected occupancy date, the parties have agreed upon the following Project Construction Schedule setting forth the essential elements of construction, the projected completion dates, and the critical completion dates for each element. Those dates are as follows:

(1) Preparation and Submittal of Building and Site Plans to the City of Rancho Cucamonga: Projected Completion Date: July 1, 2002. Critical Completion Date: September 30, 2002.

(2) Construction of Tenant Improvements and Certified for Occupancy: Projected Completion Date: January 6, 2003. Critical Completion Date: April 1, 2003 .

g. LANDLORD agrees that its failure to meet any of the above Critical Completion Date(s) will mean that the COUNTY will not be able to occupy the improved Premises by April 1, 2003, and that the COUNTY may therefore elect to terminate this Lease in the event the LANDLORD fails to meet any of said dates. Any such election to terminate by the COUNTY must be in writing and given to LANDLORD within thirty (30) COUNTY working days of the missed Critical Completion Date, and before the LANDLORD completes the element and notifies the COUNTY of such completion.

h. LANDLORD agrees to provide the COUNTY a written progress report every sixty (60) days. The report shall contain up-date information of construction progress and notification of any permit approval. LANDLORD shall immediately notify COUNTY of the completion of every element in the Project Construction Schedule.

i. LANDLORD acknowledges that late delivery of the Premises to COUNTY will cause COUNTY to incur costs not contemplated by this Lease agreement, the exact amount of such costs being extremely difficult and impracticable to fix. Therefore, if LANDLORD does not deliver the improved Premises by January 6, 2003, LANDLORD agrees to liquidated damages of Two Hundred and 00/00 Dollars (\$200.00) for each day's delay from January 6, 2003, to the date the COUNTY accepts the Premises or terminates this Lease agreement. The parties agree that this charge represents a fair and reasonable estimate of the costs that COUNTY will incur by reason of late delivery. Acceptance of any charge shall not constitute a waiver of LANDLORD's default or prevent COUNTY from exercising any of the other rights and remedies available to COUNTY.

j. Notwithstanding **subparagraphs "f", "g" and "i", above**, in the event LANDLORD, after exercising all due diligence, is unable to meet any of the above mentioned Critical Completion Dates due to reasons which LANDLORD proves are outside the control of LANDLORD, such reasons include but are not limited to acts of God, unreasonable acts of governmental agencies causing unavoidable delays (the normal and reasonable times for review, action and reasonably anticipated delays by governmental agencies are already included in the timing of the Critical Completion Dates), strikes, or labor troubles, then the Critical Completion Dates(s) shall be extended for a period equivalent to the period of such delay.

(1) As soon as LANDLORD becomes aware, or should in the exercise of due diligence have become aware of any facts or circumstances which may or will cause such a delay, LANDLORD shall immediately notify COUNTY of any such delay or anticipated delay. In the event LANDLORD fails to timely notify COUNTY of any such delay or anticipated delay, LANDLORD, notwithstanding the main portion of this **subparagraph "j" above**, shall be subject to **subparagraph "i", above**, for the entire length of any delay.

42. **CAPTIONS, TABLE OF CONTENTS AND COVER PAGE:** The paragraph captions, table of contents and the cover page of this Lease shall have no effect on its interpretations.

43. **SURVIVAL:** The obligations of the parties which, by their nature, continue beyond the term of this Lease, will survive the termination of this Lease.

44. **COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:**

a. LANDLORD's Warranty of Adherence to COUNTY's Child Support Compliance Program: LANDLORD acknowledges that COUNTY has established a goal of ensuring that all individuals who benefit financially from COUNTY through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers. As required by COUNTY's Child Support Compliance Program (COUNTY Code section 110.0101 et seq.) and without limiting LANDLORD's duty under this Lease to comply with all applicable provisions of law, LANDLORD warrants that it is now in compliance and shall during the term of this Lease maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC section 653a) and California Unemployment Insurance Code section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246(b). LANDLORD hereby certifies that it has submitted to the COUNTY a completed Principal Owner Information (POI) Form (Exhibit C).

b. Termination for Breach of Warranty to Maintain Compliance with COUNTY's Child Support Compliance Program: Failure of LANDLORD to maintain compliance with the requirements set forth in the preceding subparagraph shall constitute a default by LANDLORD under this Lease. Without limiting the rights and remedies available to COUNTY under law or under any other provision of this Lease, failure to cure such default within ninety (90) days of notice by the San Bernardino County District Attorney shall be grounds upon which the COUNTY may terminate this Lease.

45. **FORMER COUNTY OFFICIALS:**

a. LANDLORD agrees to provide or has already provided information on former COUNTY administrative officials (as defined below) who are employed by or represent LANDLORD. The information provided includes a list of former COUNTY administrative officials who terminated COUNTY employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of LANDLORD. For purposes of this provision, "COUNTY administrative official" is defined as a member of the Board of Supervisors or such officer's staff, COUNTY Administrative Officer or member of such officer's staff, COUNTY department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit. (See Exhibit "C", List of Former County Officials.)

b. If during the course of the administration of this lease, the COUNTY determines that the LANDLORD has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the COUNTY, this lease may be immediately terminated. If this lease is terminated according to this provision, the COUNTY is entitled to pursue any available legal remedies.

46. **BROKER'S COMMISSIONS:** LANDLORD is solely responsible for the payment of any commissions to any broker who has negotiated or otherwise provided services in connection with this Lease.

47. **ESTOPPEL CERTIFICATES:** Each party within thirty (30) days after notice from the other party, shall execute and deliver to other party, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of minimum monthly rent, the dates to which the rent has been paid in advance, the amount of any security deposit or prepaid rent, and that there are no uncured defaults or specifying in reasonable detail the nature of any uncured default claimed. Failure to deliver the certificate within thirty (30) days shall be conclusive upon the party requesting the certificate and any successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate, and that there are no uncured defaults on the part of the party requesting the certificate. The estoppel certificate shall be in the form as shown in Exhibit D, Estoppel Certificate.

48. **SUBORDINATION AND ATTORNMENT:**

a. As a condition precedent to the COUNTY's obligations under this Lease, LANDLORD shall obtain from each holder of a lien or encumbrance on the Premises which is senior to this Lease either an executed recordable subordination agreement which subordinates such lien or encumbrance to this Lease, or a non-disturbance agreement which contains terms at least as favorable to the COUNTY as those set forth in paragraph 2 ("Nondisturbance") of Exhibit E, Subordination, Nondisturbance and Attornment Agreement, hereto.

b. If, after execution of this Lease, a subsequent lienor requires that this Lease be subordinate to any such encumbrance, this Lease shall be subordinate to that encumbrance if, and only if, LANDLORD first obtains from the subsequent lienor an executed subordination, nondisturbance and attornment agreement, the terms of which are at least as favorable to the County as those set forth in Exhibit E, Subordination, Nondisturbance and Attornment Agreement hereto. If the COUNTY's County Counsel approves the form of a subordination, nondisturbance and attornment agreement pursuant to this subparagraph, and if such agreement is executed by the subsequent lienor, then the head of the COUNTY's Real Estate Services Department is authorized on behalf of the COUNTY to, and shall, execute such agreement, and shall further execute any other documents required by the lender to accomplish the purposes of this paragraph, provided such other documents are consistent with the terms of the subordination, nondisturbance and attornment agreement and this Lease.

49. **HAZARDOUS SUBSTANCES:**

a. LANDLORD hereby represents and warrants that, to the best of LANDLORD's knowledge, information and belief: (i) the Premises have not been exposed to Hazardous Substances and are presently free of all Hazardous Substances; (ii) neither the LANDLORD nor any of the other current tenants, if any, on the property of which the Premises forms a part is in violation or subject to an existing, pending or threatened investigation by any governmental authority under any applicable federal, state or local law, regulation, ordinance or other legislation pertaining to air, water, or soil quality or the handling, transportation, storage, treatment, usage or disposal of Hazardous Substances; (iii) any handling, transportation, storage, treatment or use of toxic or Hazardous Substances to date has been in

compliance with applicable laws; and (iv) no reportable use has occurred on the Premises to date, and the soil, groundwater and vapor on or under the Premises is free of Hazardous Substances as of the Commencement Date.

b. LANDLORD shall indemnify, protect, defend and hold COUNTY, its agents and employees and the Premises, harmless from and against any and all losses and/or damages, liabilities, judgments, costs, claims, expenses, penalties, including attorneys' and consultant's fees, arising out of or involving the existence of any Hazardous Substances located in, about or under the Premises prior to the Commencement Date of this Lease. LANDLORD's obligations under this paragraph shall include, but shall not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by COUNTY, and the cost of investigation, removal, remediation, restoration and/or abatement thereof. LANDLORD's obligations under this provision shall survive the expiration or early termination of this Lease. No termination, cancellation or release agreement entered into by COUNTY and LANDLORD shall release LANDLORD from its obligations under this Lease with regard to Hazardous Substances unless specifically agreed to by COUNTY in writing.

c. For the purposes of this paragraph, the following definitions shall apply:

(1) "Hazardous Substance," as used in this Lease, shall mean any product, substance or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either (i) potentially injurious to the public health, safety or welfare, the environment or the Premises; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of LANDLORD or COUNTY under any applicable statute or common law theory.

(2) "Reportable use" shall mean (i) the installation or use of any above- or below-ground storage tank; (ii) the generation, possession, storage, use, transportation or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with any governmental authority and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties.

(3) The term "applicable requirements" shall be deemed to refer to all applicable laws, covenants or restrictions of record, building codes, regulations and ordinances.

50. **PUBLIC RECORDS DISCLOSURE:** All information received by the COUNTY from the LANDLORD or any source concerning this Lease, including the Lease itself, may be treated by the COUNTY as public information subject to disclosure under the provisions of the California Public Records Act, Government Code Section 6250 et seq. (the "Public Records Act"). LANDLORD understands that although all materials received by the COUNTY in connection with this Lease are intended for the exclusive use of the COUNTY, they are potentially subject to disclosure under the provisions of the Public Records Act. In the event a request for disclosure of any part or all of any information which a LANDLORD has reasonably requested COUNTY to hold in confidence is made to the COUNTY, the COUNTY shall notify the LANDLORD of the request and shall thereafter disclose the requested information unless the LANDLORD, within five (5) days of receiving notice of the disclosure request, requests nondisclosure, provides COUNTY a legally sound basis for the nondisclosure, and agrees to indemnify, defend, and hold the COUNTY harmless in any/all actions

brought to require disclosure. LANDLORD waives any and all claims for damages, lost profits, or other injuries of any and all kinds in the event COUNTY fails to notify LANDLORD of any such disclosure request and/or releases any information concerning the contract received from the LANDLORD or any other source.

51. **CONDITION OF PREMISES:** LANDLORD shall deliver the Premises to COUNTY clean and free of debris on the Commencement Date and warrants to COUNTY that the plumbing, electrical systems, fire sprinkler system, lighting, air conditioning and heating systems and loading doors, if any, in the Premises shall be in good operating condition on the Commencement Date.

52. **CONDEMNATION:** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of the floor area of the Premises, or more than twenty-five percent (25%) of the portion of the Common Areas or that portion of the Premises designated for COUNTY's parking, is taken by condemnation, COUNTY may, at COUNTY's option, to be exercised in writing within thirty (30) days after LANDLORD shall have given COUNTY written notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If COUNTY does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the same proportion as the rentable floor area of the Premises taken bears to the total rentable floor area of the Premises. No reduction of rent shall occur if the condemnation does not apply to any portion of the Premises. COUNTY shall be entitled to receive the following amounts of any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power: (a) one hundred percent (100%) of any amount attributable to any excess of the market value of the Premises for the remainder of the Lease Term over the present value as of the Termination Date of the Rent payable for the remainder of the Lease Term (commonly referred to as the "bonus value" of the Lease); and (b) COUNTY shall have the right to make a separate claim in the Condemnation proceeding for: (i) The taking of the amortized or undepreciated value of any trade fixtures or leasehold improvements owned by COUNTY that COUNTY has the right to remove at the end of the Lease term and that COUNTY elects not to remove; (ii) Reasonable removal and relocation costs for any trade fixtures or leasehold improvements that COUNTY has the right to remove and elects to remove (if Condemnor approves of the removal); (iii) Loss of goodwill; (iv) Relocation costs under Government Code section 7262, the claim for which COUNTY may pursue by separate action independent of this Lease; and (v) Any other amount in addition to the foregoing that the COUNTY is allowed under condemnation law. COUNTY shall have the right to negotiate directly with Condemnor for the recovery of the portion of the Award that COUNTY is entitled to under **subparagraph (b)** of this paragraph. In the event that this Lease is not terminated by reason of such condemnation, LANDLORD shall repair any damage to the Premises caused by such condemnation authority pursuant to **Paragraph 13, MAINTENANCE**, and **Paragraph 19, DESTRUCTION OF PREMISES**.

53. **INTERPRETATIONS:** As this agreement was jointly prepared by both parties, the language in all parts of this agreement shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.



53. **AUTHORIZED SIGNATORS:** The parties to this lease represent that the signators executing this document are fully authorized to enter into this agreement.

END OF LEASE TERMS.

COUNTY OF SAN BERNARDINO

LANDLORD: Rancho Tech, L.L.C.,
a California Limited Liability Company


Fred Aguiar, Chairman, Board of Supervisors

By: 
Alexander Moradi

Dated: MAY 07 2002

Title: Manager

Dated: 4/17/02


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

J. Renee Bastians, Clerk of the Board of the
Supervisors

By: 
Deputy

Date: MAY 07 2002

Approved as to Legal Form:
ALAN K. MARKS, County Counsel

By: 
Deputy Fiona G. Luke

Dated: 3-21-02

110568.09

EXHIBIT B
SAN BERNARDINO COUNTY - LICENSED JANITORIAL AND
MAINTENANCE CONTRACTOR SERVICES
(Janitorial Service to provide/supply all sanitary and paper goods.)

DAILY SERVICES:

1. Empty and damp clean all ashtrays.
2. Empty all waste baskets and other waste containers.
3. Dust mop all tiled/terrazzo floors.
4. Vacuum traffic lanes of carpeting.
5. Dust all desks, chairs, tables, filing cabinets and other office furniture.
6. Damp clean lobby counters.
7. Clean and sanitize rest room fixtures, mirrors, chrome pipes, etc.
8. Clean splash marks from walls of rest rooms.
10. Refill soap, towel and paper containers.
11. Clean and sanitize drinking fountains.
12. Clean hand marks off glass on entrance doors.
13. Damp clean table tops in coffee rooms.
14. Clean kitchen sinks and counters.
15. Sweep entryways.
16. Brush down steps of inside stairwells.
17. Vacuum elevator carpet. All carpeted areas are to be vacuumed using a dual motor vacuum with a rotating cylindrical brush, rather than a beater bar.
18. Spot clean all walls and doors including elevator.
19. Spot clean carpets of small spillage, footprints, etc.
20. Keep janitor closets clean and orderly.
21. Remove paper and debris outside main entrance.

WEEKLY SERVICE:

1. Wet mop all tiled/terrazzo floors.
2. Clean all desk tops and tables that are cleared; clean all chairs.
3. Clean hand marks from walls, doors and woodwork.
4. Vacuum all carpeting completely. All carpeted areas are to be vacuumed using a dual motor vacuum with a rotating cylindrical brush, rather than a beater bar.

TWICE-MONTHLY SERVICE:

1. Dust high areas, including window coverings.
2. Vacuum upholstered furniture.
3. Clean lobby directories and fire extinguisher glass.
4. Machine clean and seal all tiled floors.

EVERY THREE MONTHS:

1. Vacuum dust and dirt accumulation from air conditioning vents.
2. Brush down cobwebs inside building.
3. Wash inside windows and partitions.
4. Replace cartridge in rest room automatic air fresheners.

The above are considered the minimum standard janitorial items, and are to be performed by a licensed janitorial contractor. Landlord is responsible for providing all services related to the health and cleanliness of the leased facility.'

EXHIBIT B
LICENSED JANITORIAL AND MAINTENANCE CONTRACTOR SERVICES (Continued):

The following services are to be performed by a licensed maintenance contractor.

WEEKLY SERVICE:

1. Contract with a mat service to supply and replace interior entry mats with cleaned mats.
2. Replace light bulbs and tubes inside building when needed.

ONCE-MONTHLY SERVICE:

1. Licensed pest control.

EVERY THREE MONTHS:

1. Carpet to be cleaned by a professional carpet cleaning company using hot water extraction process.
2. Wash exterior and interior windows and partitions.

EXHIBIT C

LIST OF FORMER COUNTY OFFICIALS

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

OFFICIAL'S NAME:

REQUIRED INFORMATION

Date: _____

APRIL 2015

EXHIBIT F

RECORDED AT REQUEST OF
AND TO BE RETURNED TO:

Attn: _____

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is entered into this _____ day of _____, 20__, by and between _____ ("Tenant"), and _____, _____ ("Lender").
(name) (type of entity)

Recitals

A. Tenant entered into a certain Lease Agreement, dated as of _____, 20__ (the "Lease"), between Tenant, as lessee, and _____, _____ ("LANDLORD"), as lessor, pertaining to that certain premises commonly known as _____, _____, California _____ (zip code), as more particularly described in the Lease ("Premises"), located on that certain real property located in the County of San Bernardino, State of California, as more particularly described in Exhibit "A", attached hereto and incorporated herein (the "Property"). Original LANDLORD shall be referred to as "Borrower".

B. Borrower made, executed and delivered, or is about to make, execute and deliver to Lender a certain promissory note, dated substantially contemporaneously herewith ("the Note"), in the original principal sum of \$ _____. The obligations evidenced by the Note shall be referred to as the "Loan". The Note is executed pursuant to the terms of a certain Construction Loan Agreement, dated substantially contemporaneously herewith (the "Loan Agreement"), between Lender and LANDLORD.

C. Borrower has executed and delivered, or is about to execute and deliver to Lender, a certain Deed of Trust and Assignment of Rents, dated substantially contemporaneously herewith (the "Deed of Trust"), encumbering the Property to secure the Loan.

D. It is a condition precedent to the Loan that the Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to the Lease.

E. It is a condition precedent to the Loan that Tenant will specifically and unconditionally subordinate and subject the Lease, together with all rights and privileges of Tenant there under, to the lien or charge of the Deed of Trust.

F. It is to the mutual benefit of the parties hereto that Lender and Borrower enter into the Loan.

Covenants

In consideration of the recitals set forth above and the covenants and agreements contained herein, the parties agree as follows:

1. **Subordination:** Tenant hereby subordinates all of Tenant's right, title, interest and leasehold estate in and to the Premises to the lien, operation, and effect of the Deed of Trust.

2. **Nondisturbance:** Tenant's peaceful and quiet possession of the Premises shall not be disturbed and Tenant's rights and privileges under the Lease, including but not limited to the provisions of the Lease set forth under the headings "TERM," "EXPANSION OF RENTAL SPACE," "OPTION TO EXTEND TERM," "HOLD HARMLESS," "INSURANCE," "DESTRUCTION OF PREMISES," "COUNTY'S RIGHT TO TERMINATE LEASE," and "CONDEMNATION," shall not be diminished by Lender's foreclosure, acceptance of a deed in lieu of foreclosure, or any other exercise of Lender's rights or remedies under the Deed of Trust, the Note, the Loan Agreement, any other loan document, or the laws governing secured loans. All of the provisions of the Lease shall prevail over any conflicting provisions in the Deed of Trust, the Note, the Loan Agreement, any other loan document, or the laws governing secured loans. Tenant shall not be named or joined in any foreclosure, trustee's sale, or other proceeding or action to enforce the Deed of Trust, the Note, the Loan Agreement, any other loan document, unless such joinder shall be legally required to perfect such foreclosure, trustee's sale, or other proceeding or action.

3. **Attornment:** If the Deed of Trust is foreclosed for any reason, or LANDLORD deeds the Property to Lender in lieu of foreclosure, the Lease shall not be extinguished and Tenant shall be bound to Lender under all the terms, covenants, and conditions of the Lease for the balance of the term of the Lease with the same force and effect as if Lender was the lessor under the Lease. Tenant shall attorn to Lender as Tenant's Lessor, and agrees to recognize Lender as the new owner and promises to pay the rent to Lender as LANDLORD. This attornment shall be effective and self-operative, without the execution of any other instruments on the part of any of the parties to this Agreement, immediately upon Lender succeeding to the interest of LANDLORD under the Lease.

4. **Disbursements:** Lender is under no obligation or duty to monitor the application of the proceeds of the Loan. Any application of such proceeds for purposes other than those provided for in

the Loan Agreement or any of the other Loan Documents shall not defeat the effect of this Agreement in whole or in part.

5. Acknowledgment of Assignment: Tenant acknowledges and consents to the assignment of LANDLORD's rights under the Lease to Lender pursuant to a certain Assignment of Leases (the "Assignment"). Tenant shall pay rent to Lender upon receipt of written notice from Lender that Lender has revoked the waiver of LANDLORD's right to receive the rents from the Premises pursuant to the Assignment, notwithstanding the fact that Lender has not foreclosed the Deed of Trust, nor succeeded to the interest of LANDLORD under the Lease. Tenant shall not be liable to LANDLORD for any payments made to Lender hereunder.

6. Assignment or Sublease: Tenant may assign or sublease all or any portion of the Property in accordance with the Lease, but no such assignment, transfer, or subletting shall relieve Tenant of any of its obligations under the Lease. Tenant hereby covenants that the Lease has not been modified or altered. Tenant shall not enter into or agree to any amendment or modification to the Lease with LANDLORD, without the prior written consent of Lender. Tenant shall not voluntarily subordinate or subject the Lease or any interest therein to any lien or encumbrance without the prior written consent of Lender, unless said lien or encumbrance shall relate to personal property that can be removed without damage to the Premises, or unless such subordination is required by the Lease.

7. Notices: Tenant shall deliver to Lender a copy of all notices, requests, or demands delivered by Tenant to LANDLORD in accordance with this Paragraph. Tenant shall also deliver to Lender any and all notices, demands, or requests received by Tenant from LANDLORD relating to any of the aforesaid. Lender shall deliver to Tenant all notices, requests or demands in accordance with this Paragraph. All notices required hereunder or pertaining hereto shall be in writing and shall be deemed delivered and effective upon the earlier of (i) actual receipt; or (ii) the date of delivery or refusal of the addressee to accept delivery if such notice is sent by express courier service or United States mail, postage prepaid, certified or registered, return receipt requested; or (iii) the date of delivery if such notice is sent by facsimile, in each case, to the applicable address as follows:

to Tenant: Internal Services Group
Real Estate Services Department
825 East Third Street
San Bernardino, California 92415-0832
Facsimile No.: (909) 387-7833

to LANDLORD: _____

Attn: _____

Facsimile No.: _____



to Lender:

Attn: _____

Facsimile No.: _____

Notwithstanding the foregoing, any notice under or pertaining to this Agreement, given and effective in accordance with applicable law, shall be effective for purposes hereof. Any party may change the address at which it is to receive notices hereunder to another business address within the United States (but not a post office box or similar mail receptacle) by giving notice of such change of address in accordance herewith.

8. LANDLORD's Default: Tenant hereby agrees that Tenant will notify Lender in writing, in accordance with **Paragraph 7 above**, of any default by LANDLORD under the terms of the Lease and Tenant shall not cancel or terminate, or acquiesce to the cancellation or termination of the Lease without giving Lender a reasonable period (not less than 30 days) after delivery of such notice to cure the default; Lender's rights and remedies under the Loan Agreement or any of the Loan Documents (as defined in the Loan Agreement) shall not be prejudiced by its exercise or failure to exercise the right to cure described above. Except for LANDLORD's defaults under **Paragraph 3, "TERM"**, of the Lease, relating to LANDLORD's failure to meet the Critical Completion Dates as set forth in Exhibit "A", Page 4, Schedule of Completion, if Lender elects within such thirty (30) day period to foreclose on the Deed of Trust, such time period shall be extended so that Lender shall have a reasonable period within which to foreclose the Deed of Trust and shall have an additional thirty (30) days from the time Lender becomes owner of the Property through foreclosure within which to cure such default. If any default by LANDLORD is cured within the time periods described above, Tenant shall have no right to terminate the Lease by virtue of such default.

9. Binding Effect: This Agreement shall be binding upon the parties and their respective heirs, personal representatives, successors, and assigns.

10. Law: This Lease shall be construed and interpreted in accordance with the laws of the State of California.

11. Jury Trial Waiver: The parties hereby waive their respective right to trial by jury and agree to accept trial by judge alone for any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by any party against the other on any matter whatsoever arising out of, or in any way connected with, this Lease, the relationship of the tenant to the borrower or the borrower to the tenant, tenant's use or occupancy of the Property, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

12. Attorneys' Fees and Costs: If any legal action is instituted to enforce or declare any party's rights hereunder, each party, regardless of which party is the prevailing party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a party hereto and payable under Paragraph ___, "HOLD HARMLESS".

13. Venue: The parties acknowledge and agree that this Lease was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue for any action or claim brought by any party to this Lease will be San Bernardino County. Each party hereby waives any law or rule of court which would allow them to request or demand a change of venue. If any action or claim concerning this Lease is brought by any third party, the parties hereto agree to use their best efforts to obtain a change of venue to the Central District of San Bernardino County.

14. Counterparts: This Agreement may be executed by the parties in counterparts, and when any one or more copies of this Agreement have been executed by all of the parties, this Agreement shall be effective, and all of such copies shall be deemed and construed to be one agreement.

* * * * *

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* * * * *

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

Tenant:

COUNTY OF SAN BERNARDINO:

Chairman, Board of Supervisors

Date: _____

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

J. RENEE BASTIAN, Clerk of the
Board of Supervisors

By: _____

Deputy

Date: _____

Approved as to Legal Form:

ALAN K. MARKS, County Counsel
San Bernardino County, California

By: _____

Deputy

Date: _____

Lender:

By: _____

(Name)

Title: _____

Date: _____

LANDLORD:

By: _____

Title: _____

Date: _____