1	District Attorney DA 2004/4					
3	LEASE					
5						
7	THIS IS A LEASE, hereinafter referred to as "Lease," made 2004, by and between , a Nevada limited partnership, hereinafter referred to as "LESSOR," and the					
9	County of Orange, hereinafter referred to as "COUNTY," without regard to number and gender. The term "COUNTY" shall mean the Board of Supervisors of the political body that executed this agreement or its authorized representative.					
13	1. DEFINITIONS (1.2 S)					
15	"Board of Supervisors" means the Board of Supervisors of the County of Orange, a political subdivision of the State of California					
1719	"Manager of CEO/Real Estate" means the Manager, County Executive Office, Real Estate, County of Orange, or designee, or upon written notice to LESSOR, such other person or entity as shall be designated by the Deputy County Executive Officer, Chief Financial Officer, County of Orange or Chief Executive Officer.					
2123	"District Attorney" means the District Attorney, County of Orange, or designee, or upon written notice to LESSOR, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.					
2527	"Auditor-Controller" means the Auditor-Controller, County of Orange, or designee, or upon written notice to LESSOR, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.					
29 31	"County Counsel" means the County Counsel, County of Orange, or designee, or upon written notice to LESSOR, such other person or entity as shall be designated by the Board of Supervisors.					
33	2. PREMISES (1.2 S)					
35	LESSOR leases to COUNTY that certain property hereinafter referred to as "Premises," described in "Exhibit A" and shown on "Exhibit B," which exhibits are attached hereto and by reference made a part hereof, together with					
37	non-exclusive, in common use of LESSOR's elevators, stairways, washrooms, hallways, driveways for vehicle ingress and egress, pedestrian walkways, other facilities and common areas appurtenant to COUNTY's Premises					
39	created by this Lease.					
41	3. PARKING (1.3 S)					
43	LESSOR, throughout the term of this Lease, shall provide five (5) parking spaces for COUNTY's free and exclusive use, and fifteen (15) parking spaces for COUNTY's free and non-exclusive use, said parking spaces to					
45	be located in the parking area shown on Exhibit B.					
47	Lease Agreement Page 1 of 14 DA 2004/4					

In addition to said parking spaces, LESSOR shall also provide parking for disabled persons in accordance with the Americans with Disabilities Act, Section 7102 of the California Uniform Building Code and the applicable codes and/or ordinances relating to parking for disabled persons as established by the local jurisdiction in which the Premises is located where the provisions of such local codes and/or ordinances exceed or supersede the State requirements.

4. TERMINATION OF PRIOR AGREEMENTS (1.4 S)

It is mutually agreed that this Lease shall terminate and supersede any prior agreement between the parties hereto covering all or any portion of the Premises, except that all personal property and/or equipment (e.g., fixtures, partitions, counters, shelving) attached to and/or placed upon any portion of the Premises by COUNTY pursuant to the terms of any prior agreement between the parties hereto shall remain the personal property of COUNTY, who shall have the right to remove same.

5. TERM (2.2 S)

The term of this Lease shall be five (5) thirteen (13) years, commencing on January 1, 2005. Parties agree that the commencement date of this Lease will be confirmed in writing by either party upon demand by the other. ("Commencement Date"), and terminating on December 31, 2017.

6. OPTION TO EXTEND TERM (2.3 S)

COUNTY shall have the option to extend the term of this Lease for five (5) years on the same terms and conditions. Notification of said exercise of option shall be done in writing at least sixty (60) days prior to the lease termination date.

7. OPTION TO TERMINATE LEASE (2.4A S)

COUNTY shall have the option to terminate this Lease at any time after the first year of the lease term December 31, 2012, upon giving LESSOR written notice at least ninety (90) days prior to said termination date.

8. COUNTY'S RIGHT TO LEASE ADDITIONAL SPACE (2.5 S)

Should additional space become available within LESSOR's building or property, either as a result of the termination of occupancy of another building tenant, or construction by LESSOR of additional space onto LESSOR's building, COUNTY shall have the right of first refusal to lease such additional space. COUNTY's right of first refusal shall extend for a period of ninety (90) days following COUNTY's receipt of LESSOR's written notice of the availability of said space. COUNTY's occupancy of said space shall be subject to the terms and conditions of this Lease and rental for said space shall be based upon the rental rate which COUNTY is paying for the Premises at the time COUNTY's occupancy of the additional space commences.

9. RENT (3.1 S)

COUNTY agrees to pay to LESSOR as rent for the Premises the sum of Nine Thousand Dollars (\$9,000) per month, plus a monthly fee of Forty Five Dollars (\$45) for security system monitoring.

To obtain rent payments LESSOR (or LESSOR's designee) shall submit to COUNTY's District Attorney, in a form acceptable to said District Attorney, a written claim for said rent payments.				
Daga 2 - C14				
Lease Agreement Page 3 of 14DA 2004				

Payment shall be due and payable within twenty (20) days after the later of the following:

- A. The first day of the month following the month earned; or
- B. Receipt of LESSOR's written claim by COUNTY's District Attorney.

10. RENT ADJUSTMENT (3.3 S)

The monthly rental payable by COUNTY for the Premises shall be automatically adjusted as follows:

Months	Monthly Rental
13-24	\$9,270
25-36	\$9,548
37-48	\$9,835
49-60	\$10,130

All monthly rents are exclusive of \$45 per month security system monitoring fee.

Commencing	Monthly Rental	Monthly Alarm	Fee Total Monthly Rental
January 1, 2005	\$9,000	\$45	\$9,045
January 1, 2006	\$9,270	\$45	\$9,315
January 1, 2007	\$9,548	\$45	\$9,593
January 1, 2008	\$9,835	\$45	\$9,880
January 1, 2009	\$10,139	\$45	\$10,184
January 1, 2010	\$9,720	\$45	\$9,765
January 1, 2015	\$10,080	\$45	\$10,125
January 1, 2016	\$10,512	\$45	\$10,557
January 1, 2017	\$10,782	\$45	\$10,827

Notwithstanding the above, the Total Monthly Rent for January 2010, January 2011, January 2012, and January 2013 shall be rent-free.

11. IMPROVEMENTS (4.1 N)

LESSOR hereby agrees to complete, at LESSOR's expense, within ninety (90) calendar days after the date first written above, to remove existing workstations in Suite 407 and replace them with new ergonomic workstations and update the existing alarm system to include fire and smoke detection, in accordance with plans dated November 8, 2004 and the Specifications dated November 17, 2004 attached hereto and made a part hereof as "Exhibit C."

Should LESSOR fail to complete the improvements within ninety (90) calendar days after execution of the Lease by COUNTY, COUNTY shall reduce subsequent rent due LESSOR by Fifty Dollars (\$50) for each day the completion date of the work exceeds the above-mentioned 90-day period, unless the delay is authorized or approved by COUNTY's District Attorney. Said amount shall be considered as liquidated damages to

compensate COUNTY for costs incurred as a result of such LESSOR caused delay. In addition to the amount stated above, COUNTY may, at COUNTY's sole option, upon giving written notice to LESSOR, complete said work and deduct costs from a subsequent rent payment.

All plans and working drawings for the work shall have the approval of COUNTY's District Attorney. Approval by COUNTY of said plans and work drawings shall not relieve LESSOR of the responsibility for complying with all applicable codes and construction requirements, nor of obtaining necessary permits or approvals from the authorities of proper jurisdiction.

LESSOR hereby agrees to complete, at LESSOR's sole cost and expense, within sixty (60) calendar days after the date first written above, the alterations, repairs and other work (the 'Work') listed in the attached Scope of Work attached hereto and by reference made a part hereof as Exhibit 'E.'

COUNTY acknowledges and agrees that the completion by LESSOR of the Work shall occur during the Term and that there may be certain minor temporary interferences with COUNTY's business operations in the Premises as a result of COUNTY's occupancy of the Premises while LESSOR is performing such work. LESSOR agrees to use commercially reasonable efforts to minimize the interference with COUNTY's business operations. COUNTY acknowledges and agrees that minor temporary interruptions shall not constitute a constructive eviction of COUNTY or grounds for rent abatement under the terms of the Lease (as amended hereby) or otherwise. LESSOR acknowledges and agrees that COUNTY shall have the right to abatement for any failure to provide any utilities to the Premises as a result of the Work, or that results in an unsafe working environment.

Should LESSOR fail to complete the Work within sixty (60) calendar days after the date of execution of this First Amendment to this Lease by COUNTY, COUNTY shall have the option to complete the Work and deduct the cost thereof, including labor, materials, and overhead from any rent payable. However, should COUNTY choose to delay the Work to a time beyond said sixty-day period, LESSOR's time for completion shall be extended by said delay, and COUNTY's option to complete the work will also be extended by said delay. COUNTY shall give written notice to LESSOR of any request to delay the completion of the Work.

12. PAINTING BY LESSOR (4.2 S)

Within ninety (90) days after commencement of the first (1') and sixth (6th) year of the lease term and extension, LESSOR shall repaint, at LESSOR's sole expense, all painted surfaces within the Premises. Said painting shall be accomplished during hours other than COUNTY's normal working hours. LESSOR shall be responsible for the movement and subsequent replacement of all furniture, window coverings, and fixtures necessary to repaint the Premises. Said paint shall be of a kind and quality of Dunn-Edwards® semi-gloss paint or acceptable equivalent approved by the District Attorney. The cost of said repainting shall not be included in the operating costs for the building for the purpose of operating cost adjustments.

At COUNTY's sole option, COUNTY may elect to defer said repainting. Said deferral shall not release LESSOR from the obligation to repaint. Should COUNTY elect to defer said repainting, the District Attorney, or designee, at least thirty (30) days prior to the scheduled repainting date, shall notify LESSOR in writing of COUNTY's decision to defer said repainting. This notice shall include the date COUNTY wishes the repainting to take place.

Should LESSOR fail to comply with the provisions of this clause, COUNTY shall have the option to complete said repainting and deduct the cost thereof, including overhead, from any rent payable.

13. CARPETING BY LESSOR (4.3 S)

Within ninety (90) days after commencement of the first (1") and sixth (6th) year of the lease term and extension, LESSOR shall recarpet, at LESSOR's sole expense, all carpeted surfaces within the Premises. Said recarpeting shall be accomplished during hours other than COUNTY's normal working hours. LESSOR shall be responsible for the movement and subsequent replacement of all furniture and fixtures necessary to recarpet the Premises. Carpet shall be direct glue down 100 percent continuous filament nylon (Antron III® or equivalent) with static control, yarn weight per square yard a minimum 26 ounce level loop to minimum 35 ounce cut pile, 1/8" to

5/32" gauge, 9.5 to 10.5 stitches per inch and have .150" to .290" pile height, and solution dyed. The cost of said recarpeting shall not be included in the operating costs for the building for the purpose of operating cost adjustments.

At COUNTY's sole option, COUNTY may elect to defer said recarpeting. Said deferral shall not release LESSOR from the obligation to recarpet. Should COUNTY elect to defer said recarpeting, the District Attorney, or designee, at least thirty (30) days prior to the scheduled recarpeting date, shall notify LESSOR in writing of COUNTY's decision to defer said recarpeting. This notice shall include the date COUNTY wishes the recarpeting to take place.

Should LESSOR fail to comply with the provisions of this clause, COUNTY shall have the option to complete said recarpeting and deduct the cost thereof, including overhead, from any rent payable.

14. ALTERATIONS (4.4 S)

COUNTY may make improvements and changes in the Premises, including but not limited to the installation of fixtures, partitions, counters, shelving, and equipment as deemed necessary or appropriate. It is agreed that any such fixtures, partitions, counters, shelving, or equipment attached to or placed upon the Premises by COUNTY shall be considered as personal property of COUNTY, who shall have the right to remove same. COUNTY agrees that the Premises shall be left in as good condition as when received, reasonable wear and tear excepted.

15. COUNTY REQUESTED ALTERATIONS (4.4 N)

COUNTY may, during the term of the Lease, request LESSOR to make improvements and changes to the Premises. All plans and working drawings for the improvements and changes, as well as the final work shall have the approval of COUNTY. All such improvements shall be made by LESSOR at LESSOR's sole cost and reimbursed in lump sum as additional rent by COUNTY upon receipt by COUNTY from LESSOR of a written claim for such reimbursement.

COUNTY shall have the right to audit said claim and require additional support documentation from LESSOR prior to making reimbursement payment. COUNTY shall evidence acceptance of such claim by written letter to LESSOR. Once LESSOR's claim has been accepted by COUNTY as complete and adequate, additional rental amount shall be reimbursed by COUNTY to LESSOR at the same time as the next scheduled monthly rental payment following the date of written acceptance of said claim.

It is agreed that any such fixtures, partitions, counters, shelving, or equipment attached to or placed upon the Premises shall be considered as personal property of COUNTY, who shall have the right to remove same.

16. ORANGE COUNTY TELECOMMUNICATIONS NETWORK (OCTNET) (4.5 S)

LESSOR agrees that COUNTY may install, at COUNTY's sole cost and expense, telecommunication devices in, on, or around the Premises and LESSOR's building in accordance with COUNTY's OCTNET plans and specifications provided that the provisions of the clause entitled (ALTERATIONS) shall be applicable to such work. It shall be COUNTY's responsibility to obtain all governmental permits and/or approvals required for such installation; however, LESSOR shall reasonably cooperate with COUNTY as necessary or appropriate, to obtain said permits and/or approvals.

17. REPAIR, MAINTENANCE, AND JANITORIAL SERVICES (5.1 S)

LESSOR shall provide at its own cost and expense all repair, maintenance (including fire extinguishers), and janitorial supplies and services to Premises (including but not limited to the repair and maintenance of the HVAC system). Janitorial supplies and services shall be provided on a five-day-per-week basis in accordance with Exhibit "D" (JANITORIAL SPECIFICATIONS) attached hereto and made a part hereof.

If LESSOR fails to provide satisfactory repair, maintenance, and janitorial services to the Premises, COUNTY's District Attorney may notify LESSOR in writing; and if LESSOR does not instigate measures to provide satisfactory service and/or to remedy the unsatisfactory conditions within four (4) days after COUNTY has placed such notice in the mail to LESSOR directed to the address shown for LESSOR in the clause entitled (NOTICES) below, or has personally delivered such notice to LESSOR, COUNTY may provide the repair, maintenance, and/or janitorial service necessary to remedy the unsatisfactory condition and assure satisfactory service or have others do so, and deduct the cost thereof, including labor, materials, and overhead from any rent payable.

If LESSOR fails to provide satisfactory janitorial supplies to Premises, COUNTY's District Attorney may notify LESSOR either verbally or in writing; and if LESSOR does not provide janitorial supplies within twenty-four (24) hours after LESSOR has received such notice from COUNTY, COUNTY may provide the janitorial supplies necessary or have others do so, and deduct the cost thereof, including labor, materials, and overhead, from any rent payable. In the event that COUNTY has notified LESSOR at least three (3) times as provided in this paragraph of LESSOR's failure to provide satisfactory repair, maintenance and janitorial services to the Premises, then regardless of whether said failure were ultimately cured by LESSOR, COUNTY shall have the

right for the remainder of the County of Orange fiscal year to take over all such repair, maintenance and janitorial services for the Premises and deduct the cost thereof from the rent otherwise payable to LESSOR. If such costs exceed the rent payable, LESSOR shall promptly pay the difference to COUNTY. This additional right of self help shall reset at the commencement of each fiscal year of the COUNTY during the term of the Lease.

If LESSOR or its representative cannot be contacted by COUNTY for emergency repairs and/or services the same day any emergency repairs and/or services are necessary to remedy the emergency condition, or if LESSOR following such contact by COUNTY is unable or refuses to make the necessary repairs or provide the necessary services, COUNTY may at its option have the necessary repairs made and/or provide services to remedy the emergency condition, and deduct the cost thereof, including labor, materials, and overhead from any rent payable.

Should COUNTY be forced to shut down its operations within the Premises due to LESSOR's failure to provide services required by this clause, LESSOR shall be responsible for the cost, to the COUNTY, of such a shutdown.

LESSOR shall provide COUNTY with a complete copy of the janitorial contract covering the Premises, including the janitorial schedule and any other exhibits.

18. UTILITIES (5.2 S)

LESSOR shall be responsible for and pay, prior to the delinquency date, all charges for utilities supplied to the Premises except telephone, which shall be the obligation of COUNTY. Should LESSOR fail to provide utility service to the Premises, COUNTY may provide such service and deduct the cost thereof, including overhead, from any rent payable.

19. INSURANCE (5.3 S)

<u>Property/Fire Insurance</u>: LESSOR shall obtain and keep in force during the term of this Lease a policy or policies of property and fire insurance with extended coverage, covering the loss or damage to the Premises to the full insurable value of the improvements located on the Premises (including the full value of all improvements and fixtures owned by LESSOR) at least in the amount of the full replacement cost thereof, and in no event less than the total amount required by any lender holding a security interest, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils ("all risk" as such term is used in the insurance industry, including earthquake and flood) and shall name the COUNTY as an additional insured.

Included in the policy or policies of property and fire insurance shall be a standard waiver of right of subrogation against COUNTY by the insurance company issuing said policy or policies. LESSOR shall provide COUNTY with evidence of compliance with these requirements.

LESSOR's insurance (a) shall be in a form satisfactory to COUNTY and carried with a company (or companies) acceptable to COUNTY and licensed to do business in the state of California, (b) shall provide that such policies shall not be subject to material alteration or cancellation without at least thirty (30) days prior written notice to COUNTY, and (c) shall be primary, and any insurance carried by COUNTY shall be non-contributing. LESSOR's policy or policies, or duly executed certificates for them, shall be deposited with COUNTY prior to the Commencement Date of this Lease, and prior to renewal of such policies. If LESSOR fails to procure and

maintain the insurance required to be procured by LESSOR under this Lease, COUNTY may, but shall not be required to, order such insurance and deduct the cost thereof plus any COUNTY administrative charges from the rent thereafter payable.

<u>Liability Insurance</u>: LESSOR shall obtain and keep in force during the term of this Lease a policy or policies of public liability insurance covering all injuries occurring within the building and the Premises. The policy or policies evidencing such insurance shall name COUNTY as an additional insured, shall provide that same may not be cancelled or amended without thirty (30) days prior written notice to COUNTY, and shall provide for a combined coverage of bodily injury and property damage in the amount of not less than One Million Dollars (\$1,000,000). Such policy or policies shall be issued by an insurance company licensed to do business in the State of California and in a form acceptable to COUNTY. Prior to the Commencement Date of this Lease and upon renewal of such policies, LESSOR shall submit to COUNTY suitable evidence that the foregoing policy or policies are in effect.

20. LIABILITY (5.4 S)

LESSOR and COUNTY each agree to assume sole responsibility to defend against any and all claims for injuries to persons or damage to property which may arise, in whole or in part, from the imposition of legal liability for the acts, omissions and conduct of the LESSOR on the one hand or COUNTY on the other, and specifically agree that neither LESSOR nor COUNTY shall be obligated to defend or indemnify the other for claims which create potential legal liability arising out of the acts, omissions or conduct of the other party to this Lease.

21. TAXES AND ASSESSMENTS (5.6 5)

All taxes and assessments which become due and payable upon the Premises shall be the full responsibility of LESSOR, and LESSOR shall cause said taxes and assessments to be paid prior to the due date. Should LESSOR fail to pay taxes and assessments due upon the Premises, COUNTY may pay such amount due and deduct the cost thereof, including overhead, from the rent thereafter payable.

22. BUILDING AND SAFETY REQUIREMENTS (5.7 S)

During the full term of this Lease, LESSOR, at LESSOR's sole cost, agrees to maintain the Premises in compliance with all applicable laws, rules, regulations, building codes, statutes, and orders as they are applicable on the date of this Lease, and as they may be subsequently amended.

Included in this provision is compliance with the Americans with Disabilities Act (ADA) and all other federal, state, and local codes, statutes, and orders relating to disabled access as they are applicable on the dates of this Lease, and as they may be subsequently amended.

LESSOR further agrees to maintain the Premises as a "safe place of employment," as defined in the California Occupational Safety and Health Act (California Labor Code, Division 5, Part 1, Chapter 3, beginning with Section 6400) and the Federal Occupational Safety and Health Act, where the provisions of such Act exceed, or supersede, the California Act, as the provisions of such Act are applicable on the date of this Lease, and as they may be subsequently amended.

In the event LESSOR neglects, fails, or refuses to maintain said Premises as aforesaid, COUNTY may, notwithstanding any other termination provisions contained herein:

- A. Terminate this Lease; or
- B. At COUNTY's sole option, cure any such default by performance of any act, including payment of money, and subtract the cost thereof plus reasonable administrative costs from the rent.

23. CONCESSIONS (5.8 S)

COUNTY may, at COUNTY's option, contract with and receive fees from outside vendors that provide service either within the Premises or in the parking areas shown on the Exhibit "B".

24. TOXIC MATERIALS (5.9 S)

COUNTY hereby warrants and represents that COUNTY will comply with all laws and regulations relating to the storage, use and disposal of hydrocarbon substances and hazardous, toxic or radioactive matter, including, but not limited to, those materials identified in Title 26 of the California Code of Regulations (collectively "Toxic Materials"). COUNTY shall be responsible for and shall defend, indemnify and hold LESSOR, its officers, directors, employees, agents, and representatives, harmless from and against all claims, costs and liabilities, including attorneys' fees and costs arising out of or in connection with the storage, use, and disposal of Toxic Materials on the Premises by COUNTY. If the storage, use, and disposal of Toxic Materials on the Premises by COUNTY results in contamination or deterioration of water or soil resulting in a level of contamination greater than maximum allowable levels established by any governmental agency having jurisdiction over such contamination, COUNTY shall promptly take any and all action necessary to clean up such contamination.

Likewise, LESSOR hereby warrants and represents that LESSOR has in the past and will hereafter comply with all laws and regulations relating to the storage, use and disposal of hydrocarbon substances and hazardous, toxic or radioactive matter, including, but not limited to, those materials identified in Title 26 of the California Administrative Code of Regulations (collectively "Toxic Materials"). LESSOR shall be responsible for and shall defend, indemnify and hold COUNTY, its officers, directors, employees, agents, and representatives, harmless from and against all claims, costs and liabilities, including attorneys' fees and costs arising out of or in connection with the previous, current and future storage, use and disposal of Toxic Materials on the Premises (or building if the Premises comprises only a portion of said building) by LESSOR. If the previous, current and future storage, use, and disposal of Toxic Materials on the Premises by LESSOR results in contamination or deterioration of water or soil resulting in a level of contamination greater than maximum allowable levels established by any governmental agency having jurisdiction over such contamination, LESSOR shall promptly take any and all action necessary to clean up such contamination.

25. SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE (6.4 S)

This Lease and all rights of the COUNTY hereunder are subject and subordinate to any mortgage or deed of trust which does now or may hereafter cover the Premises or any interest of LESSOR therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, consolidations, replacements and extensions of any such mortgage or deed of trust except, insofar as COUNTY is meeting its

47 Lease Agreement Page 8 of 14 DA 2004/4

obligations under this Lease, any foreclosure of any mortgage or deed of trust shall not result in the termination of this Lease or the displacement of COUNTY.

In the event of transfer of title of the Premises, including any proceedings brought for threclosure or in the event of the exercise of the power of sale under any mortgage or deed of trust, or by any other transfer of title covering the Premises, COUNTY shall attorn to and recognize any subsequent title holder as the LESSOR under all terms, covenants and conditions of this Lease. COUNTY's possession of the Premises shall not be disturbed by the LESSOR, or its successors in interest, and this Lease shall remain in full force and effect. Said attornment shall be effective and self-operative immediately upon succession of the current title holder, or its successors in interest, to the interest of LESSOR under this Lease.

Notwithstanding the above, this Lease is contingent upon LESSOR obtaining a Subordination, Attornment and Non-Disturbance Agreement from District Attorney, within thirty (30) days of LESSOR's execution of this Lease. All future lenders on the Premises shall, upon initiation of their interest in the Premises, enter into a Subordination, Attornment and Non-Disturbance Agreement with COUNTY thereby insuring COUNTY of its leasehold interests in the Premises. Said Subordination, Attornment and Non-Disturbance Agreement shall be in the form of COUNTY's standard form Subordination, Attornment and Non-Disturbance Agreement or in a fowl approved by COUNTY's District Attorney, CEO/Real Estate and County Counsel.

Foreclosure shall not extinguish this Lease, and any lender or any third party purchasing the Premises at foreclosure sale shall do so subject to this Lease and shall thereafter perform all obligations and be responsible for all liabilities of the LESSOR under the terms of this Lease.

Upon default by LESSOR of any note or deed of trust, COUNTY may, at its option, make all lease payments directly to Lender, and same shall be applied to the payment of any and all delinquent or future installments due under such note or deed of trust.

26. ESTOPPEL CERTIFICATE (6.5 S)

COUNTY agrees that its District Attorney, shall furnish from time to time upon receipt of a written request from LESSOR or the holder of any deed of trust or mortgage covering the Premises or any interest of LESSOR therein, COUNTY's standard form *Estoppel Certificate* containing information as to the current status of the Lease. The *Estoppel Certificate* shall be approved by COUNTY's District Attorney, CEO/Real Estate, and County Counsel.

27. DEFAULTS AND REMEDIES (6.8 S) The occurrence of any

of the following shall constitute an event of default:

- Failure to pay any installment of any monetary amount due and payable hereunder;
- Failure to perform any obligation, agreement or covenant under this Lease.

In the event of any non-monetary breach of this Lease by COUNTY, LESSOR shall notify COUNTY in writing of such breach, and COUNTY shall have fifteen (15) days in which to initiate action to cure said breach.

In the event of any non-monetary breach of this Lease by LESSOR, COUNTY shall notify LESSOR in writing of such breach and LESSOR shall have fifteen (15) days in which to initiate action to cure said breach.

In the event of any monetary breach of this Lease by COUNTY, LESSOR shall notify COUNTY in writing of such breach, and COUNTY shall have fifteen (15) days in which to cure said breach, unless specified otherwise within this Lease.

In the event of any monetary breach of this Lease by LESSOR, COUNTY shall notify LESSOR in writing of such breach, and LESSOR shall have fifteen (15) days in which to cure said breach, unless specified otherwise within this Lease.

In the event any such monetary breach by COUNTY in the payment of the monthly rent, pursuant to the clause entitled (RENT) herein, is not cured within said fifteen (15) day period, LESSOR may declare all rent payments to the end of COUNTY's current fiscal year to be due, including any delinquent rent from prior budget years. However, in no event shall LESSOR be entitled to a remedy of acceleration of the total rent payments due over the term of this Lease.

28. DEBT LIMIT (6.9 S)

LESSOR acknowledges and agrees that the obligation of the COUNTY to pay rent under this Lease is contingent upon the availability of COUNTY funds which are appropriated or allocated by the COUNTY's Board of Supervisors for the payment of rent hereunder. In this regard, in the event that this Lease is terminated due to an uncured default of the COUNTY hereunder, LESSOR may declare all rent payments to the end of COUNTY's current fiscal year to be due, including any delinquent rent from prior budget years. In no event shall LESSOR be entitled to a remedy of acceleration of the total rent payments due over the term of the Lease. The parties acknowledge and agree that the limitations set forth above are required by Article 16, section 18, of the California Constitution. LESSOR acknowledges and agrees that said Article 16, section 18, of the California Constitution supersedes any law, rule, regulation or statute, which conflicts with the provisions of this paragraph. Notwithstanding the foregoing, LESSOR may have other rights or civil remedies to seek relief due to the COUNTY's default under the Lease. Such rights or remedies may include a right to continue the COUNTY's right of possession under the Lease and sue for the rent as it becomes past due.

29. LABOR CODE COMPLIANCE (6.10 S)

LESSOR acknowledges and agrees that all improvements or modifications required to be performed as a condition precedent to the commencement of the term of this Lease or any such future improvements or modifications performed by LESSOR at the request of COUNTY shall be governed by, and performed in accordance with, the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (Sections 1770, et seq.). These provisions are applicable to improvements or modifications costing more than \$1,000.

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the Orange County Board of Supervisors has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality applicable to this Lease for each craft, classification, or type of workman needed to execute the aforesaid improvements or modifications from the Director of the State Department of Industrial Relations. Copies of said prevailing wage rates may be obtained from the State of California, Department of Industrial Relations, or COUNTY's District Attorney.

- LESSOR hereby agrees to pay or cause its contractors and/or subcontractors to pay said prevailing wage rates at all times for all improvements or modifications to be completed for COUNTY within the Premises, and LESSOR herein agrees that LESSOR shall post, or cause to be posted, a copy of the most current, applicable prevailing wage rates at the site where the improvements or modifications are performed.
- Prior to commencement of any improvements or modifications, LESSOR shall provide District Attorney with the applicable certified payroll records for all workers that will be assigned to the improvements or modifications. Said payroll records shall contain, but not be limited to, the complete name, address, telephone number, social security number, job classification, and prevailing wage rate for each worker. LESSOR shall provide District Attorney bi-weekly updated, certified payroll records for all workers that include, but not be limited to, the weekly hours worked, prevailing hourly wage rates, and total wages paid.
- If LESSOR neglects, fails, or refuses to provide said payroll records to District Attorney, such occurrence shall constitute an event of default of this Lease and COUNTY may, notwithstanding any other termination provisions contained herein:
- 17 A. Terminate this Lease; or

19

21

47

- B. At COUNTY's sole option, COUNTY may deduct future rent payable to LESSOR by COUNTY as a penalty for such non-compliance of paying prevailing wage, which rent deduction would be COUNTY's estimate, in its sole discretion, of such prevailing wage rates not paid by LESSOR.
- Except as expressly set forth in this Lease, nothing herein is intended to grant authority for LESSOR to perform improvements or modifications on space currently leased by COUNTY or for which COUNTY has entered into a lease or lease amendment.
- 27 | 30. COMMISSION (6A1 S)
- COUNTY's obligations and responsibilities under this Lease are contingent upon the LESSOR paying to COUNTY Nine Thousand Dollars (\$9,000) commission as a result of this lease transaction. Said commission shall be paid to COUNTY within five (5) working days after execution of this Lease by COUNTY. Said commission payment shall be made payable to the "County of Orange" and delivered to District Attorney at 401 Civic Center, Santa Ana, California, 92701.
- Should COUNTY not receive the above amount within the specified time period, COUNTY, at COUNTY's sole option, may terminate this Lease without further obligation to LESSOR, or at COUNTY's sole option, COUNTY may deduct any unpaid amount from future rent payable to LESSOR by COUNTY.
- 39 31. CHILD SUPPORT ENFORCEMENT REQUIREMENTS (6.12 S)
- In order to comply with child support enforcement requirements of the County of Orange, within thirty (30) days after COUNTY's execution of this Lease agreement, LESSOR agrees to furnish COUNTY's District Attorney, or designee, COUNTY's standard form, *Child Support Enforcement Certification Requirements*, which includes the following information:
 - a) In the case where LESSOR is doing business as an individual, LESSOR's name, date of birth, Social Security number, and residence address;

Lease Agreement Page 11 of 14 DA 2004/4

1 3 5 7 In the case where LESSOR is doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten 9 (10) percent or more in the contracting entity; 11 A certification that the LESSOR has fully complied with all applicable federal and state reporting c) requirements regarding its employees; and 13 A certification that the LESSOR has fully complied with all lawfully served Wage and Earnings 15 Assignment Orders and Notices of Assignment and will continue to so comply. 17 Failure of LESSOR to timely submit the data and/or certifications required above or to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and 19 Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of this Lease. Failure to cure such breach within sixty (60) calendar days of notice from COUNTY's District Attorney, or designee, 21 shall constitute grounds for termination of this Lease. It is expressly understood that this data will be transmitted to governmental agencies charged with the 23 establishment and enforcement of child support orders and will not be used for any other purpose. 25 32. RIGHT TO WORK AND MINIMUM WAGE LAWS (6.13 S) 27 In accordance with the United States Immigration Reform and Control Act of 1986, LESSOR shall require its employees that directly or indirectly service the Premises or terms and conditions of this Lease, in any manner 29 whatsoever, to verify their identity and eligibility for employment in the United States. LESSOR shall also require and verify that its contractors or any other persons servicing the Premises or terms and conditions of this 31 Lease, in any manner whatsoever, verify the identity of their employees and their eligibility for employment in the United States. 33 Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California 35 Labor Code, Section 1178.5, LESSOR shall pay no less than the greater of the Federal or California Minimum Wage to all its employees that directly or indirectly service the Premises, in any manner whatsoever. LESSOR 37 shall require and verify that all its contractors or other persons servicing the Premises on behalf of the LESSOR also pay their employees no less than the greater of the Federal or California Minimum Wage. 39 LESSOR shall comply and verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the 41 Premises or terms and conditions of this Lease. 43 Notwithstanding the minimum wage requirements provided for in this clause, LESSOR, where applicable, shall comply with the prevailing wage and related requirements, as provided for in the Clause (LABOR CODE 45 COMPLIANCE) of this Lease.

47

3 5 33. NOTICES (8.1 S) All written notices pursuant to this 9 County of Orange Lease shall be addressed as set forth below or as either party may hereafter District Attorney 401 Civic Center Drive 11 designate by written notice and Santa Ana, CA 92701 shall be deemed delivered upon 13 personal delivery, delivery by Attn: Fiscal Services facsimile machine, or seventy-two 15 (72) hours after deposit in the United States Mail. 17 TO: LESSOR TO: COUNTY 19 21 23 25 30. ATTACHMENTS (8.2 S) 27 This Lease includes the following, which are attached hereto and made a part hereof: 29 Ι GENERAL CONDITIONS ${
m I}\!{
m L}$ **EXHIBITS** 31 Description - Premises Plot Plan - Premises A. В. 33 C. Plans and Specifications Janitorial Specifications D. 35 Scope of Work E. 37 39 41 43 45 47

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.	A Nevada Limited Partnership B y
APPROVED AS TO \(\frac{\DA}{D}\)	Titl
FORM: OFFICE OF COUNTY COUNSEL ORANGE COUNTY, CALIFORNIA By WW1/ Allk&'	
Date	
RECOMMENDED FOR APPROVAL:	COUNTY
DISTRICT ATTORNEY	COUNTY OF 0 GE
B <u>y</u>	Chairman, Board of Supervisors

<u>LESSOR</u>

Lisa Bohan-Johnston, irecto DA/Administrative Services

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

DARLE J. BLOOM

Clerk of the Board of Supervisors of Orange County, California

GENERAL CONDITION (9.1 S - 9.17 S)

1. LEASE ORGANIZATION (9.1 S)

The various headings in this Lease, the numbers thereof, and the organization of the Lease into separate sections and paragraphs are for purposes of convenience only and shall not be considered otherwise.

2. INSPECTION (9.2 S)

LESSOR or its authorized representative shall have the right at all reasonable times and upon reasonable advance notice to COUNTY to inspect the Premises to determine, if COUNTY is complying with all the provisions of this Lease.

3. SUCCESSORS IN INTEREST (9.3 S)

Unless otherwise provided in this Lease, the terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties hereto, of whom all shall be jointly and severally liable hereunder.

4. DESTRUCTION OF OR DAMAGE TO PREMISES (9.4 S)

"Partial Destruction" of the Premises shall mean damage or destruction to the Premises, for which the repair cost is less than 25 percent of the then replacement cost of the Premises (including tenant improvements), excluding the value of the land.

"Total Destruction" of the Premises shall mean damage or destruction to the Premises, for which the repair cost is 25 percent or more of the then replacement cost of the Premises (including tenant improvements), excluding the value of the land.

In the event of a Partial Destruction of the Premises, LESSOR shall immediately pursue completion of all repairs necessary to restore the Premises to the condition which existed immediately prior to said Partial Destruction. Said restoration work (including any demolition required) shall be completed by LESSOR, at LESSOR's sole cost, within sixty (60) days of the occurrence of said Partial Destruction or within an extended time frame as may be authorized, in writing, by COUNTY. The Partial Destruction of the Premises shall in no way render this Lease and/or any option to purchase null and void; however, rent payable by COUNTY under the Lease shall be abated in proportion to the extent COUNTY's use and occupancy of the Premises is adversely affected by said Partial Destruction, demolition, or repair work required thereby. Should LESSOR fail to complete necessary repairs, for any reason, within sixty (60) days, or other time frame as may be authorized by COUNTY, COUNTY may, at COUNTY's sole option, terminate the Lease or complete necessary repair work and deduct the cost thereof, including labor, materials, and overhead from any rent thereafter payable.

In the event of Total Destruction of the Premises or the Premises being legally declared unsafe or unfit for occupancy, this Lease and/or any option shall in no way be rendered null and void and LESSOR shall immediately instigate action to rebuild or make repairs, as necessary, to restore the Premises (including replacement of all tenant improvements) to the condition which existed immediately prior to the destruction. All

rent payable by COUNTY shall be abated until complete restoration of the Premises is accepted by COUNTY. In the event LESSOR refuses to diligently pursue or is unable to restore the Premises to an occupiable condition (including replacement of all tenant improvements) within 180 days of the occurrence of said destruction or within an extended time frame as may be authorized, in writing, by COUNTY, COUNTY may, at COUNTY's sole option, terminate this Lease or complete the restoration and deduct the entire cost thereof, including labor, materials, and overhead from any rent payable thereafter.

Further, LESSOR, at COUNTY's request, shall provide a suitable, COUNTY-approved temporary facility ("Facility") for COUNTY's use during the restoration period for the Premises. The Facility may be leased, at market rate, under a short term lease, for which the COUNTY will reimburse LESSOR the cost thereof, on a monthly basis.

5. AMENDMENT (9.5 S)

11

13

15

17

19

21

23

25

27

29

31

33

35

37

39

41

43

45

47

This Lease sets forth the entire agreement between LESSOR and COUNTY and any modification must be in the form of a written amendment.

6. PARTIAL INVALIDITY (9.6 S)

If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

7. CIRCUMSTANCES WHICH EXCUSE PERFORMANCE (9.7 S)

If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Financial inability shall not be considered a circumstance excusing performance under this Lease.

8. STATE AUDIT (9.8 S)

Pursuant to and in accordance with Section 8546.7 of the California Government Code, in the event that this Lease involves expenditures and/or potential expenditures of State funds aggregating in excess of ten thousand dollars (\$10,000), LESSOR shall be subject to the examination and audit of the Auditor General of the State of California for a period of three years after final payment by COUNTY to LESSOR under this Lease. The examination and audit shall be confined to those matters connected with the performance of the contract, including, but not limited to, the costs of administering the contract.

9. WAIVER OF RIGHTS (9.9 S)

The failure of LESSOR or COUNTY to insist upon strict performance of any of the terms, conditions, and covenants in this Lease shall not be deemed a waiver of any right or remedy that LESSOR or COUNTY may have, and shall not be deemed a waiver of any right or remedy for a subsequent breach or default of the terms, conditions, and covenants herein contained.

49 Lease Agreement Page 2 of 4 DA 2004/4

10. HOLDING OVER (9.10 S) In the event COUNTY shall continue in possession of the Premises after the term of this Lease, such possession shall not be considered a renewal of this Lease but a tenancy from month to month and shall be governed by the 5 conditions and covenants contained in this Lease. 7 11. HAZARDOUS MATERIALS (9.11 S) 9 LESSOR warrants that the Premises is free and clear of all hazardous materials or substances. 11 12. EARTHQUAKE SAFETY (9.12 S) 13 LESSOR warrants that the Premises is in compliance with all applicable seismic safety regulations and building codes. 15 13. QUIET ENJOYMENT (9.13 S) 17 LESSOR agrees that, subject to the terms, covenants and conditions of this Lease, COUNTY may, upon 19 observing and complying with all terms, covenants and conditions of this Lease, peaceably and quietly occupy the Premises. 21 14. PROCESSING FEES (9.14 S) 23 LESSOR shall compensate COUNTY for the administrative costs absorbed by COUNTY which occur as a result 25 of negotiating and administering documents (i.e., Subordination, Attornment and Non-Disturbance Agreements and Estoppel Certificates) required to satisfy LESSOR's Lender whether or not said Lender decides to grant a 27 loan to LESSOR. Said compensation amount shall be determined by multiplying the hourly rate of COUNTY's (insert agency name) by the number of hours spent to negotiate, prepare and execute said documents and shall be 29 paid to COUNTY within thirty (30) days of LESSOR's receipt of COUNTY's invoice for said administrative services. Should LESSOR fail to compensate COUNTY within said thirty (30) days, COUNTY has the option 31 to deduct the amount from the rent thereafter payable. 33 15. WAIVER OF JURY TRIAL. (9.15 S) 35 Each party acknowledges that it is aware of and has had the advice of Counsel of its choice with respect to its rights to trial by jury, and each party, for itself and its successors and assigns, does hereby expressly and 37 knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or 39 affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this agreement and/or any claim of injury or damage. 41 16. GOVERNING LAW AND VENUE. (9.16 S) 43 45 47

5	construed under the laws of the State of agreement, the sole and exclusive venue California, and the parties hereto agree to Code of Civil Procedure section 394.	d executed in the State of California and shall be gove California. In the event of any legal action to enforce or shall be a court of competent jurisdiction located in Or and do hereby submit to the jurisdiction of such court, no	interpret this
Ĩ			
9	Time is of the essence of this Lease.		
11			
13			
15			
17			
19			
21			
23			
25			
27			
29			
31			
33			
35			
37			
39			
41			
43			
45			
47			
	!	Page 4 of 4	
49	Lease Agreement	1 agc 7 01 4	DA 2004/4

DA 2004/4

EXHIBIT A

LEASE DESCRIPTION (11.1 S)

PROJECT NO: DA 2004/4 DATE: 11/10/04

VERIFIED BY: Steve Chaffee

NOT TO BE RECORDED

EXHIBIT B

Confidential

EXHIBIT C

Confildentilal

EXHIBIT D

JANITORIAL SPECIFICATIONS (11.3 S)

It is the intent of this Exhibit to provide general guidelines for minimum janitorial service. Any absence of a specific janitorial service from this Exhibit does not relieve LESSOR of the obligation to provide such service should it become necessary.

"Five-day-per-week" janitorial service as required in the clause entitled (REPAIR, MAINTENANCE AND JANITORIAL SERVICE) of this Lease, shall be inclusive of, but not limited to, the services as detailed below:

OFFICE AREAS

NIGHTLY: Monday through Friday, inclusive. (Holidays of the County of Orange excepted).

- Empty and clean all waste receptacles, supply liners for waste receptacles, replace light bulbs and fluorescent tubes, remove waste materials from the Premises and wash receptacles as necessary;
- 2. Mop all uncarpeted areas;
- 3. Vacuum all carpeted areas in offices, lobby and corridors:
- 4. Hand-dust all office furniture, fixtures and all other horizontal surfaces;
- 5. Remove all finger marks and smudges from doors, door frames, around light switches, private entry glass and partitions;
- 6. Wash, clean and polish water fountain;
- 7. Spot clean carpet as necessary;
- 8. Clean sink and wipe down tables and counter areas in all break areas and coffee bars.

WEEKLY:

- 1. Wipe clean and polish all metal and bright work;
- 2. Mop and polish all resilient flooring;
- 3. Dust in place all picture frames, charts, graphs, and similar wall hangings;
- 4. Spot-clean all wall marks;
- 5. Sweep all sidewalks and ramps.

MONTHLY:

- 1. Dust all mini-blinds within the Premises;
- 2. Vacuum all HVAC vents, high moldings and other areas not reached by nightly or weekly cleaning;
- 3. Scrub and wax uncarpeted floors.

SEMI-ANNUALLY:

- Clean ceiling light diffusers;
- 2. Clean carpet in high traffic areas (corridors, near lunchroom,...etc) and other areas as needed;
- 3. Clean interior walls, as needed;
- 4. Strip and wax uncarpeted floors.

EXHIBIT D

ANNUALLY:

1. Clean carpet throughout Premises.

RESTROOMS

NIGHTLY:

- 1. Clean and damp-mop floors;
- 2. Wash all mirrors, bright work and enameled surfaces;
- 3. Wash and sanitize all basins, bowls, urinals, and toilet seats;
- 4. Dust, clean, and wash where necessary, all partitions, tile walls, dispensers, and receptacles;
- 5. Empty and sanitize all receptacles and sanitary napkin disposals;
- 6. Provide materials and fill all toilet tissue, towel, seat cover, sanitary napkin, and soap dispensers.

MONTHLY:

- 1. Machine strip restroom floors and apply finish/sealer where applicable;
- 2. Wash all partitions, tile walls, and enamel surfaces;
- 3. Vacuum all louvers, vents, and dust light fixtures.

MISCELLANEOUS SERVICES

- 1. Maintain building lobby, corridors, and other public areas in a clean condition;
- 2. Parking lot is to be cleaned on a monthly basis;
- 3. All interior and exterior windows of the building are to be cleaned quarterly.

//

 $/\!/$

//

EXHIBIT E

SCOPE OF WORK

This Exhibit E describes the Work to be performed by LESSOR under the terms and conditions of the Lease. All Work shall be completed at appropriate times, other than COUNTY's normal business hours without COUNTY's prior consent, and in a manner so as to cause the minimum possible disturbance to COUNTY's operation. LESSOR shall coordinate work schedule with COUNTY.

1. Carpet and Flooring

- A. Replace carpet throughout the Premises. COUNTY to determine color and style of carpet to meet minimum standards as follows:
- B. Carpet shall be 100% continuous filament type 66 nylon (Antron III or acceptable equivalent) with static control, yarn wt./S.Y. min. 32 oz. level loop to min. 35 oz. cut pile, ½" to 5/32" gauge, 9.5 to 10.5 stitches/in. and have .150" to .290" pile height, and solution dyed. Carpet shall be direct glue down. Provide and install new 4" high wallbase throughout. COUNTY to determine color and style.
- C. All VCT to remain in place and will be stripped and polished per the Janitorial Specifications attached in Exhibit C of this Lease.
- D. LESSOR shall remove and replace all COUNTY's property including, but not limited to desks, chairs, file cabinets, modular furniture, copiers, etc. as necessary to complete carpet installation.
- E. COUNTY shall disconnect all computers and phone equipment and shall reconnect when the Work is finished.

F. LESSOR shall provide packing boxes to COUNTY, and shall remove and dispose of said packing boxes when the Work is complete.

2. Painting

Repair interior wall cracks and holes and repaint all interior walls throughout the Premises to meet minimum standards as follows:

- A. All walls and partitions shall be treated with one undercoat and one finish coat of Dunn-Edwards[®], latex paint or acceptable equivalent, as necessary, to completely cover existing paint. LESSOR shall provide color and style samples for COUNTY to select.
- B. All existing nails and hangers to remain in place except as marked for removal by COUNTY.
- C. COUNTY shall remove all pictures and wall hangings prior to commencement of painting, except LESSOR shall remove any attached marker boards, etc. to insure all wall surfaces are painted, as needed.

3. General Work

Complete the following items:

A. Replace damaged or stained ceiling tiles throughout Premises and remedy source of stains as necessary. All ceiling tiles within a room or area will be replaced completely if necessary to match;

- B. Repair or replace all damaged ceiling light fixtures and diffusers throughout Premises as needed;
- C. Replace all window blinds with new vertical window blinds throughout the Premises;
- D. Clean and repaint or replace all air conditioning vents and returns throughout the Premises as needed;
- E. Replace toilets in both warehouse areas with elongated bowl toilets;
- F. Arrange for maintenance inspection auto lift in VIN Bay 2 and provide any recommended service as necessary.