



GROUND LEASE

THIS GROUND LEASE ("**Lease**") is made and effective as of the ____ day of _____, 2019 ("**Effective Date**"), by and between the COUNTY OF ORANGE, a political subdivision of the State of California (hereinafter called "**County**") and SHELTER PROVIDERS OF ORANGE COUNTY, INC., a California nonprofit corporation, dba HomeAid Orange County (hereinafter called "**Tenant**") (each a "**Party**" and collectively, the "**Parties**").

Recitals

- A. County is the fee owner of the Premises (as hereinafter defined).
- B. The County and Tenant in partnership with public and private stakeholders desire to develop a multi-service transitional homeless center ("**Facility**") at the Premises that serves Orange County.
- C. Tenant (together with other HomeAid chapters) is a leading national non-profit provider of housing for today's homeless that builds and renovates multi-unit housing developments including emergency shelters, interim/bridge housing and permanent housing shelters for homeless families and individuals throughout the United States. As a non-profit, HomeAid is able to obtain various services at lower cost or by donation.
- D. Tenant will collaborate with public and private sector partners to cause the construction and development of the Facility at the Premises for the purpose of providing transitional homeless services.
- E. The County has agreed to lease the Premises to the Tenant for the purposes of constructing the Facility during the Term (as defined below).
- F. County and Tenant have jointly agreed to enter into this Lease as of the date set forth above.

NOW, THEREFORE, in consideration of the above recitals which are hereby incorporated into this Lease by reference, and mutual covenants and agreements hereinafter contained, County and Tenant mutually agree to the following:

ARTICLE I DEFINITIONS

1.1 **Definitions:** The following defined terms used in this Lease shall have the meanings set forth below. Other terms are defined in other provisions of this Lease, and shall have the definitions given to such terms in such other provisions.

1.1.1. "**Affiliate**" means, with respect to any person (which as used herein includes an individual, trust or entity), which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such person.

1.1.2. "**Annual Rent**" is defined in Section 3.1 below.

1.1.3. "**Board of Supervisors**" means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.

1.1.4. "**Certificate of Occupancy**" means a temporary or final certificate of occupancy (or other equivalent entitlement, however designated) which entitles County to commence normal operation and occupancy of the Improvements.

1.1.5. "**Chief Real Estate Officer**" means the Chief Real Estate Officer, County Executive Office, County of Orange, or designee, or upon written notice to Tenant, such other person as may be designated by the Board of Supervisors.

1.1.6. "**City**" means the City of Santa Ana, State of California.

1.1.7. "**Claims**" means liens, claims, demands, suits, judgments, liabilities, damages, fines, losses, penalties, costs and expenses (including without limitation reasonable attorney's fees and expert witness costs, and costs of suit), and sums reasonably paid in settlement of any of the foregoing.

1.1.8. "**Construction Budget**" means the detailed line-item budget for all hard and soft costs to be incurred by Tenant in connection with the development and construction of the Initial Improvements and approved by Chief Real Estate Officer, a copy of which is attached hereto as Exhibit C, as same may be revised from time to time in accordance with this Agreement.

1.1.9. "**Construction Drawings**" means the set of construction, landscaping and engineering drawings prepared by or for the architect of record for the Initial Improvements, approved by Chief Real Estate Officer and referenced on Exhibit D attached hereto, as same may be revised from time to time in accordance with this Agreement.

1.1.10. "**Construction Period**" means the period commencing on the Effective Date and ending on the date on which a Certificate of Occupancy is issued for the Initial Improvements.

1.1.11. "**Construction Schedule**" means that certain schedule for construction of the Initial Improvements approved by the Chief Real Estate Officer, a copy of which is attached hereto as Exhibit B, as same may be revised from time to time in accordance with this Agreement.

1.1.12. "**Contractor**" means CW Driver, the contractor with which the Tenant is executing a Construction Contract with to complete the Initial Improvements, or other contractor as mutually approved by the Parties.

1.1.13. "**County**" means the County of Orange, a political subdivision of the State of California, and shall include its Board of Supervisors, its elected and appointed officials, officers, agents, employees, and contractors.

1.1.14. "**County Parties**" means the County and County's Affiliates, agents, employees, members, officers, directors and attorneys.

1.1.15. "**County's Fee Interest**" means all of County's interest in the Property, the Premises, this Lease and County's reversionary interest in the Premises and Improvements.

1.1.16. "**Effective Date**" means the date that this Lease commences and is defined in the introductory paragraph to this Lease.

1.1.17. "**Event of Default**" is defined in Section 11.1 below.

1.1.18. "**Excluded Transfer**" shall mean any of the following:

(a) A transfer by any direct or indirect partner, shareholder, or member of Tenant (or of a limited partnership, corporation, or limited liability company that is a direct or indirect owner in Tenant's ownership structure) as of the Effective Date to any other direct or indirect partner, shareholder, or member of Tenant (or of a limited partnership, corporation, or limited liability company that is a direct or indirect owner in Tenant's ownership structure) as of the Effective Date, including in each case to or from a trust for the benefit of the immediate family of any direct or indirect partner or member of Tenant who is an individual;

(b) A transfer to a spouse in connection with a property settlement agreement or decree of dissolution of marriage or legal separation;

(c) A transfer of ownership interests in Tenant or in constituent entities of Tenant (i) to a member of the immediate family of the transferor (which for purposes of this Lease shall be limited to the transferor's spouse, children, parents, siblings, and grandchildren); (ii) to a trust for the benefit of a member of the immediate family of the transferor; (iii) from such a trust or any trust that is an owner in a constituent entity of Tenant as of the Effective Date, to the settlor or beneficiaries of such trust or to one or more other trusts created by or for the benefit of any of the foregoing persons, whether any such transfer described in this subsection is the result of gift, devise, intestate succession, or operation of law; or (iv) in connection with a pledge by any partners or members of a constituent entity of Tenant to an affiliate of such partner or member;

(d) A transfer of a beneficial interest resulting from public trading in the stock or securities of an entity, when such entity is a corporation or other entity whose stock and/or securities is/are traded publicly on a national stock exchange or traded in the over-the-counter market and the price for which is regularly quoted in recognized national quotation services;

(e) A mere change in the form, method, or status of ownership (including, without limitation, the creation of single-purpose entities) as long as the ultimate beneficial ownership remains the same as of the Effective Date, or is otherwise excluded in accordance with subsections (a) – (d) above; or

(f) Any assignment of the Lease by Tenant to an Affiliate of Tenant in which there is no change to the direct and indirect beneficial ownership of the leasehold interest.

1.1.19. "**Extension Term(s)**" is defined in Section 2.2.2.

1.1.20. "**Force Majeure Event**" is defined in Article XIII below.

1.1.21. "**Hazardous Material(s)**" is defined in Section 4.5.1 below.

1.1.22. "**Improvements**" means and includes all buildings (including above-ground and below ground portions thereof, and all foundations and supports), building systems and equipment (such as HVAC, electrical and plumbing equipment), physical structures, fixtures, hardscape, paving, curbs, gutters, sidewalks, fences, landscaping and all other improvements of any type or nature whatsoever now or hereafter made or constructed on the Premises. The term Improvements means the Initial Improvements and any other improvements existing on the Premises which may not be disturbed or changed by the Initial Improvements.

1.1.23. "**includes**" means "includes but is not limited to" and "**including**" means "including but is not limited to."

1.1.24. "**Initial Improvements**" means the improvements to be constructed by Tenant on the Premises as shown on Exhibit D attached hereto and incorporated herein.

1.1.25. "**Interest Rate**" means the highest rate of interest permissible under the Laws not to exceed the rate of ten percent (10%) per annum.

1.1.26. "**Laws**" means all laws, codes, ordinances, statutes, orders and regulations now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity that are binding on and applicable to the Premises and Improvements.

1.1.27. "**Lease**" means this Ground Lease (including any and all addenda, amendments and exhibits hereto), as now or hereafter amended.

1.1.28. "**Lease Year**" means each and every period of twelve (12) consecutive months commencing upon the Effective Date and each and every subsequent anniversary thereof.

1.1.29. "**Legal Challenge**" any challenge (legal, administrative, court or governmental order, or otherwise) by any Persons(s) to the legality or validity of all or any portion of the County's approval of the Lease, the Work or the Project, or to the use of the Premises for the Project, or to attack, set aside, void or annul any approval of the County concerning the Lease, the Work or the Project.

1.1.30. "**Operating Costs**" shall have the meaning set forth in Section 3.5.5.

1.1.31. "**Outside Date**" shall mean the date that is five (5) years after the Effective Date.

1.1.32. "**Person**" includes firms, associations, partnerships, joint ventures, trusts, corporations and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

1.1.33. "**Premises**" means that certain real property containing approximately 2.30 acres and APN 408-191-08 with an address of 2229 South Yale Street in the City, together with all easements, rights and privileges appurtenant thereto, to be leased to Tenant pursuant to this Lease and on which Tenant intends to construct the Improvements. The legal description of the Premises is attached hereto as Exhibit A. A rendering showing the approximate boundaries of the Premises is attached hereto as Exhibit A-1.

1.1.34. "**Primary Term**" is defined in Section 2.2.1.

1.1.35. "**Project**" means the development and construction of the Facility on the Premises.

1.1.36. "**Risk Manager**" means the Manager of County Executive Office, Risk Management, County of Orange, or designee, or upon written notice to Tenant, such other person as may be designated by the Board of Supervisors.

1.1.37. "**Specifications**" means those certain specifications for the Initial Improvements, prepared by the architect of record for the Initial Improvements, and referenced on Exhibit E attached hereto, as same may be revised from time to time in accordance with this Agreement.

1.1.38. "**Taxes**" has the meaning set forth in Section 3.5.2.

1.1.39. "**Term**" means the full term of this Lease including the Primary Term and any Extension Term(s).

1.1.40. "**Transfer**" has the meaning set forth in Section 10.1.1.

1.1.41. "**Transfer Notice**" has the meaning set forth in Section 10.4.

1.1.42. "**Utility Costs**" means all charges, surcharges and other costs of related to the utilities required for or utilized in connection with the Premises and/or Improvements, including without limitation, costs of heating, ventilation and air conditioning for the Premises, costs of furnishing gas, electricity and other fuels or power sources to the Premises, and the costs of furnishing water and sewer services to the Premises.

1.1.43. "**Work**" means Tenant and/or Contractor's construction activity with respect to the Improvements, including permitted future changes, alterations and renovations thereto and also including, without limiting the generality of the foregoing, site preparation,

landscaping, installation of utilities, street construction or improvement and grading or filling in or on the Premises.

ARTICLE II LEASE OF PROPERTY

2.1 **Lease of Premises.** County hereby leases the Premises to Tenant for the Term, and Tenant hereby leases the Premises from County for the Term, subject to the terms and conditions of this Lease.

2.2 **Term.**

2.2.1. **Primary Term.** The "**Primary Term**" of this Lease shall be two (2) years and shall commence on the Effective Date of this Lease, and shall expire at 12:00 midnight Pacific Time on _____, 2021, or the date that is ninety (90) days after receipt of a Certificate of Occupancy, whichever occurs first, unless sooner terminated as a result of non-compliance with any term or condition of this Lease as hereinafter provided.

2.2.2. **Option to Extend Primary Term.** Provided that no Event of Default has occurred and remains uncured, Tenant shall have the option to extend the Primary Term of this Lease under the same terms, covenants and conditions, for one (1) additional term of up to one (1) year ("**Extension Term**"). Tenant shall exercise the Extension Term by providing the Chief Real Estate Officer with written notice of its election to extend the Primary Term, together with the declared term of such Extension Term, a minimum of thirty (30) days prior to the expiration of the Primary Term. The accumulation of the Primary Term and Extension Term is hereinafter referred to as the "**Term.**"

2.3 **Access and Common Areas.** The Tenant's use of the Premises hereunder also shall include the non-exclusive, in common, use of County's driveways for vehicle ingress and egress, pedestrian walkways, and common areas appurtenant to Tenant's Premises created by this Lease necessary for the construction of the Initial Improvements.

2.4 **Termination at End of Term.** This Lease shall terminate without need of further actions of any Party at 12:00 midnight Pacific Time on the last day of the Term (as extended pursuant hereto).

2.5 **Limitations of the Leasehold.** This Lease and the rights and privileges granted Tenant in and to the Premises are subject to all covenants, conditions, restrictions, and exceptions of record as noted in that certain Preliminary Title Report dated January 11, 2019, issued by Stewart Title Company, Policy No. O-9301-000385391. Nothing contained in this Lease or in any document related hereto shall be construed to imply the conveyance to Tenant of rights in the Premises which exceed those owned by County, or any representation or warranty, either express or implied, relating to the nature or condition of the Premises or County's interest therein, except as set forth herein.

2.6 **Condition of the Premises.** Except as set forth in this Lease, including but not limited to Sections 4.2.6, 5.1.4 and 17.28, County makes no warranty, implied or otherwise, as to

the suitability of the Premises for Tenant's proposed uses and makes no covenants or warranties, implied or otherwise, respecting the condition of the soil, subsoil, or any other conditions of the Premises or the presence of Hazardous Materials. Notwithstanding the foregoing, Tenant shall not be required or obligated to make any changes, alterations, additions, improvements or repairs to the Premises arising from or related to the presence of Hazardous Materials or respecting the condition of the soil, subsoil or any other unknown conditions of the Premises except as part of the approved Work and provided for within the approved Construction Budget. As set forth in Section 4.2.4 below, if Hazardous Materials or unknown conditions are discovered, the Parties shall have the right to stop Work and the Tenant, Contractor (as required by Tenant) and County shall meet and confer to either initiate a Lease or Construction Budget/Schedule augmentation and/or exercise value engineering or leverage community support and donations to balance scope of Work and Construction Budget.

ARTICLE III RENT

3.1 **Rent.** In consideration of the public benefit afforded by the Project and Tenant's operation on the Premises, the annual rent shall be one dollar (\$1.00) ("**Annual Rent**").

3.2 **Payment of Rent.**

3.2.1. **Annual Rent Generally.** Annual Rent shall be prepaid to County concurrent with the execution of this Lease for the Primary Term.

3.3 **Operating Costs and Taxes.** Except as otherwise provided herein, Tenant will pay all costs, charges, insurance premiums, taxes, expenses and assessments of every kind and nature incurred for, against or in connection with the Premises which arise or become due during the Term as a result of Tenant's use and occupancy of the Premises. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall County be obligated or required to make any payment of any kind whatsoever or be under any other obligation or liability under this Lease except as expressly provided herein.

3.4 **Insufficient Funds.** If any payment of Rent or other fees made by check is returned due to insufficient funds, or otherwise, more than once during the Term, County shall have the right to require Tenant to make all subsequent Rent payments by cashier's check, certified check or ACH automatic debit system. All Rent shall be paid in lawful money of the United States of America, without offset or deduction or prior notice or demand. No payment by Tenant or receipt by County of a lesser amount than the Rent due shall be deemed to be other than on account of the Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and County shall accept such check or payment without prejudice to County's right to recover the balance of said Rent or pursue any other remedy in this Lease.

3.5 **Additional Rent.**

3.5.1. **Additional Rent.** During the Term, Operating Costs and Taxes (as such terms are defined below) shall be paid or discharged by Tenant as additional rent ("**Additional**

Rent"). Tenant may pay, under protest, any impositions, and/or contest and defend against same. Any imposition rebates shall belong to Tenant.

3.5.2. **Taxes.** During the Term, if applicable Tenant shall pay directly to the taxing authorities the following taxes at least ten (10) days prior to delinquency thereof: possessory interest tax (as further provided in Section 17.3) ("**Taxes**"). County shall be responsible for any and all taxes, assessments or similar impositions related to the Utility Costs.

3.5.3. **Contest of Taxes.** Tenant shall have the right to contest, oppose or object to the amount or validity of any Taxes or other charge levied on or assessed against the Premises and/or Improvements or any part thereof; provided, however, that the contest, opposition or objection must be filed before the Taxes or other charge at which it is directed becomes delinquent. Furthermore, no such contest, opposition or objection shall be continued or maintained after the date the tax, assessment or other charge at which it is directed becomes delinquent unless Tenant has either: (i) paid such tax, assessment or other charge under protest prior to its becoming delinquent; or (ii) obtained and maintained a stay of all proceedings for enforcement and collection of the tax, assessment or other charge by posting such bond or other matter required by law for such a stay; or (iii) delivered to County a good and sufficient undertaking in an amount specified by County and issued by a bonding corporation authorized to issue undertakings in California conditioned on the payment by Tenant of the tax, assessments or charge, together with any fines, interest, penalties, costs and expenses that may have accrued or been imposed thereon within thirty (30) days after final determination of Tenant's contest, opposition or objection to such tax, assessment or other charge.

3.5.4. **Payment by County.** Should Tenant fail to pay any Taxes required by this Article III to be paid by Tenant within the time specified herein, and if such amount is not paid by Tenant within ten (10) days after receipt of County's written notice advising Tenant of such nonpayment, County may, without further notice to or demand on Tenant, pay, discharge or adjust such tax, assessment or other charge for the benefit of Tenant. In such event Tenant shall promptly on written demand of County reimburse County for the full amount paid by County in paying, discharging or adjusting such tax, assessment or other charge, together with interest at the Interest Rate from the date advanced until the date repaid.

3.5.5. **Operating Costs.** Tenant shall pay all Operating Costs during the Term prior to delinquency. As used in this Lease, the term "**Operating Costs**" shall mean all charges, costs and expenses related to the Premises, including, but not limited to, management, operation, maintenance, overhaul, improvement or repair of the Improvements and/or the Premises, but shall expressly exclude Utility Costs.

3.5.6. **Utility Costs.** County shall pay all Utility Costs during the Term.

ARTICLE IV USE OF PREMISES

4.1 **Permitted Use of Premises.** Tenant may use the Premises for the construction, development, and entitlement of the Initial Improvements permitted hereunder. Tenant agrees not to use the Premises for any other purpose nor to engage in or permit any other activity within or

from the Premises, except as set forth herein with the prior written approval of the Chief Real Estate Officer, which approval may be granted or withheld in the sole discretion of the Chief Real Estate Officer.

4.2 **Required and Optional Facilities and Services.**

4.2.1. **Required Services and Uses.** County's primary purpose for entering into this Lease is to promote the development of the Initial Improvements consistent with this Lease. In furtherance of that purpose, Tenant shall cause Contractor to construct the Initial Improvements during the Term in a manner consistent with the Laws, and other uses which are in compliance with applicable Laws and approved by the Chief Real Estate Officer in writing from time to time (the "**Permitted Uses**").

4.2.2. **Ancillary Services and Uses.** Subject to the prior written approval of Chief Real Estate Officer, Tenant may provide those additional services and uses which are ancillary to and compatible with the required services and uses herein.

4.2.3. **Restricted Use.** The uses listed in this Article IV, both required and optional, shall be the only services and uses permitted. Tenant agrees not to use the Premises for any other purpose or engage in or permit any other activity within or from the Premises except as approved in writing by the Chief Real Estate Officer as set forth herein, which approval may be granted or withheld in the sole discretion of the Chief Real Estate Officer.

4.2.4. **Continuous Use.** During the Term, Tenant shall continuously conduct Tenant's business in the Premises in the manner provided under this Lease and shall not discontinue use of the Premises for any period of time except as permitted in advance and in writing by the Chief Real Estate Officer or except as a result of a Force Majeure Event. In addition, upon the occurrence and during the continuation of a Legal Challenge, or upon the discovery of the presence of Hazardous Materials, or upon the discovery of unknown and unforeseeable conditions of the Premises that materially and adversely impact the ability to complete the Work within the Construction Budget, or upon any change in Laws that materially and adversely impact the ability to complete the Work within the Construction Budget, or any other Force Majeure Event, until such Legal Challenge, Hazardous Materials, unknown conditions, change in Laws or Force Majeure Event is resolved to the mutual satisfaction of Tenant and County (such time period shall be referred to herein as a "**Stop Work Delay**"), either Party shall have the right to stop the Work by delivering written notice to the other Party. In the event the Work has been stopped for ninety (90) consecutive days, or more than one hundred and eighty (180) days due to a Legal Challenge, the presence of Hazardous Materials or such unknown conditions, change in Laws or Force Majeure Event, or if the Parties cannot agree on a resolution (as set forth in the next sentence), then either Party shall have the right to terminate this Lease by delivering written notice to the other Party, in which case this Lease shall automatically terminate and be of no further force or effect except for the terms of Section 5.1.6(b) and Section 8.2, below. During the period of time in which the Work has stopped, the Parties shall meet and confer on a potential resolution which may include a Lease or Construction Budget/Schedule augmentation and/or the exercise of value engineering or leveraging of community support and donations to balance the scope of Work and Construction Budget and/or deviations in the scope of Work and Construction Documents.

4.2.5. Alcohol Restrictions. Tenant may not sell beer, wine or alcoholic beverages on the Premises.

4.2.6. Permits and Licenses. Tenant shall require Contractor to obtain, as included in the Construction Budget, any and all permits, licenses or other approvals required for the construction of the Initial Improvements; provided, however, County represents and warrants that the County is prepared to issue required County permits and approvals to permit the development and use of the Facility and that no permits or approvals are required for the development and use of the Facility except as otherwise identified in the Construction Budget or identified by the Contractor.

4.3 Nuisance; Waste. Subject to a Stop Work Delay under Section 4.2.4, Tenant shall not maintain, commit, or permit the maintenance or commission of any nuisance as now or hereafter defined by any statutory or decisional law applicable to the Premises and Improvements or any part thereof. Subject a Stop Work Delay under Section 4.2.4, Tenant shall not commit or allow to be committed any waste in or upon the Premises or Improvements and shall keep the Premises and the Improvements thereon in good condition, repair and appearance.

4.4 Compliance with Laws. Tenant shall not use or permit the Premises or the Improvements or any portion thereof to be used in any manner inconsistent with the terms of this Lease or that violates any applicable Laws in any material respect.

4.5 Hazardous Materials.

4.5.1. Definition of Hazardous Materials. For purposes of this Lease, the term "**Hazardous Material**" or "**Hazardous Materials**" shall mean any hazardous or toxic substance, material, product, byproduct, or waste, which is or shall become regulated by any governmental entity, including, without limitation, the County acting in its governmental capacity, the State of California or the United States government.

4.5.2. Use of Hazardous Materials. Except for those Hazardous Materials which are customarily used in connection with any permitted use of the Premises and Improvements under this Lease (which Hazardous Materials shall be used in compliance with all applicable Laws), Tenant or Tenant's employees, agents, independent contractors or invitees (collectively "**Tenant Parties**") shall not cause or permit any Hazardous Materials to be brought upon, stored, kept, used, generated, released into the environment or disposed of on, under, from or about the Premises (which for purposes of this Section shall include the subsurface soil and ground water).

4.5.3. Indemnification for Hazardous Materials. Tenant agrees to include in the Construction Contract: "To the fullest extent permitted by law, Contractor hereby agrees to indemnify, hold harmless, protect and defend the County (with attorneys acceptable to County), its Board, elected officials, officers, employees, agents, independent contractors, and the Premises, from and against any and all liabilities, losses, damages (including, but not limited, damages for the loss or restriction on use of rentable or usable space or any amenity of the Premises or damages arising from any adverse impact on marketing and diminution in the value of the Premises), judgments, fines, demands, claims, recoveries, deficiencies, costs and expenses (including, but not limited to, reasonable attorneys' fees, disbursements and court costs and all other professional or

consultant's expenses), whether foreseeable or unforeseeable, to the extent caused by the use, generation, storage, treatment, on or off-site disposal or transportation of Hazardous Materials on, into, from, under or about the Premises by Contractor. The foregoing obligations shall not apply to any pre-existing Hazardous Materials.”

4.6 **Access by County.** County reserves the right for County and County's authorized representatives to enter the Premises at any reasonable time during business hours, in order to (i) determine whether Tenant is complying with Tenant's obligations hereunder, or (ii) enforce any rights given to County under this Lease. County shall take all necessary measures not to unreasonably interfere with Tenant's business at the Premises in exercising its rights under this Section.

ARTICLE V CONSTRUCTION OF IMPROVEMENTS

5.1 **Construction of Improvements.**

5.1.1. **Initial Improvements.** Tenant shall cause Contractor to construct the Initial Improvements in a good and workmanlike matter, in substantial conformity to the Construction Drawings and Specifications provided by the County and approved by Tenant, and attached hereto. The Tenant shall cause Contractor to ensure the Construction Schedule and Construction Budget (as such documents may be revised from time to time in accordance with this Lease) are substantially followed and that the Tenant meets all obligations under the permits and all applicable Laws. During the Term if any unforeseen conditions arise and/or the County introduces design changes that impact the Construction Schedule and/or Construction Budget, the Tenant, Contractor and County shall meet and confer to either initiate a Lease or Construction Budget/Schedule augmentation and/or exercise value engineering or leverage community support and donations to balance scope of Work and Construction Budget.

5.1.2. **Changes to Construction Documents.** Except as provided in the Construction Contract approved by County, Tenant shall not make any material changes to the Construction Drawings, Specifications, Construction Schedule, Construction Budget, the contracts with the Contractor (collectively, the "**Construction Documents**") without the prior written approval of the Chief Real Estate Officer, which shall not be unreasonably withheld, conditioned or delayed. All requests for approval of changes to the Construction Documents shall be submitted by Tenant to the Chief Real Estate Officer together with a reasonably detailed explanation of the reasons for the requested change and any impact that such change may have on the Construction Budget and/or Construction Schedule, if any. If the Chief Real Estate Officer approves the requested change, then Tenant shall provide the Chief Real Estate Officer with a copy of the approved revised Construction Documents and the Tenant shall be obligated to cause the Contractor to complete the Work in accordance with such revised Construction Documents. Any changes to the Construction Documents shall require the prior written agreement of Tenant and County, which approval may require a reasonable and commensurate increase in the County Financial Contribution and/or deviations to the scope of Work and Construction Documents for the revised scope of Work and Construction Documents to remain within the County Financial Contribution. During the Term if any revisions to the Construction Documents are desired by either Party, the Tenant, Contractor (as required by Tenant) and County shall meet and confer to

either initiate a Lease or Construction Budget/Schedule augmentation and/or exercise value engineering or leverage community support and donations to balance scope of Work and Construction Budget.

5.1.3. **Construction Schedule.** Subject to Force Majeure Events, Tenant shall cause Contractor to use commercially reasonable efforts to (i) commence construction of the Initial Improvements on or before a date to be established by mutual agreement with the County and Tenant, such date not to occur within forty (40) days of the Effective Date, unless specifically otherwise agreed to in writing by the County, Tenant and Contractor, and (ii) substantially complete construction of the Initial Improvements, as evidenced by issuance of Certificates of Occupancy for all improvements included in the Initial Improvements, on or before a date to be established by mutual agreement with the County and Tenant in writing. Following commencement of construction of the Initial Improvements, and subject to Force Majeure Events and Section 4.2.4, Tenant shall cause Contractor to diligently continue performance of the Work through completion thereof in accordance with the Construction Schedule, as same may be amended from time to time with the prior written approval of the Chief Real Estate Officer. Tenant acknowledges that a principal inducement to County to enter into this Lease, is the timely commencement, performance and completion by Contractor of the construction of the Initial Improvements.

5.1.4. **Preconditions.** No Work for development of the Initial Improvements shall be commenced, and no building or other materials shall be delivered to the Premises, until Tenant has satisfied the following preconditions:

(a) If not previously obtained prior to the execution of this Lease, Tenant shall have caused Contractor to receive all applicable permits and approvals as included in the Construction Budget to construct the Project from the applicable government agencies with jurisdiction over the Premises; provided, however, that the County represents and warrants that the County is prepared to issue any County permits required for the development and use of the Facility and no other permits or approvals are required for the development and use of the Project except as otherwise identified in the Construction Budget or by the Contractor;

(b) Written notice shall have been given by Tenant to County of the proposed commencement of construction of the Premises or the delivery of construction materials in order to permit County to take all necessary actions under California Civil Code section 3094, including posting of a notice of non-responsibility at the Premises;

(c) Tenant shall have provided to County evidence that Tenant has entered into construction contracts in the forms approved by Chief Real Estate Officer (“**Construction Contract**”) and the Contractor; and

(d) Tenant shall have delivered to County certificates of insurance evidencing that Tenant and Contractor have acquired all the insurance that they are obligated to carry pursuant to Section 8.1.

5.1.5. **Utilities.** To the extent not already constructed, Tenant shall construct or cause to be constructed all water, gas, heat, light, power, air conditioning, telephone, and other

utilities and services supplied to and/or used on the Premises for the Facility as included in the Construction Budget.

5.1.6. **Construction Funding.**

(a) Upon execution of this Lease, the County shall provide Tenant with \$11,707,208 (“**County Initial Financial Contribution**”) as the initial funding for the completion of the Work. Upon completion of fifty percent of the Work, as evidenced by a written verification by the Project’s architect and verified by the County in its reasonable sole discretion, the County shall provide Tenant with \$11,707,208 (“**County Final Financial Contribution**”) (the “**County Initial Financial Contribution**” and the “**County Final Financial Contribution**” shall be referred to collectively as the “**County Financial Contribution**”). The County Financial Contribution shall be applied by Tenant only toward the Work. In no event shall any portion of the County Financial Contribution be used for any purpose other than to complete the Work. The County Financial Contribution shall be the sole financial contribution of the County to reimburse Tenant for expenditures toward the Work as the Work and Construction Budget have been approved by the Chief Real Estate Officer. The payment is intended to be the full amount committed by County for construction of the Work. In no event shall County be obligated to pay or make disbursements for the construction pursuant to this Lease or otherwise in a total amount which exceeds the County Financial Contribution, nor shall Tenant or its Contractor be entitled to receive (whether in cash, credit or otherwise) any portion of the County Financial Contribution that is not used for the Work. Notwithstanding anything set forth herein, neither Tenant nor Contractor shall be responsible for Work costs in excess of the Construction Budget if such costs are occasioned by circumstances outside the control of the Tenant and/or Contractor. If the Parties determine, in their reasonable discretion, that additional funding is needed to complete the Work, or in the event the Parties desires to change the scope of Work, the Parties shall meet and confer to either initiate a Lease or Construction Budget/Schedule augmentation and/or exercise value engineering or leverage community support and donations to balance scope of work and budget and/or deviations in the scope of Work and Construction Documents to revise the scope of Work to remain within the County Financial Contribution.

(b) No later than sixty (60) calendar days following termination of this Lease, Tenant shall submit to County an expenditure report for the construction services provided showing all amounts paid out of the County Financial Contribution. At that time, Tenant shall reimburse to County any and all portions of the County Financial Contribution not required to be paid for Work performed, or not expended towards the completion of the Work or the construction of the Improvements; provided, however, that County hereby acknowledges and agrees that such excess funds shall be used solely for purposes of the operations of the services at the Facility, or the purchase of equipment necessary to operate the Facility.

(c) In the event that this Lease is terminated for any reason during the Term, the Tenant and Contractor will pay all outstanding invoices and amounts due as well as any costs related to stopping all Work and reimburse the County any remaining County Financial Contribution within sixty (60) days of the date of the termination of the Lease along with the expenditure report required under Section 5.1.6(b), above.

(d) Tenant is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Lease. Tenant is entirely responsible for compensating staff, subcontractors, and consultants employed by Tenant and its Contractor. This Lease shall not be construed as creating the relationship of employer and employee, or principal and agent, between County and Tenant or any of Tenant's employees, agents, consultants, or subcontractors. Tenant assumes exclusively the responsibility for the acts of its employees, agents, consultants, or subcontractors as they relate to the services to be provided during the course and scope of their employment. Tenant, its agents, employees, consultants, or subcontractors, shall not be entitled to any rights or privileges of County's employees and shall not be considered in any manner to be County employees.

(e) In addition, if a Certificate of Occupancy has not been received thirty (30) days prior to the Outside Date, then, as of the Outside Date, Tenant at County's written request shall cause all construction funding to be placed in an account whereby County has equal right of access to said funds should County exercise its right to do so. If a Certificate of Occupancy has not been received on the Outside Date, then County shall have the right, in its discretion, to assume sole and absolute control of the construction funds to effect the completion of construction, upon written notice to the Tenant and a fifteen (15) day cure period. In this event, the Tenant shall provide to County all documents and records pertaining to the construction funds, and the accounting of such funds, within three (3) business days of request by County.

5.1.7. **Compliance with Laws and Permits.** Tenant shall require Contractor to construct all Improvements to be made by Contractor in compliance with all applicable Laws, including but not limited to all applicable grading permits, building permits, and other permits and approvals issued by governmental agencies and bodies having jurisdiction over the construction thereof. No permit, approval, or consent given hereunder by County or County, in its governmental capacity, shall affect or limit Tenant's obligations hereunder, nor shall any approvals or consents given by County, as a party to this Lease, be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules, or regulations, or have any effect on approval rights that the County may have in its governmental capacity. Tenant acknowledges that all construction performed by or on behalf of Tenant per the terms of this Lease shall be governed by, and performed in accordance with, all applicable Laws, including without limitation, and to the extent applicable, the California Labor Code and the provisions thereunder concerning the payment of prevailing wage, *e.g.*, Section 1773 of the Labor Code of the State of California, and if applicable Tenant shall require Contractor to comply with 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. The rates are available at the following website: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm> from the Director of the State Department of Industrial Relations. Tenant shall require Contractor to post a copy of such wage rates at the job site and to pay the adopted prevailing wage rates at all times for all improvements or modifications to be completed for County within the Premises. Tenant shall require Contractor to comply with the provisions of Sections 1775 and 1813 of the Labor Code.

5.1.8. **Reports.** Not less than quarterly from the commencement of construction of the Initial Improvements, Tenant shall provide County with written construction status reports in the form of AIA No. G702, augmented by oral reports if so requested by County.

5.1.9. **Certificate of Occupancy.** Tenant shall provide County with a copy of the Certificate of Occupancy of the Initial Improvements promptly following issuance thereof.

5.1.10. **Mechanic's Liens.**

(a) **Payment of Liens.** Tenant shall cause Contractor to pay or cause to be paid the total cost and expense of all "Work of Improvement," as that phrase is defined in the California Mechanics' Lien law in effect and as amended from time to time. Except as arising from or related to a Legal Challenge, Tenant shall not suffer or permit to be enforced against the Premises or Improvements or any portion thereof, any mechanics', materialmen's, contractors' or subcontractors' liens arising from any work of improvement, however it may arise. Tenant may, however, in good faith and at Tenant's sole cost and expense contest the validity of any such asserted lien, claim, or demand, provided Tenant (or the Contractor or subcontractor, as applicable) has furnished the release bond (if required by County or any construction lender) required in California Civil Code §8424 (or any comparable statute hereafter enacted for providing a bond freeing the Premises from the effect of such lien claim). In the event a lien or stop-notice is imposed upon the Premises as a result of such construction, repair, alteration, or installation, except as arising from or related to a Legal Challenge, Tenant shall either:

- (1) Record a valid Release of Lien, or
- (2) Procure and record a bond in accordance with Section 8424 of the Civil Code, which releases the Premises from the claim of the lien or stop-notice and from any action brought to foreclose the lien, or
- (3) Post such security or provide such alternative financial arrangements as shall be required by Tenant's title insurer to insure over such lien or stop-notice, or
- (4) Should Tenant fail to accomplish either of the three optional actions above within 30 days after Tenant receives notice of the filing of such a lien or stop-notice, it shall constitute an Event of Default hereunder.

(b) **Indemnification.** Except as arising from or related to a Legal Challenge and provided that County is not in breach of its payment obligations under this Agreement, Tenant or its Contractor shall at all times indemnify, defend with counsel approved in writing by County and save County harmless from all claims, losses, demands, damages, cost, expenses, or liability costs for unpaid labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Premises, and from the cost of defending against such claims, including attorney fees and costs.

(c) **Protection against Liens.** County shall have the right to post and maintain on the Premises any notices of non-responsibility provided for under applicable

California law. During the course of construction, Tenant shall cause Contractor to obtain customary mechanics' lien waivers and releases. Upon completion of the construction of any Improvements, Tenant or Contractor shall record a notice of completion in accordance with applicable law. Promptly after the Improvements have been completed, Tenant shall (or shall require Contractor to) record a notice of completion as defined and provided for in California Civil Code Section 8182.

(d) **County's Rights.** Except as arising from or related to a Legal Challenge, if Tenant (or the Contractor or subcontractor, as applicable) does not cause to be recorded the bond described in California Civil Code §8424 or otherwise protect the Premises and Improvements under any alternative or successor statute, and a final judgment has been rendered against Tenant by a court of competent jurisdiction for the foreclosure of a mechanic's, materialman's, contractor's or subcontractor's lien claim, and if Tenant fails to stay the execution of judgment by lawful means or to pay the judgment, County shall have the right, but not the duty to pay or otherwise discharge, stay or prevent the execution of any such judgment or lien or both. Upon any such payment by County, Tenant shall immediately upon receipt of written request therefor by County, reimburse County for all sums paid by County under this paragraph together with all County's reasonable attorney's fees and costs, plus interest at the Interest Rate from the date of payment until the date of reimbursement.

5.1.11. **No Responsibility.** Any approvals by County with respect to any Improvements shall not make County responsible for the Improvement with respect to which approval is given, or the construction thereof. Tenant shall indemnify, defend and hold County harmless from and against all liability and all claims of liability (including, without limitation, reasonable attorneys' fees and costs) arising during the term of this Lease for damage or injury to persons or property or for death of persons arising from or in connection with such Improvement or construction, except for liability or claims arising from or related to (1) a Legal Challenge, (2) the County's, or its Board of Supervisors, elected officials, appointed officials, officers, employees, agents or contractors negligent acts, errors, omissions or willful misconduct, or (3) the Construction Drawings or Specifications.

5.1.12. **Outside Date.** If Tenant fails to comply with its obligations under Section 5.1.3 including, without limitation, causing Contractor to commence and complete the Work of the Initial Improvements by the Outside Date, then such failure shall be deemed an Event of Default.

5.2 **Ownership of Improvements.**

5.2.1. **During Term.** Title to all Improvements constructed or placed on the Premises by Tenant and paid for by Tenant are and shall be vested in Tenant during the entire Term of this Lease, until the expiration or earlier termination thereof. The Parties agree for themselves and all persons claiming under them that the Improvements are real property.

5.2.2. **Upon Expiration of Term.** All Improvements on the Premises at the expiration or earlier termination of the Term of this Lease shall, without additional payment to Tenant, then become County's property free and clear of all claims to or against them by Tenant and free and clear of all liens and claims arising from Tenant's use and occupancy of the Premises,

and with Taxes paid current as of the expiration or termination date. Tenant shall upon the expiration or earlier termination of the Term deliver possession of the Premises and the Improvements to County in a well-maintained condition consistent with the requirements of this Lease.

5.3 **"AS-BUILT" Plans.** Within sixty (60) days following completion of the Initial Improvements, Tenant shall furnish the Chief Real Estate Officer a complete set of reproducibles and two sets of prints of "As-Built" plans and a magnetic tape, disk or other storage device containing the "As-Built" plans in a form usable by County, to County's satisfaction, on County's computer aided mapping and design ("CAD") equipment. CAD files are also to be converted to Acrobat Reader (*.pdf format), which shall be included on the disk or CD ROM. In addition, Tenant shall furnish Chief Real Estate Officer copy of the final construction costs for the construction of such improvements.

ARTICLE VI CONSTRUCTION OF INITIAL IMPROVEMENTS

6.1 **Construction of the Initial Improvements by Tenant.** Throughout the Term of this Lease, Tenant shall cause Contractor to construct the Initial Improvements, as set forth herein, based on the County Financial Contribution in compliance with all applicable Laws in all material respects.

6.2 **Requirements of Governmental Agencies.** At all times during the Term of this Lease, Tenant shall require that Contractor: (i) make all alterations, improvements, demolitions, additions or repairs to the Premises and/or the Improvements required to be made pursuant to the Construction Documents in accordance with all applicable laws, ordinances, statutes, orders or regulations now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity; (ii) observe and comply in all material respects with all Laws now or hereafter made or issued respecting the Premises and/or the Improvements (subject to Tenant's right to contest such Laws in accordance with Section 4.4); and (iii) to indemnify, defend and hold County, the Premises and the Improvements free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from Contractor's failure to comply with and perform the requirements of this Article VI.

6.3 **County Obligations.** Tenant specifically acknowledges and agrees that during the Term, County shall not have any obligations with respect to the maintenance, alteration, improvement, demolition, addition or repair of any Improvements, except only as specifically provided in this Lease to the contrary.

6.4 **Accessibility Disclosure.** In compliance with its disclosure obligations under Section 1938 of the California Civil Code, County hereby notifies Tenant that, as of the Effective Date, the Property has not been inspected by a Certified Access Specialist (as referred to in Section 1938 of the California Civil Code). As such, County hereby advises Tenant as follows:

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards

under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

If Tenant in its sole discretion elects to have a Certified Access Specialist ("**CASp**") inspect the Property, then Tenant shall: (a) provide County with prior written notice of such election and mutually agree with County on the arrangements for the time and manner of the CASp inspection, (b) promptly give County a copy of the resulting report (the "**CASp Report**") upon receipt, (c) be responsible for the cost of the CASp Report and for completing any repairs or modifications that are necessary to correct violations of construction-related accessibility standards noted in the CASp Report and any additional work necessitated thereby (all of which Tenant shall complete as expeditiously as possible following the issuance of the CASp Report and in compliance with this Lease (including without limitation Section 5), unless County elects at its option to perform such work at Tenant's expense), and (d) not disclose and cause its partners, members, officers, directors, managers, shareholders, employees, agents, brokers and attorneys to not disclose the CASp Report to any person other than County (and except as necessary for Tenant to complete the repairs and corrections of violations noted in the CASp Report) without first obtaining the prior written consent of County. Tenant's obligation to indemnify County, County, and the County Parties under Section 8.2 shall apply equally to Claims arising out of any CASp investigation initiated by Tenant, including as a result of any violations discovered thereby.

ARTICLE VII

DAMAGE AND RESTORATION

7.1 **Damage and Restoration.** In the event the whole or any part of the Improvements shall be damaged or destroyed by fire or other casualty, damage or action of the elements which is covered by insurance required to be carried by Tenant pursuant to this Lease or in fact caused by Tenant, at any time during the Term, Tenant shall with all due diligence, subject to the availability of insurance proceeds, cause Contractor to repair, restore and rebuild the Improvements on substantially the same plan and design as existed immediately prior to such damage or destruction and to substantially the same condition that existed immediately prior to such damage, with any changes made by Tenant to comply with then applicable Laws and with any upgrades or improvements that Tenant may determine in its reasonable discretion. If Tenant desires to change the use of the Premises following such casualty, then Tenant may make appropriate changes to the Premises to accommodate such changed use after approval of such change of use by the County pursuant to Article IV above. This Article shall not apply to cosmetic damage or alterations.

7.2 **Restoration.** In the event of any restoration or reconstruction pursuant to this Section, Tenant shall cause Contractor to construct such work in a good and workmanlike manner according to and in conformance with the laws, rules and regulations of all governmental bodies and agencies and the requirements of this Lease applicable to the construction of the Initial Improvements.

7.3 **Application of Insurance Proceeds.** If following the occurrence of damage or destruction to the Premises or Improvements, Tenant is obligated to or otherwise elects to restore the Premises and Improvements pursuant to this Article VII, then all proceeds from the insurance required to be maintained by Tenant on the Premises and the Improvements shall be applied to fully restore the same, and any excess proceeds shall be paid to Tenant to the extent of the available insurance proceeds. Upon lien free completion of the restoration, any balance of the insurance proceeds remaining over and above the cost of such restoration shall be paid to County.

7.4 **Exclusive Remedies.** Notwithstanding any destruction or damage to the Premises and/or the Improvements, Tenant shall not be released from any of its obligations under this Lease, except to the extent and upon the conditions expressly stated in this Article VII. County and Tenant hereby expressly waive the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any damage or destruction of the Premises and/or the Improvements and agree that their rights shall be exclusively governed by the provisions of this Article VII.

ARTICLE VIII

INSURANCE AND INDEMNITY

8.1 Tenant's Required Insurance.

8.1.1. Tenant agrees to purchase, or require subtenants to purchase, all required insurance at Tenant's expense and to deposit with Chief Real Estate Officer certificates of insurance, including all endorsements required herein, necessary to satisfy Chief Real Estate Officer that the insurance provisions of this Lease have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with Chief Real Estate Officer during the entire term of this Lease. It shall constitute an Event of Default hereunder if Tenant's insurance coverage is terminated and not reinstated within ten (10) business days after notice from County of such termination.

8.1.2. Tenant agrees that it shall not operate on the Premises at any time the required insurance is not in full force and effect as evidenced by a certificate of insurance and necessary endorsements or, in the interim, an official binder being in the possession of Chief Real Estate Officer; rent however shall not be suspended. In no cases shall assurances by Tenant, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. Chief Real Estate Officer will only accept valid certificates of insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. Tenant also agrees that upon cancellation, termination, or expiration of Tenant's insurance, Chief Real Estate Officer may take whatever steps are necessary to interrupt any operation from or on the Premises until such time as the Chief Real Estate Officer reinstates the Lease.

8.1.3. If Tenant fails to provide Chief Real Estate Officer with a valid certificate of insurance and endorsements, or binder at any time during the term of the Lease, County and Tenant agree that this shall constitute a material breach of the Lease. Whether or not a notice of default has or has not been sent to Tenant, said material breach shall permit Chief Real Estate Officer to take whatever steps are necessary to interrupt any operation from or on the Premises, and to prevent any persons, including, but not limited to, members of the general public, and Tenant's employees and agents, from entering the Premises until such time as the Chief Real Estate Officer is provided with adequate evidence of insurance required herein.

8.1.4. All contractors and subcontractors performing work on behalf of Tenant pursuant to this Lease shall obtain insurance subject to the same terms and conditions as set forth herein for Tenant and limits of insurance as described in Section 8.1.6 (e), Section 8.1.6 (f) and Section 8.1.6 (g). Tenant shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by County from the Tenant under this Lease. It is the obligation of the Tenant to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Premises. Such proof of insurance must be maintained by Tenant through the entirety of this Lease and be available for inspection by Chief Real Estate Officer at any reasonable time.

8.1.5. All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Tenant's current audited financial report. If the Tenant fails to maintain insurance acceptable to the County for the full term of this Lease, it shall constitute an Event of Default under this Lease, if such failure continues for a period of 20 days after receipt of written notice from County.

8.1.6. All policies of insurance required under this Article VIII must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer must be licensed to do business in the state of California.

(a) If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the Chief Real Estate Officer retains the right to approve or reject a carrier after a review of the carrier's performance and financial ratings.

(b) If the insurance carrier is not an admitted carrier in the state of California and does not have an A.M. Best rating of A-/VIII, the Chief Real Estate Officer retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

(c) The policy or policies of insurance maintained by the **TENANT DURING CONSTRUCTION** shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits

Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence

(d) Intentionally omitted.

(e) The policy or policies of insurance maintained by the **TENANT'S CONTRACTOR DURING CONSTRUCTION** shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits
Builder's Risk	Project value and no coinsurance provision.
Professional Liability (all design professionals providing services in connection with construction, renovation or alteration of Improvements)	\$5,000,000 per occurrence \$5,000,000 aggregate
Commercial General Liability	\$10,000,000 per occurrence \$10,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$2,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence
Pollution Liability including NODS	\$2,000,000 per claims made or per occurrence
Contractor's Pollution Liability including Non-Owned Disposal Site (NODS) Coverage	\$2,000,000 per claims made or per occurrence

Contractor shall provide a builder's risk policy providing coverage for the full project value and no coinsurance provision. The policy shall provide coverage for all perils excluding earthquake, and flood. Contractor is responsible for any deductible amount. Neither Tenant nor Contractor

shall be responsible for any earthquake or flood loss whatsoever. The County of Orange shall be named as a Loss Payee as its financial interests may appear. This shall be evidenced by a Loss Payee endorsement which shall accompany the Certificate of Insurance.

The Builder's Risk policy shall not be required to cover any tools, equipment, or supplies, unless such tools, equipment, or supplies are part of the Work being constructed. The Contractor shall be responsible for securing and maintaining appropriate insurance on any tools, equipment, or supplies that are not part of the work being constructed.

The County and the Contractor waive all rights against each other and the subcontractors, sub-subcontractors, officers, and employees of each other, and the Contractor waives all rights against County's separate contractors, if any, and their subcontractors, sub-subcontractors, officers and employees for damages caused by fire or other perils to the extent paid by the Builder's Risk insurance, except such rights as they may have to the proceeds of such insurance. The Contractor shall require of its subcontractors and sub-subcontractors by appropriate agreements, similar waivers, each in favor of all other parties enumerated in the preceding sentence

(f) The policy or policies of insurance maintained by the **TENANT'S SUB-CONTRACTOR DURING CONSTRUCTION** shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence
Contractor's Pollution Liability including NODS (Required if involved in pollution remediation.)	\$1,000,000 per claims made or per occurrence

8.1.7. **Required Coverage Forms.**

(a) The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

(b) The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage as broad.

8.1.8. **Required Endorsements.** The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the County of Orange, its elected and appointed officials, officers, employees, agents as Additional Insureds. Blanket coverage may also be provided which will state, As Required by Lease.
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad, evidencing that the TENANT's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.
- 3) A Products and Completed Operations endorsement using ISO Form CG2037 (ed.04/13) or a form at least as broad, or an acceptable alternative is the ISO form CG2010 (ed. 11/85). (Pertains to contractors and subcontractors performing major construction). Contractors shall maintain Products and Completed Operations coverage for ten (10) years following completion of construction.

The Contractors Pollution Liability and Pollution Liability policies shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement naming the County of Orange its elected and appointed officials, officers, employees, and agents as Additional Insureds.
- 2) A primary non-contributing endorsement evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by County shall be excess and non-contributing.

(a) The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against County, its elected and appointed officials, officers, agents and employees.

(b) All insurance policies required by this Lease shall waive all rights of subrogation against County, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

(c) The Commercial Property Building policy shall include County of Orange as a Named Insured. A Certificate of Insurance shall be submitted as evidence of this requirement. The Builders' Risk policy shall be endorsed to include County as a Loss Payee. A Loss Payee endorsement shall be submitted with the Certificate of Insurance as evidence of this requirement.

(d) Tenant shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the

cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Lease, upon which the County may suspend or terminate this Lease.

(e) The Commercial General Liability policy shall contain a severability of interests clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

(f) If Contractor's Pollution Liability and Pollution Liability are claims-made policies, Contractor shall agree to maintain coverage for five (5) years following completion of the construction. If Contractor's Professional Liability is a claims-made policy, Contractor shall agree to maintain coverage for ten (10) years following the completion of construction. Products and Completed Operations coverage shall be maintained for ten (10) years following the completion of construction.

(g) Insurance certificates should be forwarded to County address provided in Section 18.19 below or to an address provided by Chief Real Estate Officer. Tenant has ten (10) business days to provide adequate evidence of insurance or it shall constitute an Event of Default.

(h) County expressly retains the right to require Tenant to increase or decrease insurance of any of the above insurance types throughout the term of this Lease if such increases are commercially available and if the cost of such increase is within the Construction Budget. Any increase or decrease in insurance will be as deemed by Chief Real Estate Officer as appropriate to adequately protect COUNTY.

(i) Chief Real Estate Officer shall notify Tenant in writing of changes in the insurance requirements consistent with subsection (h) above. If Tenant does not deposit copies of certificates of insurance and endorsements with Chief Real Estate Officer incorporating such changes within thirty (30) days of receipt of such notice, it shall constitute an Event of Default.

(j) The procuring of such required policy or policies of insurance shall not be construed to limit Tenant's liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease, nor in any way to reduce the policy coverage and limits available from the insurer.

8.2 **Indemnification**. Tenant hereby agrees to indemnify, defend (with counsel approved in writing by County), and hold harmless, County and its respective boards, elected and appointed officials, officers, agents (other than design professionals, consultants and inspectors), employees and contractors against any and all claims, losses, demands, damages, cost, expenses or liability for injury to any persons or property (collectively, the "**Liabilities**"), to the extent caused by the negligence or willful misconduct of Tenant, except for (1) a Legal Challenge, (2) Liability or Liabilities arising out of the negligence of County or its respective boards, Board of Supervisors, elected officials, appointed officials, officers, employees, agents or contractors or (3) arising out of the Construction Drawings or Specifications. If County is named as co-defendant(s) in a lawsuit, Tenant shall notify County of such fact. If judgment is entered against County and/or County and Tenant by a court of competent jurisdiction because of the negligence or willful

misconduct of County and/or County and Tenant, County and Tenant agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment. Notwithstanding anything contained in this Lease to the contrary, County hereby agrees not to sue or otherwise commence, or prosecute any action or other proceeding against Tenant or Contractor arising out of any Liabilities (i) to the extent the same is covered by an applicable policy of insurance for which County is an additional insured, or (ii) if there is no insurance or if there is a lack of insurance, but only to the extent the same is covered by an agreement by Contractor to indemnify, defend and hold harmless County.

8.3 **Damage to Tenant's Property.** County shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise, or other property of Tenant, of Tenant's employees, invitees, customers, or of any other person in or about the Premises or the Improvements caused by or resulting from any peril which may affect the Premises or Improvements, including fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises or the Improvements, whether such damage or injury results from conditions arising upon the Premises or from other sources.

ARTICLE IX CONDEMNATION

9.1 **Definitions.**

9.1.1. "**Condemnation**" means (i) the taking or damaging, including severance damage, by eminent domain or by inverse condemnation or for any public or quasi-public use under any statute, whether by legal proceedings or otherwise, by a Condemnor (hereinafter defined), and (ii) a voluntary sale or transfer to a Condemnor, either under threat of condemnation or while condemnation legal proceedings are pending.

9.1.2. "**Date of Taking**" means the later of (i) the date actual physical possession is taken by the Condemnor; or (ii) the date on which the right to compensation and damages accrues under the law applicable to the Premises.

9.1.3. "**Award**" means all compensation, sums or anything of value awarded, paid or received for a Total Taking, a Substantial Taking or a Partial Taking (hereinafter defined), whether pursuant to judgment or by agreement or otherwise.

9.1.4. "**Condemnor**" means any public or quasi-public authority or private corporation or individual having the power of condemnation.

9.1.5. "**Total Taking**" means the taking by Condemnation of all of the Premises and all of the Improvements.

9.1.6. "**Substantial Taking**" means the taking by Condemnation of so much of the Premises or Improvements or both that one or more of the following conditions results: (i) The remainder of the Premises would not be economically and feasibly usable by Tenant; and/or (ii) A reasonable amount of reconstruction would not make the Premises and Improvements a practical improvement and reasonably suited for the uses and purposes for which the Premises

were being used prior to the Condemnation; and/or (iii) The conduct of Tenant's business on the Premises would be materially and substantially prevented or impaired.

9.1.7. "**Partial Taking**" means any taking of the Premises or Improvements that is neither a Total Taking nor a Substantial Taking.

9.1.8. "**Notice of Intended Condemnation**" means any notice or notification on which a reasonably prudent person would rely and which he would interpret as expressing an existing intention of Condemnation as distinguished from a mere preliminary inquiry or proposal. It includes but is not limited to service of a Condemnation summons and complaint on a party hereto. The notice is considered to have been received when a party receives from the Condemnor a notice of intent to condemn, in writing, containing a description or map reasonably defining the extent of the Condemnation.

9.2 **Notice and Representation.**

9.2.1. **Notification.** The party receiving a notice of one or more of the kinds specified below shall promptly notify the other party of the receipt, contents and dates of such notice: (i) a Notice of Intended Condemnation; (ii) service of any legal process relating to the Condemnation of the Premises or Improvements; (iii) any notice in connection with any proceedings or negotiations with respect to such a Condemnation; (iv) any notice of an intent or willingness to make or negotiate a private purchase, sale or transfer in lieu of Condemnation.

9.2.2. **Separate Representation.** County and Tenant each have the right to represent its respective interest in each Condemnation proceeding or negotiation and to make full proof of his claims. No agreement, settlement, sale or transfer to or with the Condemnor shall be made without the consent of County and Tenant. County and Tenant shall each execute and deliver to the other any instruments that may be required to effectuate or facilitate the provisions of this Lease relating to Condemnation.

9.3 **Total or Substantial Taking.**

9.3.1. **Total Taking.** On a Total Taking, this Lease shall terminate on the Date of Taking.

9.3.2. **Substantial Taking.** If a taking is a Substantial Taking, Tenant may, by notice to County given within ninety (90) days after Tenant receives a Notice of Intended Condemnation, elect to treat the taking as a Total Taking. If Tenant does not so notify County, the taking shall be deemed a Partial Taking.

9.3.3. **Early Delivery of Possession.** Tenant may continue to occupy the Premises and Improvements until the Condemnor takes physical possession. At any time following Notice of Intended Condemnation, Tenant may in its sole discretion elect to relinquish possession of the Premises to County before the actual Taking. The election shall be made by notice declaring the election and agreeing to pay all Rent required under this Lease to the Date of Taking. Tenant's right to apportionment of or compensation from the Award shall then accrue as of the date that the Tenant relinquishes possession.

9.3.4. **Apportionment of Award.** On a Total Taking all sums, including damages and interest, awarded for the fee or leasehold or both shall be distributed and disbursed as finally determined by the court with jurisdiction over the Condemnation proceedings in accordance with applicable law. Notwithstanding anything herein to the contrary, Tenant shall be entitled to receive compensation for the value of its leasehold estate under this Lease including its interest in all Improvements, personal property and trade fixtures located on the Premises, its relocation and removal expenses, its loss of business goodwill and any other items to which Tenant may be entitled under applicable law.

9.4 **Partial Taking.**

9.4.1. **Effect on Rent.** On a Partial Taking this Lease shall remain in full force and effect covering the remainder of the Premises and Improvements, except that the Annual Rent (including any adjustments thereto) shall be equitably reduced based on the impact (if any) of such Partial Taking on the operating income and revenue derived from Tenant's operations and the decrease (if any) in the market value of the leasehold interest.

9.4.2. **Restoration of Improvements.** Promptly after a Partial Taking, Tenant shall cause Contractor to repair, alter, modify or reconstruct the Improvements ("**Restoring**") so as to make them reasonably suitable for Tenant's continued occupancy for the uses and purposes for which the Premises are leased.

9.4.3. **Apportionment of Award.** On a Partial Taking, County shall be entitled to receive the entire award for such Partial Taking, except that (i) the proceeds of such Partial Taking shall first be applied towards the cost of Restoring the Premises pursuant to Section 9.4.2 and (ii) Tenant shall be entitled to receive any portion of such award allocated to Tenant's interest in any of Tenant's Improvements, personal property and trade fixtures taken.

9.5 **Waiver of Termination Rights.** Both parties waive their rights under Section 1265.130 of the California Code of Civil Procedure (and any successor provision) and agree that the right to terminate this Lease in the event of Condemnation shall be governed by the provisions of this Article IX.

ARTICLE X ASSIGNMENT, SUBLETTING AND ENCUMBERING

10.1 **General.** Except for Excluded Transfers, Tenant shall not assign (including an assignment by operation of law), transfer or encumber this Lease, or any interest therein, nor sublet the Premises or Improvements. Tenant may assign or sublet this Lease without County's consent to an Excluded Transferee (as defined below). All other assignments and transfers shall require the consent of County, which may not be unreasonably withheld, conditioned or delayed.

10.1.1. Except transfers to an Excluded Transferee, any mortgage, pledge, hypothecation, encumbrance, transfer, sublease of Tenant's entire Lease interest or assignment (hereinafter in this section referred to collectively as "**Transfer**") of Tenant's interest in the Premises, or assignment of any part or portion thereof, shall first be approved in writing by Chief Real Estate Officer, unless otherwise provided herein. Failure to obtain Chief Real Estate Officer's

required written approval of a Transfer will render such Transfer void. Occupancy of the Premises by a prospective transferee, sublessee, or assignee before approval of the Transfer by County shall constitute an Event of Default.

10.1.2. Except for an Excluded Transfer, if Tenant hereunder is a corporation, limited liability company, an unincorporated association or partnership, the Transfer of any stock or interest in said corporation, company, association, partnership in the aggregate exceeding 25% shall be deemed a Transfer within the meaning of this Lease that requires County written consent.

10.1.3. Should County consent to any Transfer, such consent shall not constitute a waiver of any of the terms, covenants, or conditions of this Lease nor be construed as County's consent to any further Transfer. Such terms, covenant or conditions shall apply to each and every Transfer hereunder and shall be severally binding upon each and every party thereto. Any document to mortgage, pledge, hypothecate, encumber, transfer, sublet, or assign the Premises or any part thereof shall not be inconsistent with the provisions of this Lease and in the event of any such inconsistency, the provisions of this Lease shall control.

10.1.4. This Section shall not be interpreted to disallow or require County approval for space leases (subleases of less than Tenant's entire Lease interest) or concession agreements within the Improvements between the Tenant and a sub-tenant, which are consistent with the approved uses under this Lease.

10.2 **County's Fee Interest.** Tenant shall not mortgage, encumber or hypothecate County's Fee Interest under any circumstances.

10.3 **Excluded Transfers.** County's consent shall not be required for an Excluded Transfer (each party to whom a Excluded Transfer may be made is an "**Excluded Transferee**"); provided, however, that in each case (1) Tenant shall notify County of such Transfer at least sixty (60) days prior to the consummation of such Transfer, and shall provide County with complete information regarding the transferee and information evidencing that the Transfer falls within the parameters of this paragraph, and (2) if such Transfer involves an assignment of Tenant's rights under this Lease, Tenant or such transferee shall provide County with a written assumption of Tenant's obligations under this Lease executed by such transferee in a form approved by the County, which approval shall not be unreasonably withheld, conditioned or delayed in the event that the assignment is consistent with the terms of this Lease.

10.4 **Transfer Procedure.** If Tenant desires at any time to enter into a Transfer for which County's consent is required hereunder, Tenant shall provide County with written notice ("**Transfer Notice**") at least ninety (90) days prior to the proposed effective date of the Transfer. The Transfer Notice shall include (i) the name and address of the proposed transferee, (ii) the nature of the Transfer (*i.e.*, whether an assignment, sublease or encumbrance), (iii) the proposed effective date of the Transfer, (iv) income statements and "fair market" balance sheets of the proposed transferee for the two (2) most recently completed fiscal or calendar years (provided however, if the proposed transferee is a newly formed entity and has not been in existence for such two (2) year period, the financial statements submitted shall be those of its principals), (v) a detailed description of the proposed transferees qualifications and experience that demonstrates the transferee meets the criteria for a Tenant as established by this Lease, and (vi) a bank or other

credit reference. Thereafter, Tenant shall furnish such supplemental information as County may reasonably request concerning the proposed transferee. County shall, no later than ninety (90) days after County's receipt of the information specified above, deliver written notice to Tenant which shall (i) indicate whether County gives or withholds its consents to the proposed Transfer, and (ii) if County withholds its consent to the proposed Transfer, setting forth a detailed explanation of County's grounds for doing so. If County consents to a proposed Transfer, then Tenant may thereafter effectuate such Transfer to the proposed transferee based upon the specific terms of the County's approval and after execution of consent to assignment, in a form approved by the County.

10.5 **Liability of Transferors/Transferees for Lease Obligations.** Each permitted assignee of this Lease shall assume in writing all of Tenant's obligations under this Lease. All transferees of any interest in this Lease or the Premises or Improvements (whether or not directly liable on this Lease) shall be subject to the terms and provisions of this Lease. Any transferor of any interest in this Lease or the Premises or Improvements shall remain primarily liable for all obligations hereunder, and shall be subject to the terms and provisions of this Lease, except to the extent assumed by assignee.

10.6 **Conditions of Certain County Approvals.**

10.6.1. County may withhold consent to a Transfer at its and absolute sole discretion if any of the following conditions exist:

- (a) An Event of Default exists under this Lease.
- (b) The prospective Transferee has not agreed in writing to keep, perform, and be bound by all the terms, covenants, and conditions of this Lease.
- (c) The construction required of Tenant as a condition of this Lease has not been completed and will not be assumed by assignee or assignee's contractor.
- (d) All the material terms, covenants, and conditions of the Transfer that are relevant to the County approval of the Transfer have not been revealed in writing to County.
- (e) The processing fee required by County and set out below has not been paid to County by delivery of said fee to County.
 - (1) A fee of \$3,000 shall be paid to County for processing each consent to Transfer submitted to County as required by this Lease. This processing fee shall be deemed earned by County when paid and shall not be refundable.
 - (2) If a processing fee has been paid by Tenant for another phase of the same transaction, a second fee will not be charged. Such fee shall be increased every ten years during the Lease term based on any increase in the CPI Index. Under no circumstances shall the fee decrease.

10.7 **Conditions Deemed Reasonable.** Tenant acknowledges that each of the conditions to a Transfer, and the rights of County set forth in this Article X in the event of a Transfer is a reasonable restriction for the purposes of California Civil Code Section 1951.4.

ARTICLE XI DEFAULT AND REMEDIES

11.1 **Event of Default.** Each of the following events shall constitute an "Event of Default" by Tenant:

11.1.1. **Miscellaneous Events of Default.** Any event or circumstance expressly referenced to elsewhere in this Lease as an "Event of Default."

11.1.2. **Failure to Pay.** Tenant's failure or omission to pay any Rent or other sum payable hereunder on or before the date due where such failure shall continue for a period of three (3) business days after written notice thereof from County to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure §1161 *et seq.*

11.1.3. **Failure to Perform.** The failure or inability by Tenant to observe or perform any of the provisions of this Lease to be observed or performed by Tenant, other than specified in Sections 11.1.2 or 11.1.4 or 4.2.4, where such failure shall continue for a period of thirty (30) days after written notice thereof from County to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 *et. seq.*; provided, further, that if the nature of such failure is such that it can be cured by Tenant but that more than thirty (30) days are reasonably required for its cure (for any reason other than financial inability), then Tenant shall not be deemed to be in default if (i) Tenant commences such cure within said thirty (30) days, and (ii) thereafter diligently prosecutes such cure to completion.

11.1.4. **Abandonment.** Except as provided herein, the abandonment (as defined in California Civil Code Section 1951.3) or vacation of the Premises by Tenant; provided, however, vacancy of a portion of the Premises due to remodeling, reconstruction or as a result of casualty, condemnation, tenant vacancies or other factors beyond the reasonable control of Tenant shall not constitute a default hereunder.

11.1.5. **Assignments.**

(a) The making by Tenant of any general assignment for the benefit of creditors;

(b) A case is commenced by or against Tenant under Chapters 7, 11 or 13 of the Bankruptcy Code, Title 11 of the United States Code as now in force or hereafter amended and if so commenced against Tenant, the same is not dismissed within sixty (60) days of such commencement;

(c) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or

(d) Tenant's convening of a meeting of its creditors or any class thereof for the purpose of effecting a moratorium upon or composition of its debts. In the event of any such default, neither this Lease nor any interests of Tenant in and to the Premises shall become an asset in any of such proceedings and, in any such event and in addition to any and all rights or remedies of the County hereunder or by law; provided, it shall be lawful for the County to declare the term hereof ended and to re-enter the Premises and take possession thereof and remove all persons therefrom, and Tenant and its creditors (other than County) shall have no further claim thereon or hereunder.

11.2 **County's Remedies.** If an Event of Default occurs and is continuing, County shall have the following remedies in addition to all rights and remedies provided by law or equity to which County may resort cumulatively or in the alternative:

11.2.1. **Termination of Lease.** County shall have the right to terminate this Lease and all rights of Tenant hereunder including Tenant's right to possession of the Premises.

11.2.2. **Continue Lease in Effect.** Continue this Lease in effect without terminating Tenant's right to possession even though Tenant has breached this Lease and abandoned the Premises and to enforce all of County's rights and remedies under this Lease, at law or in equity, including the right to recover the rent as it becomes due under this Lease; provided, however, that County may at any time thereafter elect to terminate this Lease for such previous breach by notifying Tenant in writing that Tenant's right to possession of the Premises has been terminated.

11.2.3. **Removal of Personal Property Following Termination of Lease.** County shall have the right, following a termination of this Lease and Tenant's rights of possession of the Premises under Section 11.2.1 above, to re-enter the Premises and, subject to applicable law, to remove Tenant's personal property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant in accordance with applicable California law.

11.3 **County's Right to Cure Tenant Defaults.** If Tenant shall have failed to cure, after expiration of the applicable time for curing, a particular default under this Lease, County may at its election, but is not obligated to, make any payment required of Tenant under this Lease or perform or comply with any term, agreement or condition imposed on Tenant hereunder. No such payment, performance or compliance shall constitute a waiver of default or of any remedy for default, or render County liable for any loss or damage resulting from the same.

11.4 **County's Default.** County shall not be considered to be in default under this Lease unless Tenant has given County written notice specifying the default, and either (i) as to monetary defaults, County has failed to cure the same within ten (10) business days after written notice from Tenant, or (ii) as to nonmonetary defaults, County has failed to cure the same within thirty (30) days after written notice from Tenant, or if the nature of County's nonmonetary default is such

that more than thirty (30) days are reasonably required for its cure, then such thirty (30) period shall be extended automatically so long as County commences a cure within such thirty (30) day period and thereafter diligently pursues such cure to completion. Tenant shall have no right to offset or abate alleged amounts owing by County under this Lease against Annual Rent owing by Tenant under this Lease.

11.5 **Waiver by County.** No delay or omission of County to exercise any right or remedy shall be construed as a waiver of such right or remedy or any default by Tenant hereunder. The acceptance by County of rent or any other sums hereunder shall not be (a) a waiver of any preceding breach or default by Tenant of any provision thereof, other than the failure of Tenant to pay the particular rent or sum accepted, regardless of County's knowledge of such preceding breach or default at the time of acceptance of such rent or sum, or (b) waiver of County's right to exercise any remedy available to County by virtue of such breach or default. No act or thing done by County or County's agents during the term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by County.

11.6 **Interest.** Any installment or rent due under this Lease or any other sums not paid to County when due (other than interest) shall bear interest at the maximum rate allowed by law from the date such payment is due until paid, provided, however, that the payment of such interest shall not excuse or cure the default.

11.7 **Waiver by Tenant.** Tenant's waiver of any breach by County of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

11.8 **Tenant Covenants and Agreements.** All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expenses and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, or to provide any insurance or evidence of insurance to be provided by Tenant, then in addition to any other remedies provided herein, County may, but shall not be obligated to do so, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such act on Tenant's part to be made or performed as provided in this Lease or to provide such insurance. Any payment or performance of any act or the provision of any such insurance by County on Tenant's behalf shall not give rise to any responsibility of County to continue making the same or similar payments or performing the same or similar acts.

ARTICLE XII ESTOPPEL CERTIFICATES

At any time and from time to time, within ten (10) business days after written request by either County or Tenant (the "**requesting party**"), the other party (the "**responding party**") shall execute, acknowledge and deliver an estoppel certificate addressed to the requesting party, and/or to such other beneficiary (as described below) as the requesting party shall request, certifying (i) that this Lease is in full force and effect, (ii) that this Lease is unmodified, or, if there have been

modifications, identifying the same, (iii) the dates to which Rent has been paid in advance, (iv) that, to the actual knowledge of the responding party, there are no then existing and uncured defaults under the Lease by either County or Tenant, or, if any such defaults are known, identifying the same, and (v) any other factual matters (which shall be limited to the actual knowledge of the responding party) as may be reasonably requested by the requesting party. Such certificate may designate as the beneficiary thereof the requesting party, and/or any third party having a reasonable need for such a certificate (such as, but not limited to, a prospective purchaser, transferee or lender).

ARTICLE XIII FORCE MAJEURE

Unless otherwise specifically provided herein, the period for performance of any nonmonetary obligation by either party shall be extended by the period of any delay in performance caused by Acts of God, strikes, boycotts, lock-outs, inability to procure materials not related to the price thereof, failure of electric power, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency, weather that could not have reasonably been anticipated, changes in the Laws which would prevent the Premises from being operated in accordance with this Lease, the presence of Hazardous Materials, any Legal Challenge, Stop Work Delay, or other reasons beyond the reasonable control of County, Tenant, or their respective agents or representatives (collectively, "**Force Majeure Events**"). In no event, however, shall Force Majeure Events include the financial inability of a party to this Lease to pay or perform its obligations hereunder. Further, nothing herein shall extend the time for performance of any monetary obligation owing under this Lease (including Tenant's obligation to pay Rent owing hereunder).

ARTICLE XIV RECORDS AND ACCOUNTS

14.1 **Records.** Tenant shall, at all times during the term of this Lease, keep or cause to be kept true and complete books, records, and accounts of all financial transactions in the operation of all business activities, of whatever nature, conducted in pursuance of the rights granted herein. The records must be supported by source documents such as sales slips, cash register tapes, purchase invoices, or other pertinent documents.

ARTICLE XV OPERATIONAL OBLIGATIONS OF TENANT

15.1 **Standards of Operation.**

15.1.1. Tenant shall operate the Premises, and shall cause Contractor to construct the Initial Improvements, in a manner reasonably comparable to other comparable facilities or businesses within the County of Orange and within the Construction Budget. Tenant shall at all times during the Term provide adequate security measures to reasonably protect persons and property on the Premises, including a patrol of all areas in the Premises for the purpose of preserving order and preventing theft, vandalism, or other improper or unlawful use of the Premises or any of the facilities.

15.1.2. The ultimate purpose of this Lease is the construction of the Facility. Accordingly, Tenant covenants and agrees to operate said Premises fully to accomplish said purposes and not to abandon or vacate the Premises at any time except as provided herein.

15.1.3. The Facility on the Premises shall be constructed according to the Construction Schedule, during normal business hours, subject to any temporary interruptions in operations or closures due to ordinary maintenance and repair, Section 4.2.4 and any Force Majeure Event, defined in Article XIII above.

15.2 **Protection of Environment**. Tenant shall, and shall require Contractor to, take all reasonable measures available to:

15.2.1. Avoid any pollution of the atmosphere or littering of land or water caused by or originating in, on, or about Tenant's facilities.

15.2.2. Maintain a reasonable noise level on the Premises so that persons in the general neighborhood will be able to comfortably enjoy the other facilities and amenities in the area.

15.2.3. Prevent the light fixtures of the Premises from emitting light that could negatively affect the operation of cars, boats, or airplanes in the area.

15.2.4. Prevent all pollutants from Tenant's operations on the Premises from being discharged, including petroleum products of any nature, except as may be permitted in accordance with any applicable permits. Tenant shall cause Tenant's agents, employees and contractors to conduct operations under this Lease so as to assure that pollutants do not enter the municipal storm drain system (including but not limited to curbs and gutters that are part of the street systems), or directly impact receiving waters (including but not limited to rivers, creeks, streams, estuaries, lakes, harbors, bays and the ocean), except as may be permitted by any applicable permits.

15.2.5. The County may enter the Premises and/or review Tenant records at any time to assure that activities conducted on the Premises comply with the requirements of this Section.

15.3 **On-Site Manager**. Tenant shall employ a competent manager who shall be responsible for the day-to-day operation and level of maintenance, cleanliness, and general order for the Premises. Such person shall be vested with the authority of Tenant with respect to the supervision over the Premises, including the authority to enforce compliance by Tenant's agents, employees, concessionaires, or licensees with the terms and conditions of this Lease and any and all rules and regulations adopted hereunder. Tenant expressly agrees that any notice herein required to be served upon Tenant may, at the option of County or Chief Real Estate Officer, be personally served upon said Manager and that such service shall have the same force and effect as service upon Tenant. Tenant shall notify County in writing of the name of the Manager currently so employed as provided in this Lease.

ARTICLE XVI
BEST MANAGEMENT PRACTICES

16.1 Tenant shall, and shall require Contractor to, conduct operations under this Lease so as to assure that pollutants do not enter municipal storm drain systems which systems are comprised of, but are not limited to curbs and gutters that are part of the street systems ("**Stormwater Drainage System**"), and to ensure that pollutants do not directly impact "**Receiving Waters**" (as used herein, Receiving Waters include, but are not limited to, rivers, creeks, streams, estuaries, lakes, harbors, bays and oceans).

16.2 The Santa Ana and San Diego Regional Water Quality Control Boards have issued National Pollutant Discharge Elimination System ("**NPDES**") permits ("**Stormwater Permits**") to the County, and to the County and cities within Orange County, as co-permittees (hereinafter collectively referred to as "**County Parties**") which regulate the discharge of urban runoff from areas within the County of Orange, including the Premises leased under this Lease. The County Parties have enacted water quality ordinances that prohibit conditions and activities that may result in polluted runoff being discharged into the Stormwater Drainage System.

16.3 To assure compliance with the Stormwater Permits and water quality ordinances, the County Parties have developed a Drainage Area Management Plan ("**DAMP**") which includes a Local Implementation Plan ("**LIP**") for each jurisdiction that contains Best Management Practices ("**BMPs**") that parties using properties within Orange County must adhere to. As used herein, a BMP is defined as a technique, measure, or structural control that is used for a given set of conditions to manage the quantity and improve the quality of stormwater runoff in a cost effective manner. These BMPs are found within the County's LIP in the form of Model Maintenance Procedures and BMP Fact Sheets (the Model Maintenance Procedures and BMP Fact Sheets contained in the DAMP/LIP shall be referred to hereinafter collectively as "**BMP Fact Sheets**") and contain pollution prevention and source control techniques to eliminate non-stormwater discharges and minimize the impact of pollutants on stormwater runoff.

16.4 BMP Fact Sheets that apply to uses authorized under this Lease include the BMP Fact Sheets that are attached hereto as **Exhibit F**. These BMP Fact Sheets may be modified during the term of the Lease; and the Chief Real Estate Officer shall provide Tenant with any such modified BMP Fact Sheets. Tenant, its agents, contractors, representatives and employees and all persons authorized by Tenant to conduct activities on the Premises shall, throughout the term of this Lease, comply with the BMP Fact Sheets as they exist now or are modified, and shall comply with all other requirements of the Stormwater Permits, as they exist at the time this Lease commences or as the Stormwater Permits may be modified. Tenant agrees to maintain current copies of the BMP Fact Sheets on the Premises throughout the term of this Lease. The BMPs applicable to uses authorized under this Lease must be performed as described within all applicable BMP Fact Sheets.

16.5 Tenant may propose alternative BMPs that meet or exceed the pollution prevention performance of the BMP Fact Sheets. Any such alternative BMPs shall be submitted to the Chief Real Estate Officer for review and approval prior to implementation.

16.6 Chief Real Estate Officer may enter the Premises and/or review Tenant's records at any reasonably time during normal business hours to assure that activities conducted on the Premises comply with the requirements of this Section. Tenant may be required to implement a self-evaluation program to demonstrate compliance with the requirements of this Section.

ARTICLE XVII

GENERAL CONDITIONS & MISCELLANEOUS PROVISIONS

17.1 **Signs.** Tenant agrees not to construct, maintain, or allow any signs, banners, flags, etc., upon the Premises except as approved in writing in advance by Chief Real Estate Officer, which approval may be withheld in the sole and absolute discretion of the Chief Real Estate Officer. Tenant further agrees not to construct, maintain, or allow billboards or outdoor advertising signs upon the Premises. Unapproved signs, banners, flags, etc., may be removed by Chief Real Estate Officer without prior notice to Tenant.

17.2 **Nondiscrimination.** Tenant agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this Lease.

17.3 **Taxes and Assessments.** Pursuant to California Revenue and Taxation Code Section 107.6, Tenant is specifically informed that this Lease may create a possessory interest which is subject to the payment of taxes levied on such interest. It is understood and agreed that all possessory interest tax which become due and payable upon the Premises or upon fixtures, equipment, or other property installed or constructed thereon, shall be the full responsibility of Tenant, and Tenant shall cause said taxes and assessments to be paid promptly. Furthermore, notwithstanding the foregoing, Tenant shall timely apply for and diligently pursue any and all exemptions from taxes on the Premises available pursuant to California Revenue and Taxation Code Section 214 or any other applicable statute.

17.4 **Quitclaim of Interest upon Termination.** Upon execution of this Lease, Tenant shall execute, acknowledge, and deliver to County, within thirty (30) days a good and sufficient deed, in a form as approved by the Chief Real Estate Officer, whereby all right, title, and interest of Tenant in the Premises is quitclaimed to County ("**Quitclaim Deed**"). The Quitclaim Deed shall be retained by the Chief Real Estate Officer for the Term and shall be recorded in the event of the termination of this Lease for any reason to remove any cloud on title created by this Lease.

17.5 **Public Records.** Tenant acknowledges that any written information submitted to and/or obtained by County from Tenant or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise is a public record open to inspection by the public pursuant to the California Records Act (Government Code §6250, *et seq.*) as now in force or hereafter amended, or any Law in substitution thereof, or otherwise made available to the public, unless such information is exempt from disclosure pursuant to the applicable sections of the California Records Act. In the event that a public records act request is made for any financial statements and records (not including Gross Receipts Statements) and the County determines that the records must be turned over, the County will give Tenant fifteen (15) days written notice prior to turning over such records so that Tenant can take any necessary action.

17.6 **Attorney's Fees.** Except for a Legal Challenge, in any action or proceeding brought to enforce or interpret any provision of this Lease by a Party, or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorneys' fees and costs.

17.7 **Payment Card Compliance.** Should Tenant conduct credit/debit card transactions in conjunction with Tenant's business with the County, on behalf of the County, or as part of the business that Tenant conducts on the Premises, Tenant covenants and warrants that it will during the course of such activities be Payment Card Industry Data Security Standard ("**PCI/DSS**") and Payment Application Data Security Standard ("**PA/DSS**") compliant and will remain compliant during the entire duration of its conduct of such activities. Tenant agrees to immediately notify County in the event Tenant should ever become non-compliant at a time when compliance is required hereunder, and will take all necessary steps to return to compliance and shall be compliant within ten (10) days of the commencement of any such interruption. Upon demand by County, Tenant shall provide to County written certification of Tenant's PCI/DSS and/or PA/DSS compliance.

17.8 **Right to Work and Minimum Wage Laws.**

17.8.1. In accordance with the United States Immigration Reform and Control Act of 1986, Tenant shall require its employees that directly or indirectly service the Premises, pursuant to the terms and conditions of this Lease, in any manner whatsoever, to verify their identity and eligibility for employment in the United States. Tenant shall require that its contractors or any other persons servicing the Premises, pursuant to the terms and conditions of this Lease, in any manner whatsoever, verify the identity of their employees and their eligibility for employment in the United States.

17.8.2. Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California Labor Code, Division 2, Parts 4 and 7, Tenant 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. Tenant shall require that all its contractors or other persons servicing the Premises on behalf of the Tenant also pay their employees no less than the greater of the Federal or California Minimum Wage.

17.8.3. Tenant shall comply and require 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 Premises or terms and conditions of this Lease.

17.8.4. Notwithstanding the minimum wage requirements provided for in this Section 17.8, Tenant, where applicable, shall comply or require its contractors or subcontractors to comply with the prevailing wage and related requirements, as provided for in Section 5.1.7, herein.

17.9 **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of California.

17.10 **Venue.** The Parties hereto agree that this Lease has been negotiated and executed in the State of California and shall be governed by and construed under the laws of California. In

the event of any legal action to enforce or interpret this Lease, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties hereto specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

17.11 **Headings and Titles.** The captions of the Articles or Sections of this Lease are only to assist the parties in reading this Lease and shall have no effect upon the construction or interpretation of any part hereof.

17.12 **Interpretation.** Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "**Tenant**" shall include Tenant's agents, employees, contractors, invitees, successors or others using the Premises with Tenant's expressed or implied permission. In any provision relating to the conduct, acts or omissions of County, the term "**County**" shall include County's agents, employees, contractors, invitees, successors or others using the Premises with County's expressed or implied permission.

17.13 **Ambiguities.** Each party hereto has reviewed this Lease with legal counsel, and has revised (or requested revisions of) this Lease based on the advice of counsel, and therefore any rules of construction requiring that ambiguities are to be resolved against a particular party shall not be applicable in the construction and interpretation of this Lease or any exhibits hereto.

17.14 **Successors and Assigns.** Except as otherwise specifically provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

17.15 **Time is of the Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

17.16 **Severability.** If any term or provision of this Lease is held invalid or unenforceable to any extent under any applicable law by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, and each remaining term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

17.17 **Notices.** Unless otherwise expressly stated in this Agreement, all notices under this Agreement shall be effective upon (i) personal delivery, (ii) e-mail transmission, (iii) one (1) business day after deposit with an overnight courier service (e.g., Federal Express), or (iv) three (3) business days after deposit in the United States mail, registered, certified, postage fully prepaid and addressed to the applicable Party as follows:

If to County:

County of Orange
CEO Real Estate
ATTN: Chief Real Estate Officer
333 W. Santa Ana Blvd, 3rd Floor
Santa Ana, CA 92701
Email: thomas.miller@ocgov.com
Facsimile: 714-834-3018

With a copy to:

County of Orange
Office of the County Counsel
ATTN: Michael Haubert, Senior Deputy
333 W. Santa Ana Blvd, 4th Floor
Santa Ana, CA 92701
Email: michael.haubert@coco.ocgov.com

If to Tenant:

HomeAid Orange County
ATTN: Scott Larson, Executive Director
24 Executive Park, Suite 100
Irvine, CA 92614
Email: scott@homeaidoc.org

With a copy to:

Jackson Tidus
ATTN: Sonia A. Lister
2030 Main Street, 12th Floor
Irvine, CA 92614
Email: slister@jacksontidus.law

Either Party may change the address for notices by giving the other Party at least ten (10) calendar days' prior written notice of the new address.

17.18 **Amendments.** Any changes to this Lease shall be in writing and shall be properly executed by both Parties.

17.19 **Dispositions of Abandon Property.** If Tenant abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to and left on the Premises fifteen (15) days after such event shall, at County's option, be deemed to

have been transferred to County. County shall have the right to remove and to dispose of such property at Tenant's cost, including the cost of labor, materials, equipment and an administrative fee equal to fifteen percent (15%) of the sum of such costs without liability therefor to Tenant or to any person claiming under Tenant, and shall have no need to account therefor. Such costs shall be deducted from any security deposit of Tenant, or at Chief Real Estate Officer's option, Chief Real Estate Officer may provide Tenant with an invoice for such costs, which invoice Tenant agrees to pay within fifteen (15) days of receipt.

17.20 **Brokers.** If Tenant has engaged a broker in this transaction pursuant to a separate agreement, Tenant shall be solely responsible for the payment of any broker commission or similar fee payable pursuant to such separate agreement. Tenant each hereby agree to indemnify and hold the County and County harmless from and against all costs, expenses or liabilities (including attorney fees and court costs, whether or not taxable and whether or not any action is prosecuted to judgment) incurred by the County in connection with any claim or demand by a person or entity for any broker's, finder's or other commission or fee from the County in connection with the Tenant's entry into this Lease and the transactions contemplated hereby based upon any alleged statement or representation or agreement of the Tenant. No broker, finder or other agent of any party hereto shall be a third-party beneficiary of this Lease.

17.21 **No Partnership.** This Lease shall not be construed to constitute any form of partnership or joint venture between County and Tenant. County and Tenant mutually acknowledge that no business or financial relationship exists between them other than as County and tenant, and that County is not responsible in any way for the debts of Tenant or any other party.

17.22 **Authorization.** County and Tenant (each, a "**signing party**") each represents and warrants to the other that the person or persons signing this Lease on behalf of the signing party has full authority to do so and that this Lease binds the signing party. Concurrently with the execution of this Lease, each signing party shall deliver to the other a certified copy of a resolution of the signing party's board of directors or other governing board authorizing the execution of this Lease by the signing party.

17.23 **Recording.** This Lease shall not be recorded.

17.24 **Exhibits.** This Lease contains the following exhibits, schedules and addenda, each of which is attached to this Lease and incorporated herein in its entirety by this reference:

- Exhibit A: Legal Description of the Premises
- Exhibit A-1: Rendering of the Premises
- Exhibit B: Construction Schedule
- Exhibit C: Construction Budget
- Exhibit D: Construction Drawings
- Exhibit E: Specifications
- Exhibit F: Best Management Practices Fact Sheets

17.25 **Consent/Duty to Act Reasonably.** Except as otherwise expressly provided herein, whenever this Lease grants County or Tenant the right to take any action, grant any approval or consent, or exercise any discretion, County and Tenant shall act reasonably and in good faith and take no action which might result in the frustration of the other Party's reasonable expectations concerning the benefits to be enjoyed under this Lease, provided that the foregoing shall only apply to the County when acting in its proprietary capacity as owner of the Premises and not as a government agency with jurisdiction over the Premises.

17.26 **Counterparts.** For the convenience of the parties to this Lease, this Lease may be executed in several original counterparts, each of which shall together constitute but one and the same agreement. Original executed pages may be assembled together into one fully executed document.

17.27 **County's Representations and Warranties.** In order to induce Tenant to enter into this Lease, as of the Effective Date, County represents and warrants to Tenant that to the current actual knowledge of the Chief Real Estate Officer:

17.27.1. County owns fee simple title to the Premises free and clear of all liens, special assessments, easements, encroachments, reservations, restrictions and encumbrances, except as noted in that certain Preliminary Title Report dated January 11, 2019, issued by Stewart Title Company, Policy No. O-9301-000385391.

17.27.2. There are no actions, suits or proceedings of any kind pending or threatened against County, the Premises or relating to any adjoining rights-of-way in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality. This includes, without limitation, any condemnation or eminent domain proceedings, widening, construction of acceleration/deceleration lanes, changes in or additions to existing or approved curb cuts or medians, proposed or pending installation or removal of traffic lights, or any other changes or proposed changes in traffic patterns or management of traffic flow.

17.27.3. All actions required to authorize the execution of this Lease by the County and performance of this Lease have been taken, and this Lease constitutes a valid and binding agreement, enforceable against County. No person or entity has any right or option to lease, occupy or acquire the Premises.

17.27.4. There is no existing violation of any applicable laws, ordinances, statutes, codes, rules, requirements, orders or regulations applicable to the Premises.

17.27.5. Neither this Lease nor anything provided to be done under this Lease violates any applicable laws, ordinances, statutes, codes, rules, requirements, orders or regulations made or issued by any federal, state, county, local or other governmental agency or entity.

17.27.6. County has not used, operated or permitted the use of the Premises in any manner for the storage, use, treatment, manufacture or disposal of any Hazardous Materials, and the Premises has never been used or operated by any other party for the storage, use, treatment, manufacture or disposal of any Hazardous Materials.

17.27.7. County has provided Tenant with true and complete copies of all environmental site assessments, audits and similar reports covering the Premises in County's possession or control.

17.27.8. The County is prepared to issue any and all applicable permits and approvals that will permit the development and use of the Facility, and the Project does not require any entitlements from the City of Santa Ana.

[Signatures On Following Pages]

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

TENANT

SHELTER PROVIDERS OF ORANGE COUNTY, a California nonprofit corporation, dba HomeAid Orange County

By: _____

Name: _____

Title: _____

By:

Name: _____

Title: _____

COUNTY

COUNTY OF ORANGE,
a political subdivision of the State of California

Thomas A. Miller, Chief Real Estate Officer
Orange County, California

APPROVED AS TO FORM:
COUNTY COUNSEL

By: *Michelle Henderson*
Deputy

Date 10/30/19

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL A

PARCEL 1, AS DESCRIBED AND SHOWN ON EXHIBITS ATTACHED TO THAT CERTAIN LOT LINE ADJUSTMENT NO. 88-3 RECORDED JANUARY 18, 1989 AS INSTRUMENT NO. 89-028437 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA.

PARCEL B

AN EASEMENT FOR INGRESS AND EGRESS OVER THE NORTHERLY 30 FEET OF PARCEL 2 OF THAT CERTAIN LOT LINE ADJUSTMENT NO. 88-3 RECORDED JANUARY 18, 1989 AS INSTRUMENT NO. 89-028437 OF OFFICIAL RECORDS OF ORANGE COUNTY CALIFORNIA. EASEMENT TO TERMINATE EASTERLY, AT THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID PARCEL 1.

APN 408-191-08

APN 408-191-10

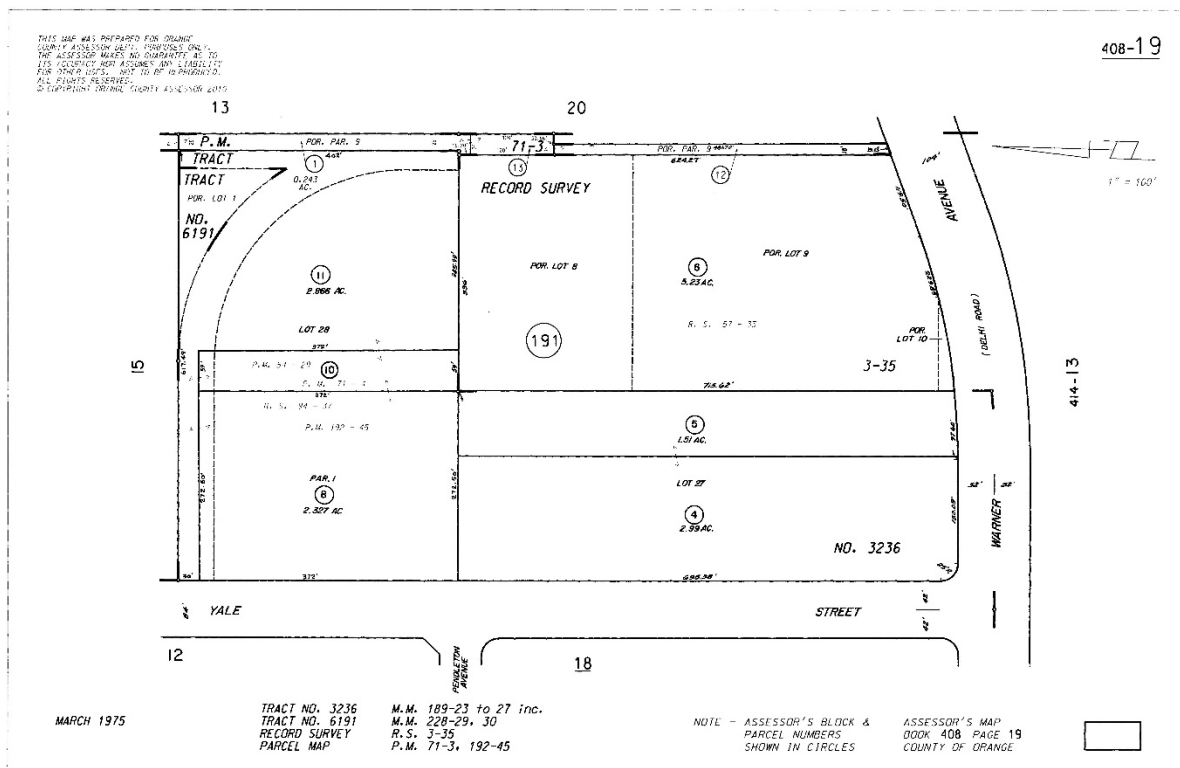


EXHIBIT A-1
RENDERING OF THE PROPERTY

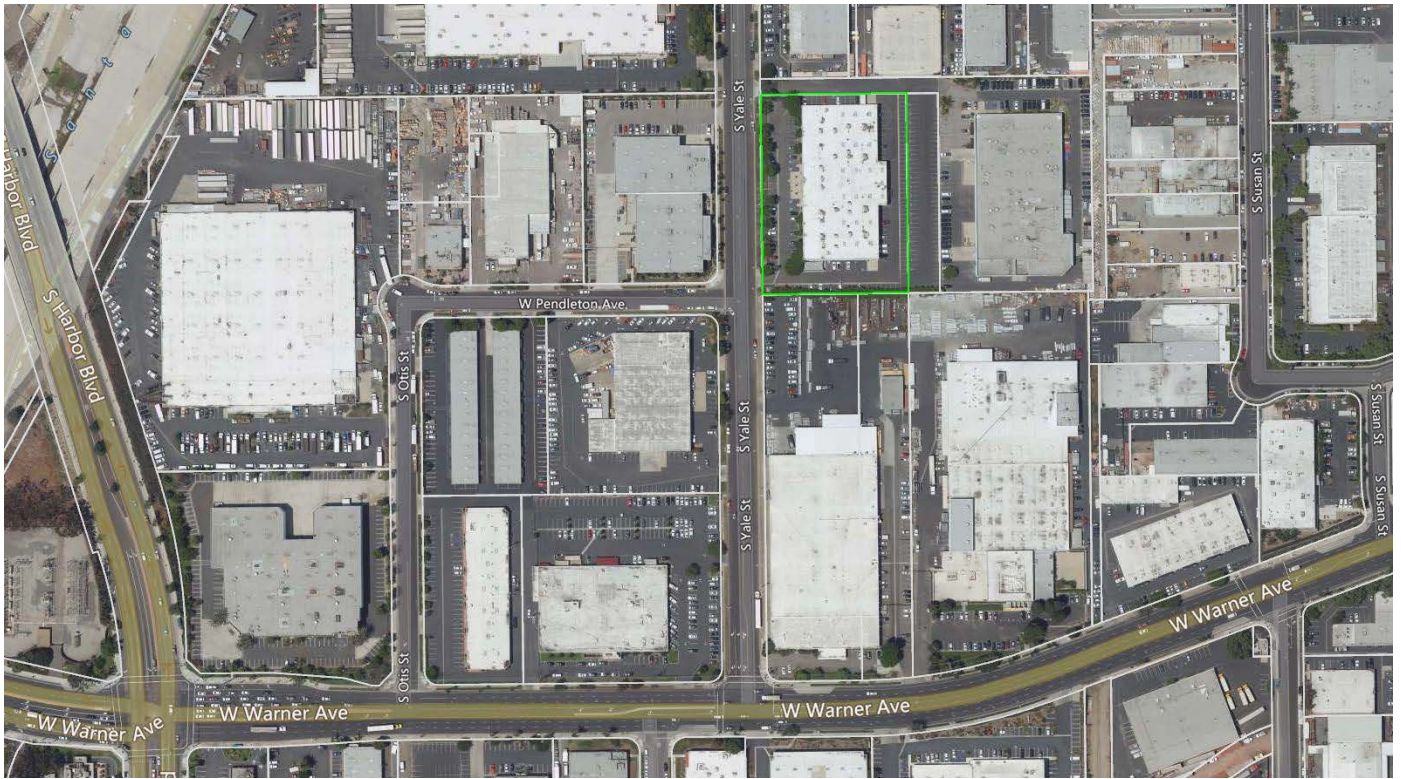
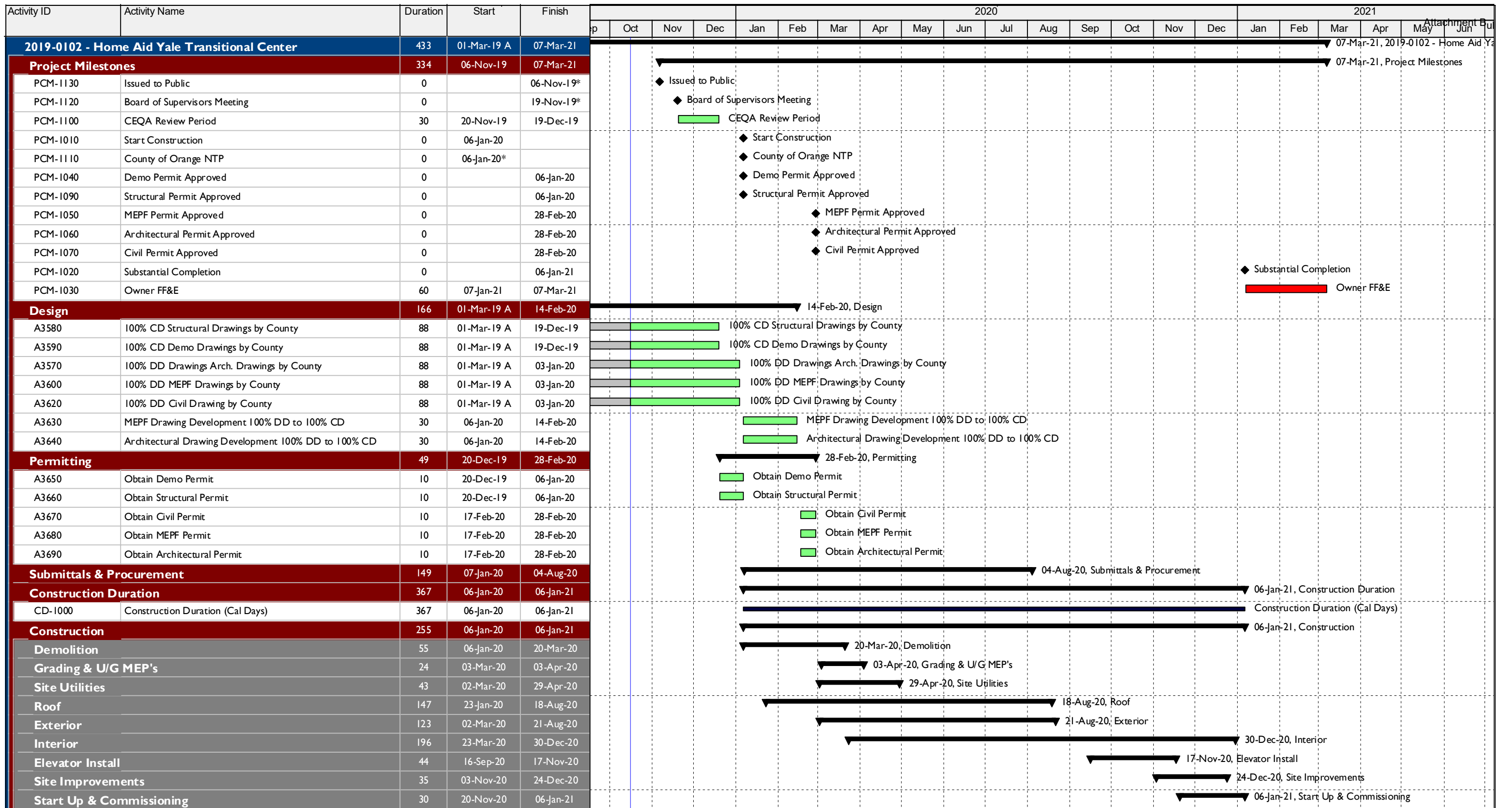


EXHIBIT B
CONSTRUCTION SCHEDULE



Run Date: 31-Oct-19
Page 1 of 1

- Remaining Level of Effort
- Actual Level of Effort
- Actual Work
- Remaining Work
- Critical Remaining Work

**HomeAid Orange County
Yale Street Transitional Center
Preliminary Schedule 31-Oct-19**




EXHIBIT C
CONSTRUCTION BUDGET

Owner's Name: OC Public Works

Project Name: Yale Transitional Center

Project Address: 2029 S. Yale Street, Santa Ana, Ca 92704

Project Construction Cost Estimate (CSI Format) based on 100% DD's & (100% CD's Structural's Only)

Date: 10/16/19

PROJECT:	YALE TRANSITIONAL CENTER - PROJECT NO. 100-036-PH28-1900	
WORK:	YALE TRANSITIONAL CENTER - PROJECT NO. 100-036-PH28-1900	

Description	CWD Total	CWD Cost/SF
Gross Building Area: (SF): 73,477		
	10-16-19	Comments
	GMP	
Scope	Potential Vendor	
Division 1: General Requirements - Temp Fences & Gates	Self Perform	\$7,440 \$0.10
Division 1: General Requirements - Clean-Ups & Dumpsters	Self Perform	\$79,108 \$1.08
Division 2: Existing Conditions - Demo. (Site / Building)	Penhall	\$583,334 \$7.94
Division 3: Concrete	Self Perform	\$1,018,853 \$13.87
Division 4: Masonry - Site Only - Building Masonry is with Concrete	Nuway	\$805,241 \$10.96
Division 5: Metals	Craneveyor / Tobin	\$1,051,358 \$14.31
Division 6: Wood, Plastics and Composites - Rough Carpentry	W.S. Klem	\$868,064 \$11.81
Division 6: Wood, Plastics and Composites - Finish Carpentry	Taber	Included
Division 7: Thermal and Moisture Protection - Waterproofing	Mark Beamish	\$719,603 \$9.79
Division 7: Thermal and Moisture Protection - Roofing	Anning Johnson	Included
Division 7: Thermal and Moisture Protection - Sheet Metal	Weiss	Included
Division 7: Thermal and Moisture Protection - Insulation	Alert	Included
Division 8: Openings - Glass & Glazing	Elite	\$999,926 \$13.61
Division 8: Openings - Doors & Frames	Retrolock	Included
Division 9: Finishes - Plaster/Drywall	Standard dryall	\$2,355,957 \$32.06
Division 9: Finishes - Acoustic Ceiling	Self Perform	Included
Division 9: Finishes - Flooring	Self Perform	Included
Division 9: Finishes - Ceramic Tile	McCandless	Included
Division 9: Finishes - Painting	Continental / S&W	Included
Division 10: Specialties - Toilet Partitions & Access.	Stumbaugh	\$106,086 \$1.44
Division 11: Equipment - Kitchen Equipment	Kamran	\$635,000 \$8.64
Division 12: Furnishing	NIC	NIC
Division 13: Special Construction	NIC	NIC
Division 14: Conveying Equipment	Mitsubishi Elevator	\$297,950 \$4.06
Division 21: Fire Suppression	XL Fire Protection	\$282,072 \$3.84
Division 22: Plumbing	University Mechanical	\$2,748,403 \$37.40
Division 23: Heating, Ventilation and Air-conditioning	University Mechanical	\$2,467,857 \$33.59
Division 25: Integrated Automation	NIC	NIC

Division 26: Electrical	Anderson/Howard	\$2,436,220	\$33.16
Division 27: Communications	Anderson/Howard	\$30,000	\$0.41
Division 28: Electronic Safety (Fire Alarm) and Security	Anderson/Howard	\$168,750	\$2.30
Division 31: Earthwork & SWPPPS	Self Perform	\$29,015	\$0.39
Division 32: Exterior Improvements - Site Concrete	Self Perform	\$220,471	\$3.00
Division 32: Exterior Improvements - A.C. Pave	Bens Asphalt	\$106,075	\$1.44
Division 32: Exterior Improvements - Landscaping	Pierre	\$85,000	\$1.16
Division 33: Utilities (Wet)	Delta Pipeline	\$336,958	\$4.59
Misc. Exterior Improvements - Survey	Adkan	\$35,000	\$0.48
Misc. Exterior Improvements - Sail Shade Canopy	NIC	FF&E	\$0.00
Misc. Exterior Improvements - Fencing	Crown Fence	\$390,308	\$5.31
Subtotals		\$18,864,047	\$256.73
Escalation	3.00%	\$565,921	
Preconstruction (design phase management)		\$135,905	\$1.85
Project Requirements		\$1,345,865	\$18.32
Contingency	7.00%	\$1,463,822	\$19.92
Insurance/Tax/Bond	2.31%	\$516,875	\$7.03
Fee	3.75%	\$858,467	\$11.68
TOTAL CONSTRUCTION COST		\$23,750,903	\$315.54
			\$0
TOTAL DIRECT CONSTRUCTION COST (including escalation)		\$23,750,903	\$315.54
Builders Risk Policy		\$120,000	\$1.63
Permits / Fees		\$800,000	\$10.89
GRAND TOTAL CONSTRUCTION COST (including development costs)		\$24,670,903	\$335.76
Selected Soft Costs			
Add - D/B Contractor's Design Completion and CA Services Fees Suggested Budget (IDS)		\$350,000	
Add - HomeAid Oversight Management	1.07%	\$254,800	
TOTAL COST (including A&E and Soft Costs)		\$25,275,703	\$343.99
Alternate Add Independent Testing/Inspection (no soils testing)		\$60,000	
FF&E Suggested Budget		0	
\$0			

EXHIBIT D

CONSTRUCTION DRAWINGS

[To be added prior to execution.]

EXHIBIT E

SPECIFICATIONS BASIS OF DESIGN

[To be attached prior to lease execution.]

EXHIBIT F**BEST MANAGEMENT PRACTICES
("BMPs" Fact Sheets)**

Best Management Practices can be found at: <http://www.ocwatersheds.com/documents/bmp> which website may change from time to time.

BMPs apply to the TENANT's defined Premises and BMPs also apply to the TENANT's Contractor therefore TENANT shall cause Contractor to be responsible for implementing and complying with all BMP Fact Sheet requirements that apply to construction activity with respect to the Improvements, and also including, without limiting the generality of the foregoing, site preparation, landscaping, installation of utilities, street construction or improvement and grading or filling in or on the Premises. TENANT is to be aware that the BMP clause within this Lease, along with all related BMP Exhibits, may be revised, and may incorporate more than what is initially being presented in this Lease.

Suggested BMPs Fact Sheets may include, but may not be limited to, the following list shown below and can be found at:

<http://www.ocwatersheds.com/documents/bmp/industrialcommercialbusinessesactivities> (which website may change from time to time):

[IC3 Building Maintenance](#)

[IC4 Carpet Cleaning](#)

[IC6 Contaminated or Erodible Surface Areas](#)

IC7 Landscape Maintenance

[IC9 Outdoor Drainage from Indoor Areas](#)

[IC10 Outdoor Loading/Unloading of Materials](#)

[IC12 Outdoor Storage of Raw Materials, Products, and Containers](#)

IC14 Painting, Finishing, and Coatings of Vehicles, Boats, Buildings, and Equipment

IC15 Parking & Storage Area Maintenance

[IC17 Spill Prevention and Cleanup](#)

[IC21 Waste Handling and Disposal](#)

[IC22 Eating and Drinking Establishments](#)

[IC23 Fire Sprinkler Testing/Maintenance](#)

[IC24 Wastewater Disposal Guidelines](#)