

# Attachment A



CEO/RLS/HCA-023-023  
Health Care Agency  
Carlota Tower  
23046 Avenida de la Carlota Ste 350 & 360  
Laguna Hills, CA

## LEASE

THIS IS A LEASE AGREEMENT (hereinafter referred to as “**Lease**”) made \_\_\_\_\_, 2024, (“**Effective Date**”), by and between SPECTRUM PROPERTY OWNER, LLC, a Delaware limited liability corporation (hereinafter referred to as “**Lessor**”), and the COUNTY OF ORANGE, a political subdivision of the State of California (hereinafter referred to as “**County**”). The Lessor and County may individually be referred to herein as a “**Party**,” or collectively as the “**Parties**.”

### 1. DEFINITIONS (1.0 SA)

The following words in this Lease shall have the significance attached to them in this Clause 1 (DEFINITIONS), unless otherwise apparent from context:

“**Board of Supervisors**” means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.

“**Building**” means the building commonly known as Carlota Tower, located at 23046 Avenida de la Carlota, Laguna Hills, California, constituting a portion of the Premises.

“**CEO/Office of Risk Management**” means the Risk Manager, County Executive Office, Risk Management, County of Orange, or designee, or upon written notice to Lessor, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

“**Chief Real Estate Officer**” means the Chief Real Estate Officer, County Executive Office, County of Orange, or upon written notice to Lessor, such other entity as shall be designated by the County Executive Officer.

“**County Counsel**” means County Counsel County of Orange, or designee, or upon written notice to Lessor, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

“**County Executive Officer**” means the County Executive Officer, County Executive Office, County of Orange, or designee, or upon written notice to Lessor, such other person or entity as shall be designated by the Board of Supervisors.

“**HCA**” means the Health Care Agency, County of Orange, or designee, or upon written notice to Lessor, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

“**HCA/Facilities Services Manager**” means the Manager, HCA/Facilities Services, County of Orange, or designee, or upon written notice to Lessor, such other person or entity as shall be designated by the Director of the Health Care Agency.

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### 2. PREMISES (1.1 SA)

Lessor leases to County that certain property described in Exhibit A and shown on Exhibit B, which exhibits are attached hereto and by reference made a part hereof, of approximately 7,354 rentable square feet (“**RSF**”) comprised of Suites 350 and 360 in their entireties in the building located at 23046 Avenida de la Carlota, Laguna Hills, California (the “**Premises**”), together with non-exclusive, in common use of elevators, stairways, washrooms, hallways, driveways for vehicle ingress and egress, pedestrian walkways, other facilities and common areas appurtenant to the Premises.

### 3. USE (1.2 SA)

County shall use the Premises to conduct mental and behavioral health services and programs, HCA administrative office and service purposes, or any other lawful purpose. County shall not use the Premises or any portion thereof for any illegal or unlawful purpose and will not cause or permit a nuisance to be created or maintained therein.

### 4. PARKING (1.3 N)

Throughout the Term (as defined below) and including any Extension Term pursuant to Clause 7 (OPTION TO EXTEND TERM), County shall have the right, without additional charge, to have access to twenty-nine (29) unreserved parking stalls. Additionally, County shall have the right to convert up to three (3) unreserved stalls into County reserved stalls, which shall be located proximate to the main building entry, as reasonably agreed to by the Parties. Lessor will permit County to park up to ten (10) County-owned vehicles overnight at no additional charge, subject to Lessor’s reasonable approval of the make and model of the such vehicles. The location of the overnight stalls will be in the sole discretion of Lessor. Lessor shall have no liability for any damages and or theft of the overnight vehicles. Any surveillance cameras or additional security required or increase in insurance cost due to the overnight vehicle requirement, shall be the sole cost of County.

County’s use of said parking spaces shall be subject to all reasonable rules and regulations which are prescribed by Lessor from time to time for the efficient operation of the parking areas for the Building and provided to County in writing.

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

### 5. TERMINATION OF PRIOR AGREEMENTS (1.4 SA) - *Intentionally Omitted*

### 6. TERM (1.5 SA)

The Term of this Lease shall be one hundred and thirty (130) months (“**Term**”), commencing the first day of the first full calendar month following the Final Completion Date set out in Clause 13 (CONSTRUCTION) below (“**Commencement Date**”) estimated to be October 1, 2024.

The Parties agree that the Commencement Date of this Lease will be confirmed in writing by either Party upon demand by the other.

**7. OPTION TO EXTEND TERM (1.6 SA)**

Provided there is no current County Default under this Lease (as further defined in Clause 28 DEFAULTS AND REMEDIES), either at the time of the exercise of the Option or upon commencement of the Extension Term, County shall have the option to extend the term (the “**Option(s)**”) of this Lease for two (2) five (5) year periods (each an “**Extension Term**”) exercised by the Chief Real Estate Officer and memorialized in an amendment executed by the Chief Real Estate Officer on the same terms and conditions of this Lease except this Clause 7, Clause 10 (RENT ADJUSTMENT), and such other terms and conditions not applicable during the Extension Term. The Fair Market Rental Value which shall be negotiated at the time of the Option(s) as set forth below and shall not exceed fair market value at the time of the renewal notice. County shall give Lessor written notice of its intent to exercise its Option(s) to extend the Term no later than nine (9) months prior to the Lease termination date. Time is of the essence in the exercise of the Option(s). The Option(s) shall be personal to County and shall not be exercised by any assignee or sublessee of County. “Term” as used in this Lease shall mean the initial Term and the Extension Term(s) if the Option(s) are duly exercised.

Mutual Agreement. Lessor and County shall have thirty (30) days after County exercises any Option to extend in which to agree on the Fair Market Rental Value, as defined below, for the Extension Term. If Lessor and County are unable to agree on the Fair Market Rental Value for the Extension Term within such thirty (30) days, the provisions of the Appraisal section below shall apply.

Factors for Determining Fair Market Rental Value. The “**Fair Market Rental Value**” of the Premises (or applicable portion thereof) shall be the amount that a willing, comparable, new (i.e., non-renewal), non-equity tenant would pay, and that a willing landlord of a comparable space in Orange County would accept at arms’ length. Appropriate consideration shall be given to (A) the annual rental rate per rentable square foot; (B) the definition of rentable square feet for purposes of comparing the rate; (C) location, quality and age of the Premises; (D) the financial condition (e.g., creditworthiness) of County; (E) escalation (including type, base year and stop) and abatement provisions reflecting free rent and/or no rent during the period of construction; (F) brokerage commissions, if any; (G) length of the lease Term; (H) size and location (including floor level) of the Premises; (I) building standard work letter and/or tenant improvement allowance, if any (taking into consideration the cost of anticipated tenant improvements as compared to market tenant improvement allowances), provided, however, the Fair Market Rental Value shall not include any tenant improvements or any alterations made by County; (J) condition of space; (K) lease takeover/assumptions; (L) moving expenses and other concessions; (M) extent of services to be provided; (N) distinctions between “gross” and “net” leases; (O) base year figures or expense stops for escalation purposes for both operating costs and ad valorem/real estate taxes; (P) the time the particular rental rate under consideration becomes or is to become effective; (Q) applicable caps on the amount of real estate taxes and assessments passed through to tenants; and (R) other generally applicable conditions of tenancy for the space in question. County shall obtain the same rent and other benefits that Lessor would otherwise give to any comparable prospective tenant.

Appraisal. If after the expiration of the thirty (30) day period described in the Mutual Agreement section above, the Parties have not mutually agreed on the Fair Market Rental Value for the Extension Term in question, then the Parties shall use the following method to determine the Fair Market Rental Value (the “**Three Broker Method**”): within ten (10) business days after the expiration of such thirty-day period, each Party shall give written notice to the other setting forth the name and address of a “Broker” (as hereinafter defined) selected by such Party who has agreed to act in such capacity, to determine the Fair Market Rental Value. If either Party has failed to select a Broker as aforesaid, the Fair Market Rental Value shall be determined by the Broker selected by the other Party. Each Broker shall thereupon independently make his or her determinations of the Fair Market Rental Value within twenty (20) days after the appointment of the

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second Broker. If the two Brokers' determinations are not the same, but the higher of such two values is not more than one hundred five percent (105%) of the lower of them, then the Fair Market Rental Value shall be deemed to be the average of the two values. If the higher of such two values is more than one hundred five percent (105%) of the lower of them, then the two Brokers shall jointly appoint a third Broker within ten (10) days after the second of the two determinations described above has been rendered. The third Broker shall independently make his determination of the Fair Market Rental Value within twenty (20) days after his appointment. The highest and the lowest determinations of value among the three Brokers shall be disregarded and the remaining determination shall be deemed to be the Fair Market Rental Value.

Broker. For the purpose of this Clause 7, "**Broker**" shall mean a real estate broker or salesperson licensed in California, who has been regularly engaged in such capacity in the business of commercial office leasing in the Orange County market for at least ten (10) years immediately preceding such person's appointment hereunder. Each Party shall pay for the cost of its Broker and one half of the cost of the third Broker.

### 8. OPTION TO TERMINATE LEASE (1.7 N)

County shall have the one-time option to terminate this Lease at the end of the seventieth (70<sup>th</sup>) month of the Term. County shall give Lessor written notice at least two hundred and seventy (270) days and no more than three hundred and sixty (360) days prior to said termination date, along with a termination fee equal to the unamortized FF&E Allowance, Test-fit Allowance, Abated Rent, brokerage commissions paid in connection with this Lease, calculated assuming a six percent (6%) interest rate ("**Termination Fee**"), as more particularly set forth in the Termination Fee Schedule attached hereto as Exhibit H. Said Termination Fee shall be due on or before thirty (30) days prior to the termination date.

### 9. RENT (1.8 SA)

County agrees to pay to Lessor as rent for the Premises the sum of twenty-two thousand and seven hundred and ninety-seven and 40/100 dollars (\$22,797.40) per month to beginning on the Commencement Date and adjusted annually by three percent (3%) pursuant to the Rent Adjustment schedule in Clause 10 (RENT ADJUSTMENT) below.

Notwithstanding the foregoing, monthly Rent shall be abated, in the amount of twenty-two thousand, seven hundred and ninety-seven and 40/100 dollars (\$22,797.40) per month, for the first ten (10) full calendar months of the Term (collectively, the "**Abated Rent**"). County, at County's option and upon thirty (30) days prior written notice to Lessor, may convert any portion of the Abated Rent to cash to be used toward FF&E, cabling, and any other move-related expenses.

To obtain rent payments and payment of any other amounts hereunder Lessor (or Lessor's designee) shall submit to County's HCA/Facilities Services Manager, in a form reasonably acceptable to said HCA/Facilities Services Manager, a written claim for said rent payments.

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

- A. The first day of the month following the month earned; or
- B. Receipt of Lessor's written claim by the HCA/Facilities Services Manager.

Should County occupy the Premises before the Commencement Date, Lessor shall be entitled to pro rata rent for the period of occupancy and the amount of space occupied prior to the beginning of the Lease Term based

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upon the monthly installment above. Said Rent shall be included in the rent claim submitted by Lessor for the first full month of the Lease Term and shall be paid by County at the time of payment for said month.

County shall pay Additional Rent in accordance with this Clause. “**Additional Rent**” consists of additional utility charges under the Clause 20 (UTILITIES) of this Lease.

### 10. RENT ADJUSTMENT (1.9 SA)

The monthly rent payable by County for the Premises (“**Rent**”) shall be automatically adjusted as follows:

<u>Period</u>	<u>Rent</u>	<u>Per Square Foot</u>
Months 1-10	\$0.00	\$0.00
Months 11-12	\$22,797.40	\$3.10
Months 13-24	\$23,481.32	\$3.19
Months 25-36	\$24,185.76	\$3.29
Months 37-48	\$24,911.33	\$3.39
Months 49-60	\$25,658.67	\$3.49
Months 61-72	\$26,428.43	\$3.59
Months 73-84	\$27,221.29	\$3.70
Months 85-96	\$28,037.93	\$3.81
Months 97-108	\$28,879.06	\$3.93
Months 109-120	\$29,745.44	\$4.04
Months 121-130	\$30,637.80	\$4.17

The monthly Rent, above, is the amount to be paid by County. The “Per Square Foot” rate, above, is an estimate for statistical purposes only and for no other purpose.

### 11. ADJUSTMENT FOR COST OF LESSOR SERVICES (2.0 SA) – *Intentionally Omitted*

### 12. RIGHT OF FIRST OFFER (2.1 SA)

During the Term and Extension Term(s), County will have a continuing right of first offer (the “**ROFO**”) to lease any space located in the Building, which is immediately adjacent to the Premises (each, a “**ROFO Space**”) that becomes available. County may request, by written notice to Lessor an “**Availability Request**” that Lessor notify County of whether any ROFO Space is then available or whether a ROFO Space will become available in the following twelve (12) month period. Lessor shall also advise County (the “**ROFO Offer**”) of the terms under which Lessor is prepared to lease (or will be prepared to lease in the case of a ROFO Space Lessor anticipates to become available in the following twelve (12) month period) the applicable ROFO Space; provided, however, at County’s option, the term for such space will be adjusted proportionately to permit expiration coterminous with the Term. County will have thirty (30) days after receipt of Lessor’s ROFO Offer to notify Lessor of its intent to exercise its ROFO; provided, however that, if County was entitled to exercise the ROFO, but failed to so exercise the same within the thirty (30) day period described above, and Lessor does not enter into a lease for the applicable ROFO Space within two (2) months following the date of the ROFO Offer, County shall once have a ROFO with respect to the applicable ROFO Space. Notwithstanding anything herein to the contrary, County’s ROFO is subject and subordinate only to the expansion rights of any tenant of the Building existing as of the Commencement Date of this Lease.

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### 13. CONSTRUCTION (2.2 SA)

A. **Improvement Allowances:** In addition to performing the Work, as defined below in Subclause B, Lessor hereby agrees to provide County with an allowance of twenty dollars (\$20.00) per RSF (totalling \$147,080.00) to be used towards FF&E, cabling, and any other move-in related expenses (“**FF&E Allowance**”). Any unused FF&E Allowance may, at County’s sole discretion, be used to offset Rent and/or converted to cash upon thirty (30) days prior written notice to Lessor. Notwithstanding any provision to the contrary contained herein, to the extent any portion of the FF&E Allowance is unused by County as of April 30, 2025 (the “**Outside Date**”), then the remaining balance thereof shall be credited towards County’s payment of rent. Lessor agrees to pay County’s architect a test-fit fee of up to \$0.20 per RSF (totalling \$1,470.80) (“**Test-Fit Allowance**”).

B. **Completion Schedule:** Lessor hereby agrees to complete, at Lessor’s expense, the alterations, repairs, and other work (the “**Work**”) in accordance with the plans and specifications attached hereto and made a part hereof as Exhibit C. Lessor agrees to use commercially reasonable efforts to cause the Substantial Completion of the Work to occur within one hundred eighty (180) days of the Effective Date (the “**Scheduled Delivery Date**”). As used in this Lease, “**Substantial Completion**” or “**Substantially Completed**” means that the Work shall have been completed in accordance with the provisions of this Lease, Exhibit C, and any mutually approved plans and specifications, evidenced by signed off permits for such Work which have been issued in connection with such Work, subject to any “punch list” items, if any. Upon Substantial Completion, Lessor shall send County a Work Acceptance Letter, attached hereto as Exhibit G. County shall approve and accept the Work by signing the Work Acceptance Letter, which may be subject to completion of items on a punch list, attached to the Work Acceptance Letter by County within twenty-one (21) days of receipt. County shall not be required to send back the Work Acceptance Letter until County is satisfied that the Work has reached Substantial Completion (other than punch list items, if any) pursuant to this Lease, in County’s sole and reasonable discretion. The “**Final Completion Date**” means Lessor’s completion of the Work as reasonably determined by County and as evidenced by the Work Acceptance Letter, and completion of the items set forth in the punch list (if any). The determination of whether the Final Completion Date has occurred will be made in County’s reasonable discretion.

C. **County Remedies:** If the Substantial Completion of the Work fails to occur on or prior to the Scheduled Delivery Date, other than as a result of an event of Force Majeure (as defined in Clause 49 (FORCE MAJEURE)), or a delay caused by County, Lessor shall be obligated to pay a penalty to County of five hundred dollars (\$500.00) per day for the period from the Scheduled Delivery Date through the day prior to the Final Completion Date. The Parties agree that this amount is a reasonable and fair assessment of the County’s damages in such a situation. County shall also be entitled to pursue all available remedies at law or equity and pursuant to this Lease (as further defined in Clause 28 (DEFAULTS AND REMEDIES)).

D. **Approvals:** All planning and architectural/design costs required to accomplish the Work shall be Lessor’s responsibility and shall be approved by HCA/Facilities Services Manager. Such approvals will not be unreasonably withheld or delayed and if a written disapproval of any request by Lessor is not received within five (5) working days after submission, such request shall be deemed approved. Such approvals by the HCA/Facilities Services Manager shall not relieve Lessor of the responsibility for complying with all applicable codes and construction requirements, nor of obtaining necessary permits or approvals from the authorities of proper jurisdiction.

E. **Punch List:** Upon Substantial Completion (as defined above) of the Work, Lessor shall request the HCA/Facilities Services Manager’s approval and acceptance of such Work, which approval will not be unreasonably withheld or delayed. Said approval shall be manifested by letter from the HCA/Facilities Services Manager (the “**Work Acceptance Letter**”), and may be subject to completion of items on a “punch

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list,” which shall be generated by County and included in the Work Acceptance Letter. County shall not be required to send the Work Acceptance Letter until County is satisfied that the Work has reached Substantial Completion (other than punch list items, if any) pursuant to this Lease, in County’s sole and reasonable discretion.

In the event County’s approval and acceptance of the Work is given along with a punch list, Lessor shall use its commercially reasonable efforts to complete all punch list items within thirty (30) days following receipt of the Work Acceptance Letter. Should the items on the punch list not be completed within thirty (30) days other than as a result of actions (or inactions) of County or events of Force Majeure, Lessor shall be obligated to pay a penalty to County of five hundred dollars (\$500.00) per day for the period from the date Lessor receives the Work Acceptance Letter through the Final Completion Date or County shall have the option to complete the Work and deduct the actual and reasonable cost thereof, including labor, materials, and overhead from any rent payable.

F. **Project Management Oversight**: County may, at County’s sole discretion, select a project manager or construction manager, at County’s sole cost and expense, to assist in County’s oversight of the Work (the “**Project Manager**”). County may use the Abated Rent and/or the FF&E Allowance towards the cost of hiring a Project Manager. The Project Manager will represent the County’s best interest during the construction of the Work to confirm that the Work is being performed pursuant to the terms of this Lease and will act as the liaison between Lessor and County in all items that are subject to approval by County as provided in Clause 13(C) above.

### H. **County Alterations to Work** – *intentionally omitted*

I. **Performance of Work**: Lessor agrees that any improvement being constructed by, or under the direction of, Lessor shall be constructed in substantial compliance with County approved plans and if and to the extent applicable, in compliance with the requirements of California Public Contract Code Section 22000 *et seq.*, which requires those improvements to be constructed as if such improvements had been constructed under the direction and supervision, or under the authority, of County. In partial satisfaction of the requirements of Section 22000 *et seq.*, if applicable: (a) Lessor shall be required to secure the faithful performance of construction and completion of construction of the improvement by appropriate contractor’s bonds as required by the California Public Contracts Code and shall require its contractor or contractors to pay the prevailing rate of per diem wages for work of a similar character in the locality of the County and not less than the general prevailing rate of per diem wages for holiday and overtime work, as provided in Clause 29 (LABOR CODE COMPLIANCE) of this Lease; (b) Lessor shall publicly advertise for bids for such improvements, as provided in Orange County Codified Ordinances 1-8-1 *et seq.*, and shall provide County a list of all bids received for the contract; and (c) thereafter, with the prior written approval of County as to the winning bid, Lessor shall award the contract or contracts for such improvements.

J. **Force Majeure Delay**: The occurrence of an event of Force Majeure (as defined in Clause 49 (FORCE MAJEURE)) shall excuse the performance by that Party for a period equal to the prevention, delay or stoppage (except the obligations imposed with regard to the payment of Rent and other sums to be paid by County pursuant to this Lease), provided the affected Party gives the other Party notice within thirty (30) days of the event causing the prevention, delay or stoppage.

### 14. **PAINTING BY LESSOR (2.3 SA)** – *intentionally omitted*

### 15. **CARPETING BY LESSOR (2.4 SA)** – *intentionally omitted*

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### 16. ALTERATIONS (2.5 N)

County may make improvements and changes in the Premises, including, but not limited to, the installation of fixtures, partitions, counters, shelving, and equipment as deemed necessary or appropriate by the County in its discretion following the prior written notice to Lessor; provided, however that if such improvements or changes affect the Building systems, the structural portions of the Building, or can be seen from the exterior of the Premises, then County shall obtain the prior written consent of Lessor (which shall not be unreasonably withheld, conditioned or delayed) prior to the performance of the same. It is agreed that any such fixtures, partitions, counters, shelving, or equipment attached to or placed upon the Premises by County shall be considered as personal property of County, as defined below in Clause 32 (COUNTY PROPERTY), who shall have the right, but not the obligation, to remove same and County will repair all damage to the Premises caused by the removal of such items at its sole cost and expense. All such work will be properly permitted (including the issuance of a permit, if required) and constructed by a licensed contractor in a good and workmanlike fashion at County's sole cost and expense. County agrees that the Premises shall be left in as good condition as when received, reasonable wear and tear exempted.

### 17. COUNTY-REQUESTED ALTERATIONS (2.6 N)

County through the Health Care Agency/Facilities Services Manager, may, during the Term of the Lease, request Lessor to make improvements and changes to the Premises ("**County-Requested Alterations**") and Lessor shall not unreasonably withhold, condition or delay its consent to any such request. All plans and working drawings for such County-Requested Alterations, as well as the final work, shall be subject to the written approval of Lessor and the Health Care Agency/Facilities Services Manager.

Furthermore, County through the Health Care Agency/Facilities Services Manager, may, during the Term of the Lease request Lessor to provide Additional Services to the Premises. "**Additional Services**" are defined as any services and/or supplies requested by County to be provided by Lessor that are in addition to and outside the scope of the Services completed by Lessor as such are defined in Clause 19 (REPAIR, MAINTENANCE, AND JANITORIAL SERVICES), below, and which Lessor reasonably agrees to provide

All such County-Requested Alterations and any Additional Services requested by County shall be made by Lessor, at Lessor's sole cost, and reimbursed in a lump sum as Additional Rent by County upon receipt by County from Lessor of a written claim for such reimbursement. County acknowledges that Lessor will also be charging a construction management fee equal to five percent (5%) of the hard cost of the work performed pursuant to this Clause 17 (COUNTY-REQUESTED ALTERATIONS) and that such construction management fee is in addition to any fees charged by the project manager selected by County, if applicable.

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

Lessor agrees that any County-Requested Alterations being constructed by, or under the direction of Lessor in accordance with this Clause 17, shall be constructed in substantial compliance with County approved plans and to the extent applicable, in compliance with Federal, California, city and local laws, including but not limited to, the requirement of California Public Contract Code Section 22000 et seq., and shall require, to the extent applicable, its contractor or subcontractors to pay not less than the general prevailing rate of per diem wages for work of a similar character in the locality of the County and not less than the general prevailing rate



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of per diem wages for holiday and overtime work, as provided in Clause 29 (LABOR CODE COMPLIANCE) of this Lease.

Following the written approval to let a contract for County-Requested Alterations in accordance with this Clause 17, Lessor shall, to the extent applicable, publicly advertise for bids for such County-Requested Alterations, as provided in Orange County Codified Ordinances 1-8-1 et seq., and shall provide County a list of all bids received for the contract. Thereafter, with the prior written approval of County as to the winning bid, Lessor shall award the contract or contracts for such County-Requested Alterations. County's approval of the bid shall be limited to the dollar value only, to ensure it is within County's budget.

### 18. ORANGE COUNTY TELECOMMUNICATIONS NETWORK (2.7 N)

Subject to Lessor's commercially reasonable Building standard rules and regulations, Lessor agrees that County may install, at County's sole cost and expense, telecommunication devices in, on, or around the Premises and Building in accordance with the relevant and applicable County telecommunications network plans and specifications, provided that the provisions of Clause 16 (ALTERATIONS), shall be applicable to such work. It shall be County's responsibility to obtain all governmental permits and/or approvals required for such installation; however, Lessor shall reasonably cooperate with County as necessary or appropriate, and at no additional cost to Lessor, to obtain said permits and/or approvals. Additionally, subject to Lessor's commercially reasonable Building standard rules and regulations, County or County's subcontractor has the right to enter the Premises and/or Building to maintain, repair or replace the County telecommunications network consistent with said contract between County and service provider. County may, in its discretion, remove any cabling, conveyance systems or cabling conduit installed by County. When the Lease is terminated, County reserves all rights to remove, in its discretion, any such telecommunication improvements from the Premises and/or Building.

### 19. REPAIR, MAINTENANCE, AND JANITORIAL SERVICES (2.8 N)

- A. **Lessor Services.** Lessor shall provide, at its sole cost and expense (except as otherwise provided in this Lease) any and all necessary repair, maintenance and replacement for the Premises and Building (and systems therein) in good order, condition and repair and in compliance with all applicable laws, including, but not limited to, the replacement, repair and maintenance of the structural portions of the Building, the roof of the Building, the parking facilities and all Building systems including the Heating, Ventilation, Air Conditioning ("HVAC") system, the plumbing, electrical and mechanical systems, fire/life safety system, elevators, roof, paving, fire extinguishers, pest control, and whether capital or non-capital (the "**Services**"), and as may be set forth in Exhibit D, which is attached hereto and by reference made a part hereof. Any repairs or replacements performed by Lessor must be at least equal in quality and workmanship to the original work and be in accordance with all applicable laws and local permit regulations. The Services shall be made promptly to keep the Premises and the Building in the condition described in this Clause 19. Should Lessor default in its obligations under this clause, the County may exercise those remedies set forth in Clause 19(B) below.
- B. **County Remedies.** If Lessor fails to provide the Services within fifteen (15) days after HCA/Facilities Services Manager provides written notice thereof to Lessor specifying any such default and affording Lessor such fifteen (15) day period to complete the cure of such default, provided, however, that if the cure cannot reasonably be completed within such time period, Lessor shall be afforded an additional reasonable amount of time to complete the cure, as long as Lessor commences the cure within such time period and diligently pursues same to completion, without limiting any available remedy to County (including, but not limited to, County Remedies as defined in Clause 28 (DEFAULTS AND

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REMEDIES)), County may (upon written notice to Lessor and Lessor's lender, to the extent contact information for such lender has been provided in writing to County), and, at its sole discretion, perform or arrange for the performance of such Services, and deduct the cost thereof plus an administrative charge of ten percent (10%) of the cost from any Rent payable without further notice; or in the event that Lessor fails to provide required Services to the Premises sixty (60) days after the 15-day written notice, above, to Lessor, Lessor shall be obligated to pay a penalty to County of five hundred dollars (\$500.00) per day until such Services are provided by Lessor.

- C. **Warranties.** Lessor shall keep in force, all standard manufacturers' warranties including any existing extended warranties for all building equipment. When manufacturers' warranties for the HVAC, roof and elevator expire, Lessor will contract with an industry standard maintenance company ("**Vendor**") that specializes in the maintenance of such equipment (and for the roof) for regular and scheduled inspections as recommended by the manufacturer, and shall promptly authorize said Vendor to perform any and all reasonably required maintenance to the equipment and roof necessary to keep the same in good condition and repair. Lessor shall authorize Vendor(s) to provide County with copies of said report(s) upon County request. Should Lessor fail to comply with the provisions of this clause, County may exercise those remedies set forth in Clause 19(B) above.

In order for the County to comply with the California Code of Regulations, Title 8, Section 5142 ("**Regulation 5142**"), and as it may be subsequently amended, Lessor shall regularly inspect and maintain the HVAC system as required by Regulation 5142 and provide repair and maintenance accordingly. Inspections and maintenance of the HVAC system shall be documented in writing and Lessor shall retain such records for at least five (5) years. Lessor shall make all HVAC records required by this section available to County for examination and copying, within forty-eight (48) hours of a written request. Lessor acknowledges that County may be subject to fines and/or penalties for failure to provide said records to regulatory agencies within the given timeframes. Should County incur fines and/or penalties as a direct result of Lessor's failure to provide said records to County in a timely manner and as set forth herein, Lessor shall reimburse County for said fines and/or penalties within thirty (30) days upon written notice. Should Lessor fail to reimburse County within thirty (30) days, County may deduct the amount of the fine and/or penalty from any Rent payable without further notice.

- D. **HVAC System.** Air conditioning will be supplied to cause the temperature in the Premises and Building at a temperature consistent with other office buildings in Orange County, California, which are typically not less than 70° F nor greater than 75° F, during all Normal Business Hours as defined below in Clause 19(E).
- E. **Normal Business Hours.** County acknowledges that the HVAC services to the Building shall operate only from 8:00 a.m. to 6:00 p.m. Monday through Friday and Saturday from 8:00 a.m. to 12:00 p.m., excluding governmental holidays ("**Normal Business Hours**"). A list of government holidays shall be provided to Lessor on a yearly basis upon request to County.

Notwithstanding the utilities provided during Normal Business Hours, Lessor shall provide HVAC services prior to the beginning of Normal Business Hours in order for the temperature parameters required by this Lease, above, to be met and maintained at the beginning and throughout Normal Business Hours. There shall be no extra utility charges for HVAC services prior to the beginning of Normal Business Hours.

## Attachment A

Additionally, County and/or County visitors may require periodic access to the Premises outside of Normal Business Hours. Lessor agrees to provide County access through a mutually agreed upon process.

- F. **Emergency Services.** If County requires same day emergency repairs and/or services (“**Emergency Services**”) and Lessor cannot be contacted for such Emergency Services (as determined by the County), or the Emergency Services are necessary to remedy the emergency condition or to prevent imminent danger to persons or property, or if Lessor following such contact by County is unable or refuses to provide the necessary Emergency Services, County may have the necessary repairs made and/or provide Emergency Services to remedy the emergency condition, and deduct the cost thereof, including labor, materials, and overhead from any Rent payable without further notice.
- G. **Operations Shutdown.** Should County be forced to completely shut down its operations within the Premises and/or Building due to Lessor’s failure to provide Services or Emergency Services required by this Clause 19 for a period of twenty four (24) consecutive hours, , Lessor shall be responsible for the actual cost to County of such shutdown and for replacement premises as necessary due to such shutdown; provided, however that Lessor shall not be liable for such costs so long as Lessor is diligently pursuing a cure and Rent shall abate hereunder until Lessor provides the Services or Emergency Services required by this Clause 19. Should Lessor be liable for the County’s incurred costs as a result of a shut down due to Lessor’s failure to provide said Services and as set forth herein, Lessor shall reimburse County for said costs within thirty (30) days of written notice which shall include written documentation of said costs. Should Lessor fail to reimburse County within thirty (30) days, County may deduct the amount of the costs and/or replacement premises from any Rent payable without further notice.

### 20. UTILITIES (2.9 N)

Lessor shall be responsible for and pay, prior to the delinquency date, all charges for utilities supplied to the Premises except telephone and internet, which shall be the obligation of County. Should Lessor fail to provide, or pay for (prior to delinquency date), utility service to the Premises, County may provide such service and deduct the cost thereof, including overhead, from any Rent payable. Lessor shall be responsible for any other costs, taxes, and/or assessments not provided for in this clause.

Should County require HVAC services at times other than during Normal Business Hours as defined in Clause 19(E) above, County shall pay Lessor a reimbursement equal to seventy-five dollars (\$75.00) per hour for each hour HVAC services are used during times other than Normal Business Hours. Lessor shall provide County with a written statement of its monthly usage in the form of an invoice, which shall include a statement showing the date, time, location and duration of such usage, along with a summary of the County’s monthly charges. County shall pay Lessor for excess usage with the following month’s Rent.

### 21. INSURANCE (3.0 N)

**Commercial Property Insurance:** Lessor shall obtain and keep in force during the Term of this Lease a policy or policies of commercial property insurance written on an “All Risks” or “Special Form” basis, or a substitute form providing coverage at least as broad, covering the loss or damage to the Premises to the full insurable value of the improvements located on the Premises (including the full value of all improvements and fixtures owned by Lessor) at least in the amount of the full replacement cost thereof, and in no event less than the total amount required by any lender holding a security interest.

## Attachment A

Lessor agrees to and shall include in the policy or policies of commercial property insurance a standard waiver of the right of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees by the insurance company issuing said policy or policies. Lessor shall provide the County of Orange with a Certificate of Insurance as evidence of compliance with these requirements prior to the Commencement Date of this Lease.

**Commercial General Liability Insurance:** Lessor shall obtain and keep in force during the Term of this Lease a policy or policies of commercial general liability insurance covering all injuries and property damage occurring within the building and the Premises. The policy or policies evidencing such insurance shall provide the following:

- A. 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, agents and employees* as an additional insured, or provide blanket coverage which will state, **AS REQUIRED BY WRITTEN AGREEMENT**;
- B. A primary and non-contributory endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Lessor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing;
- C. Lessor 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.
- D. Shall provide a limit of One Million Dollars (\$1,000,000) per occurrence with a Two Million Dollars (\$2,000,000) aggregate and shall include broad form contractual liability coverage.
- E. The policy or policies of insurance 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**).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings. Prior to the Commencement Date of this Lease and upon renewal of such policies, Lessor shall submit to County a Certificate of Insurance and required endorsements as evidence that the foregoing policy or policies are in effect.

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

**County Insurance.** County shall maintain a program of self-insurance at its own expense for its liability exposures including commercial general liability with a minimum limit of \$1,000,000 per occurrence and a \$2,000,000 aggregate, auto liability with a minimum limit of \$1,000,000 per occurrence, Workers Compensation with statutory limit and Employers' Liability insurance with a \$1,000,000 limit and a combined primary and excess liability coverage in the amount of \$5,000,000. County shall maintain a program of commercial insurance or at its own expense shall cover physical damage of (i) all tenant improvements, existing in the Premises as of the Commencement Date, and (ii) all other improvements, alterations and additions to the Premises. Evidence of the County's self-insurance shall be provided upon request, with Lessor and Lessor's Property Manager named as an Indemnified Party on the County's program of self-insurance.

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### **22. INDEMNIFICATION (3.1 N)**

Lessor hereby agrees to indemnify, hold harmless, and defend County, its elected and appointed officials, officers, agents, employees, and those special districts and agencies which the Board of Supervisors acts as the governing board, with counsel approved by County, against any and all claims, loss, demands, damages, cost, expenses or liability arising out of the ownership, maintenance, or use of the Premises by Lessor, except for liability arising out of the negligence or wilfull misconduct of County, its elected and appointed officials, officers, agents, or employees, including the cost of defense of any lawsuit arising therefrom. In the event County is named as co-defendant, Lessor shall notify County of such fact and shall represent County, with counsel approved by County, in such legal action unless County undertakes to represent itself as co-defendant in such legal action, in which event Lessor shall pay County's litigation costs, expenses and attorneys' fees. In the event judgment is entered against County and Lessor because of the concurrent negligence of County and Lessor, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither Party shall request a jury apportionment.

County hereby agrees to indemnify, hold harmless, and defend Lessor, its officers, agents, and employees, against any and all claims, loss, demands, damages, cost, expenses or liability arising out of the use of the Premises by County, except for liability arising out of the negligence or wilfull misconduct of Lessor, its officers, agents, or employees, including the cost of defense of any lawsuit arising therefrom.

### **23. TOXIC MATERIALS (3.2 N)**

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

Likewise, Lessor hereby warrants and represents that Lessor has in the past and will hereafter comply with all laws and regulations relating to the storage, use and disposal of Toxic Materials. If the previous, current and future storage, use, and disposal of Toxic Materials on the Premises by Lessor results in contamination or deterioration of water or soil resulting in a level of contamination greater than maximum allowable levels established by any governmental agency having jurisdiction over such contamination (and such violation does not arise out of any acts or omissions of County, its agents, employees or contractors), Lessor shall promptly take any and all action necessary to clean up such contamination.

### **24. BUILDING AND SAFETY REQUIREMENTS (3.3 N)**

During the Term and Extension Term(s) of this Lease, Lessor, at Lessor's sole cost, agrees to maintain the Premises in compliance with all applicable laws, rules, regulations, building codes, statutes, and orders as they are applicable on the date of this Lease, and as they may be subsequently amended, including but not limited to the California Building Code, Title 24, Seismic Code, Fire and Life Safety requirements and, if applicable, California Green Building Standard Code.

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Included in this provision is compliance with the Americans with Disabilities Act (“ADA”) and all other federal, state, and local codes, statutes, and orders relating to disabled access as they are applicable on the dates of this Lease, and as they may be subsequently amended and all regulations issued by the U. S. Attorney General or other agencies under the authorization of the ADA. However, Lessor shall not be responsible for any ADA violations resulting from alterations made by County or the placement of County’s furniture, fixtures or equipment by County.

Lessor shall use commercially reasonable efforts to repair and maintain the Premises as a “safe place of employment,” as defined in the California Occupational Safety and Health Act (California Labor Code, Division 5, Part 1, Chapter 3, beginning with Section 6400) and the Federal Occupational Safety and Health Act, where the provisions of such Act exceed, or supersede, the California Act, as the provisions of such Act are applicable on the date of this Lease, and as they may be subsequently amended. County agrees to notify Lessor of any repair or maintenance necessary within the Premises or Building to comply with such Act and Lessor agrees to diligently act to repair or maintain appropriately so long as such repair or maintenance of the Premises is a Lessor expense as defined in Clause 19(A) (REPAIR MAINTENANCE, AND JANITORIAL SERVICES) above. In the event that such repair or maintenance is necessary and is the result of County negligence, provided that County approves a work order with associated expense estimate, Lessor agrees to perform such repair or maintenance and County agrees to reimburse Lessor within thirty (30) days.

In the event Lessor neglects, fails, or refuses to maintain said Premises as aforesaid, following thirty (30) days after written notice from County to Lessor providing notice of such neglect or failure or refusal (provided, that so long as Lessor is diligently pursuing the applicable cure, such thirty (30) day period shall be extended to the extend of any Force Majeure delays, not to exceed ninety (90) days in the aggregate), County may, notwithstanding any other termination provisions contained herein:

- A. Thirty (30) days following a second written notice of such neglect or failure or refusal, County may terminate this Lease with written notice to the Lessor; or
- B. At County’s sole option, cure any such default by performance of any act, including payment of money, and subtract the cost thereof plus reasonable administrative costs (ten percent (10%)) from the Rent.

Lessor agrees to reimburse and indemnify, and defend County for any expenses incurred because of the failure of the Premises to conform with any and all applicable laws, rules, regulations, building codes, statutes, and orders, including the costs of making any alterations, renovations, or accommodations required by the ADA, or any governmental enforcement agency, or any court, any and all fines, civil penalties, and damages awarded against County resulting from a violation or violations of the above-cited laws, rules, regulations, building codes, statutes, and orders and regulations, and all reasonable legal expenses incurred in defending claims made under the above-referenced laws, rules, regulations, building codes, statutes, and orders, including reasonable attorneys’ fees. Should Lessor fail to comply with the provisions of this Clause, the County may also exercise those remedies set forth in Clause 19(B) (REPAIR MAINTENANCE, AND JANITORIAL SERVICES).

### 25. ASSIGNMENT AND SUBLETTING (3.4 SA)

- A. **General.** County shall not assign this Lease or sublet the Premises in whole or in part without Lessor’s prior written consent, which consent shall not be unreasonably withheld. Lessor shall respond in writing to County’s request to assign this Lease or sublet all or any portion of the Premises within fifteen (15) days of County’s request. In the event Lessor withholds consent to any such request by

## Attachment A

County, Lessor shall provide reasonable details of its reason for such withholding of consent. In the event Lessor fails to timely respond to County's request, Lessor shall be deemed to have approved such request. No assignment or subletting relating to this Lease or agreement entered into with respect thereto, shall relieve County from any liability under this Lease.

- B. **Justifications for Withholding Consent.** By way of example and not limitation, Lessor shall be deemed to have reasonably withheld consent to a proposed assignment or sublease if in Lessor's reasonable opinion (i) the Premises are or may be in any way materially adversely affected thereby; (ii) the business reputation of the proposed assignee or subtenant is unacceptable; or (iii) the financial worth of the proposed assignee or subtenant is insufficient to meet the obligations of the subject sublease or assignment. Notwithstanding anything to the contrary contained herein, in no event shall it be reasonable for Lessor to withhold its consent on the basis that there is vacancy in the Building or based on the fact that the proposed assignee or sublessee currently leases space in the Building or has been or is currently in negotiations with Lessor to lease space at the Building.
- C. **Excess Profit.** If County shall make any assignment or sublease, with Lessor's consent, for a rental in excess of the rent payable under this Lease, Lessor shall not be entitled to any of such excess which shall be held by County.

### 26. SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE (3.5 N)

This Lease and all rights of the County hereunder are subject and subordinate to any mortgage or deed of trust which does now or may hereafter cover the Premises or any interest of Lessor therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, consolidations, replacements and extensions of any such mortgage or deed of trust except, insofar as County is meeting its obligations under this Lease, any foreclosure of any mortgage or deed of trust shall not result in the termination of this Lease or the displacement of County.

In the event of transfer of title of the Premises, including any proceedings brought for foreclosure or in the event of the exercise of the power of sale under any mortgage or deed of trust, or by any other transfer of title covering the Premises, County shall attorn to and recognize any subsequent title holder as the Lessor under all terms, covenants and conditions of this Lease. So long as County is not in County Default per Clause 28 (DEFAULTS AND REMEDIES), County's possession of the Premises shall not be disturbed by the Lessor, or its successors in interest, and this Lease shall remain in full force and effect. Said attornment shall be effective and self-operative immediately upon succession of the current title holder, or its successors in interest, to the interest of Lessor under this Lease.

Lessor obtained and delivered to County a *Subordination, Attornment and Non-Disturbance Agreement* from Lessor's Lender (attached hereto in Exhibit E), which the Parties have signed. Lessor shall make commercially reasonable efforts to require all future lenders on the Premises, upon initiation of their interest in the Premises or within a reasonable time thereafter, to enter into a *Subordination, Attornment and Non-Disturbance Agreement* with County, thereby insuring County of its leasehold interests in the Premises. Said *Subordination, Attornment and Non-Disturbance Agreement* shall be in the form attached hereto and by this reference made a part hereof as Exhibit E or in a commercially reasonable form required by Lender and reasonably approved by the HCA/Facilities Services Manager, the Chief Real Estate Officer and County Counsel. Accordingly, notwithstanding anything to the contrary herein, County's obligation to enter into an agreement to subordinate its interest under this Lease to a lien or ground lease not in existence as of the date of this Lease shall be conditioned upon the holder of such lien, or a ground Lessor, as applicable, confirming

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in writing that County's leasehold interest hereunder shall not be disturbed so long as no County Default exists under this Lease.

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

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

### 27. ESTOPPEL CERTIFICATE (3.6 SA)

County agrees that the HCA/Facilities Services Manager shall furnish upon receipt of a written request from Lessor or the holder of any deed of trust or mortgage covering the Premises or any interest of Lessor therein ("**Lessor Representative**"), County's standard form *Estoppel Certificate* (consistent with the form attached hereto in Exhibit F) containing information as to the current status of the Lease. Said standard form *Estoppel Certificate* shall be completed by County in a timely manner, shall be approved by Chief Real Estate Officer and County Counsel.

### 28. DEFAULTS AND REMEDIES (3.7 N)

#### County Default:

County shall be deemed in default of this Lease if: a) in the event of any monetary breach of this Lease by County, Lessor shall notify County in writing of such breach, and County shall have ten (10) days from such notice in which to cure said breach or b) in the event of any non-monetary breach of this Lease, County fails within fifteen (15) days after receipt by County of written notice specifying wherein such obligation of County has not been performed; provided however, that if the nature of County's obligation is such that more than fifteen (15) days after such notice are reasonably required for its performance, then County shall not be in breach of this Lease if performance is commenced as soon as reasonably possible within such fifteen (15) day period and thereafter diligently pursued to completion (each, a "**County Default**").

#### Lessor Default:

Lessor shall be deemed in breach of this Lease if: a) in the event of any monetary breach of this Lease by Lessor, County shall notify Lessor in writing of such breach, and Lessor shall have ten (10) days from such notice in which to cure said breach or b) in the event of any non-monetary breach of this Lease, Lessor fails within fifteen (15) days after receipt by Lessor of written notice specifying wherein such obligation of Lessor has not been performed; provided however, that if the nature of Lessor's obligation is such that more than fifteen (15) days after such notice are reasonably required for its performance, then Lessor shall not be in breach of this Lease if performance is commenced as soon as reasonably possible within such fifteen (15) day period and thereafter diligently pursued to completion (each, a "**Lessor Default**").

#### County Remedies:



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If the Lessor Default is a result of a monetary breach by Lessor in the payment of any amounts due hereunder, County may withhold such amount from the next scheduled Rent payment. County's remedies as the result of Lessor Default for monetary or non-monetary breach shall be the right to damages, injunctive relief, and/or any other rights at law or in equity.

### **Lessor Remedies:**

If the County Default is a result of a monetary breach by County in the payment of the Rent, pursuant to Clause 9 (RENT), Lessor may declare all rent payments to the end of County's current fiscal year to be due, including any delinquent rent from prior budget years. However, in no event shall Lessor be entitled to a remedy of acceleration of the total rent payments due over the Term of this Lease. Lessor's remedies as the result of County Default for monetary or non-monetary breach shall be the right to damages, injunctive relief, and/or any other rights at law or in equity. Upon a County Default for failure to pay Rent and County abandons the Premises, in addition to any other remedies available to Lessor at law or in equity and under this Lease, Lessor shall have the remedy described in California Civil Code Section 1951.4 (Lessor may continue this Lease in effect after County's Default and abandonment and recover Rent as it becomes due, provided County has the right to sublet or assign, subject only to reasonable limitations).

### **29. LABOR CODE COMPLIANCE (3.8 SA)**

Lessor acknowledges and agrees that all improvements or modifications required to be performed as a condition precedent to the Commencement Date or any such future improvements or modifications performed by Lessor at the request of County shall be governed by, and performed in accordance with, the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (Sections 1770, et seq.), as applicable. These provisions may be applicable to improvements or modifications costing more than \$1,000, unless an exception applies, including but not limited to the exception to the definition of public works under § 1720.2.

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, Lessor shall 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. Lessor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates at all times for all improvements or modifications to be completed for County within the Premises. Lessor shall comply with the provisions of Sections 1775 and 1813 of the Labor Code.

As required by applicable law, Lessor shall maintain payroll records for all workers that will be assigned to the improvements or modifications. Said payroll records shall contain, but not be limited to, the complete name, address, telephone number, social security number, job classification, and prevailing wage rate for each worker. Upon request, Lessor shall provide the HCA/Facilities Services Manager updated, certified payroll records for all workers that shall include, but not be limited to, the weekly hours worked, prevailing hourly wage rates, and total wages paid.

Except as expressly set forth in this Lease, nothing herein is intended to grant authority for Lessor to perform improvements or modifications on space currently leased by County or for which County has entered into a lease or lease amendment.

### **30. RIGHT TO WORK AND MINIMUM WAGE LAWS (3.9 SA)**

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In accordance with the United States Immigration Reform and Control Act of 1986, Lessor shall require its employees that directly or indirectly service the Premises or this Lease, in any manner whatsoever, to verify their identity and eligibility for employment in the United States. Lessor shall also use commercially reasonable efforts to verify that its contractors or any other persons servicing the Premises or 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.

Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California Labor Code, Section 1178.5, Lessor shall pay no less than the greater of the Federal or California Minimum Wage to all its employees that directly or indirectly service the Premises, in any manner whatsoever. Lessor shall use commercially reasonable efforts to verify that all its contractors or other persons servicing the Premises on behalf of the Lessor also pay their employees no less than the greater of the Federal or California Minimum Wage.

Lessor shall use commercially reasonable efforts to verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the Premises or terms and conditions of this Lease.

Notwithstanding the minimum wage requirements provided for in this clause, Lessor, where applicable, shall comply with the prevailing wage and related requirements, as provided for in Clause 29 (LABOR CODE COMPLIANCE) of this Lease.

### **31. DEBT LIMIT (4.0 N)**

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

### **32. COUNTY PROPERTY (4.1 SA)**

All trade fixtures, merchandise, inventory, telecommunications equipment, supplemental air conditioning equipment and all personal property placed in or about the Premises by, at the direction of or with the consent (express or implied) of the County, its employees, agents, licensees or invitees, shall be at the sole risk of the County, and Lessor shall not be liable for any loss of or damage to said property resulting from any cause whatsoever unless such loss or damage is the result of Lessor's negligence or willful misconduct and not otherwise waived pursuant to Clause 33 (LESSOR'S RIGHT OF ENTRY) below and not covered by the insurance consistent with Clause 21 (INSURANCE) herein. Lessor hereby waives any and all lien rights, whether statutory or common law or established pursuant to this Lease, that Lessor may have as "landlord" with respect to any and all goods, wares, equipment, fixtures, furniture, improvements and other personal property of County presently or which may hereafter be situated within the Premises.

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### **33. LESSOR'S RIGHT OF ENTRY (4.2 SA)**

Upon reasonable verbal notice (which shall not be less than forty-eight (48) hours) to County (except in an emergency [which shall mean immediate risk of injury to person or property] in which case no notice shall be required, provided that Lessor shall first call County) and in the presence of County, Lessor, its agents, employees and contractors and any mortgagee of the Premises shall have the right to enter the Premises during regular business hours (a) to inspect the Premises; (b) to exhibit the Premises to prospective tenants during the last six (6) months of Term or any Extension Term, as applicable, or any time County is in material default hereunder, or purchasers of the Premises; (c) for any purpose which Lessor shall deem necessary for the operation and maintenance of the Premises; and (d) to abate any condition which constitutes a violation of any covenant or condition of this Lease.

### **34. SIGNAGE (4.3 SA)**

Lessor agrees to allow County to install and maintain, at County's sole cost and expense, identification signage in front of the Premises. Such signage shall comply with all applicable laws and zoning and site plan requirements.

### **35. AUTHORITY (4.4 SA)**

The persons executing the Lease below on behalf of County or Lessor warrant that they have the power and authority to bind County or Lessor to this Lease.

### **36. LEASE ORGANIZATION (4.5 SA)**

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

### **37. SUCCESSORS IN INTEREST (4.6 N)**

Unless otherwise provided in this Lease, the terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of all the Parties hereto. In the event Lessor transfers its interest in the Premises or the Building, Lessor shall be released from liability hereunder; provided that the transferee has assumed all of Lessor's rights and obligations.

### **38. AMENDMENT (4.7 SA)**

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

### **39. PARTIAL INVALIDITY (4.8 SA)**

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

### **40. WAIVER OF RIGHTS (4.9 SA)**

The failure of Lessor or County to insist upon strict performance of any of the terms, conditions, and covenants

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in this Lease shall not be deemed a waiver of any right or remedy that Lessor or County may have, and shall not be deemed a waiver of any right or remedy for a subsequent breach or default of the terms, conditions, and covenants herein contained.

### **41. HOLDING OVER (5.0 N)**

In the event County shall continue in possession of the Premises after the Term of this Lease, such possession shall not be considered a renewal of this Lease but a tenancy from month to month and shall be governed by the conditions and covenants contained in this Lease; provided, however, the first three (3) months after the Term expires, County shall pay the existing Rent amount. Thereafter, County shall pay one hundred and twenty-five percent (125%) of the Rent last due under this Lease.

### **42. EARTHQUAKE SAFETY (5.1 N)**

Lessor hereby confirms that to Lessor's actual knowledge as of the Effective Date, the Premises was in compliance with all applicable seismic safety regulations and building codes at the time of construction.

### **43. QUIET ENJOYMENT (5.2 SA)**

Lessor agrees that, subject to the terms, covenants and conditions of this Lease, County may, upon observing and complying with all terms, covenants and conditions of this Lease, peaceably and quietly occupy the Premises.

### **44. ADMINISTRATIVE COSTS (5.3 N)**

Lessor shall compensate County for the administrative costs absorbed by County which occur as a result of negotiating and administering documents (i.e., Non-Disturbance and Attornment Agreements and Estoppel Certificates) ninety (90) days after the commencement of this Lease if required to satisfy Lessor's Lender whether or not said Lender decides to grant a loan to Lessor. For the avoidance of doubt, the foregoing shall not apply to the Subordination Non-Disturbance and Attornment Agreement executed by Lessor, County and Lessor's existing Lender on or about the Effective Date. Said compensation amount shall be determined by multiplying the hourly rate of the HCA/Facilities Services Manager staff by the number of hours spent to negotiate, prepare and execute said documents and shall be paid to County within thirty (30) days of Lessor's receipt of County's invoice for said administrative services. Said administrative costs shall not exceed one thousand five hundred dollars (\$1,500.00). Should Lessor fail to compensate County within said thirty (30) days, County has the option to deduct the amount from Rent payable.

### **45. GOVERNING LAW AND VENUE (5.4 SA)**

This agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this agreement, 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.

### **46. ATTORNEYS' FEES (5.5 SA)**

In the event of a dispute between Lessor and County concerning claims arising out of this Lease, or in any action or proceeding brought to enforce or interpret any provision of this Lease or where any provision hereof

## Attachment A

is validly asserted as a defense, each Party shall bear its own attorneys' fees and costs.

### 47. TIME (5.6 SA)

Time is of the essence of this Lease.

### 48. INSPECTION OF PREMISES BY A CERTIFIED ACCESS SPECIALIST (5.7 SA)

In accordance with California Civil Code 1938(e), "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."

Pursuant to California Civil Code 1938, Lessor hereby represents that the Premises has not undergone an inspection by a certified access specialist and no representations are made with respect to compliance with accessibility standards. However, if it is determined that a violation of handicapped access laws (including the Americans with Disabilities Act) existed at the Premises as of the Commencement Date, Lessor shall correct such non-compliance at Lessor's cost.

### 49. FORCE MAJEURE (5.8 SA)

For purposes of this Lease, the term "**Force Majeure**" means any of the following events which are beyond the control of either Party: act of God, unavailability of equipment or materials (but only if such equipment and materials were ordered in a timely fashion), enemy or terrorist act, act of war, riot or civil commotion, strike, lockout or other labor disturbance, fire, earthquake, explosion, governmental delays (including nonstandard delays in issuance of any permit or other necessary governmental approval or the scheduling of any inspections or tests), nonstandard delays by third party utility providers, or any other matter of any kind or character beyond the reasonable control of the Party delayed or failing to perform under this Lease despite such Party's best efforts to fulfill the obligation. "**Best Efforts**" includes anticipating any potential force majeure event and addressing the effects of any such event (a) as it is occurring and (b) after it has occurred, to prevent or minimize any resulting delay to the greatest extent possible. Force Majeure shall not include inability to obtain financing or other lack of funds. Lessor and County shall be excused for the period of any delay in the performance of any obligation hereunder when such delay is occasioned by Force Majeure.

### 50. CONDEMNATION (5.9 N)

If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively, "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If all or a material portion of the rentable area of the Premises are taken by Condemnation, County may, at County's option, to be exercised in writing within ten (10) days after Lessor shall have given County written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. Lessor shall also have the right to terminate this Lease if there is a taking by Condemnation of any portion of the Building

## **Attachment A**

or property which would have a material adverse effect on Lessor's ability to profitably operate the remainder of the Building. If neither Party terminates this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken or for severance damages. County hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure, or any similar or successor Laws.

### **51. CONSENT OR APPROVAL (6.0 SA)**

Unless expressly stated otherwise, where the consent or approval of a Party is required, such consent or approval will not be unreasonably withheld, conditioned or delayed.

### **52. UNENFORCEABLE PROVISIONS (6.1 SA)**

If any paragraph or clause hereof shall be determined illegal, invalid or unenforceable, it is the express intention of the Parties hereto that the remainder of the Lease shall not be affected thereby, and it is also the express intentions of the Parties hereto that in lieu of each paragraph or clause of this Lease which may be determined to be illegal, invalid or unenforceable, there may be added as a part of this Lease a paragraph or clause as similar in terms to such illegal or invalid or unenforceable paragraph or clause as may be possible and may be legal, valid and enforceable.

### **53. CIRCUMSTANCES WHICH EXCUSE PERFORMANCE (6.2 SA)**

If either Party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of Force Majeure as defined above in Clause 49 (FORCE MAJEURE), performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Financial inability shall not be considered a circumstance excusing performance under this Lease.

### **54. STATE AUDIT (6.3 SA)**

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

### **55. DESTRUCTION OF OR DAMAGE TO PREMISES (6.4 N)**

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

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

## Attachment A

In the event of a Partial Destruction of the Premises, Lessor shall immediately pursue completion of all repairs necessary to restore the Premises to the condition which existed immediately prior to said Partial Destruction. Said restoration work (including any demolition required) shall be completed by Lessor, at Lessor's sole cost, within one hundred eighty (180) days of the occurrence of said Partial Destruction or within an extended time frame as may be authorized, in writing, by County. The Partial Destruction of the Premises shall in no way render this Lease and/or any option to purchase, granted herein, null and void; however, rent payable by County under the Lease shall be abated in proportion to the extent County's use and occupancy of the Premises is adversely affected by said Partial Destruction, demolition, or repair work required thereby. Should Lessor fail to complete necessary repairs, for any reason, within one hundred eighty (180) days, or other time frame as may be authorized by County, County may, at County's sole option, terminate the Lease or complete necessary repair work and deduct the cost thereof, including labor, materials, and overhead from any rent thereafter payable.

In the event of Total Destruction of the Premises or the Premises being legally declared unsafe or unfit for occupancy, this Lease and/or any option granted herein shall in no way be rendered null and void and Lessor shall immediately instigate action to rebuild or make repairs, as necessary, to restore the Premises (including replacement of all tenant improvements) to the condition which existed immediately prior to the destruction. All rent payable by County shall be abated until complete restoration of the Premises is accepted by County. In the event Lessor refuses to diligently pursue or is unable to restore the Premises to an occupiable condition (including replacement of all tenant improvements) within three hundred and sixty (360) days of the occurrence of said destruction or within an extended time frame as may be authorized, in writing, by County, County may, at County's sole option, terminate this Lease or complete the restoration and deduct the entire cost thereof, including labor, materials, and overhead from any rent payable thereafter.

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

Notwithstanding anything to the contrary in this Clause 55, Lessor and County shall each have the right to terminate this Lease, exercisable by notice to the other Party within one hundred and twenty (120) days after the damage or destruction, in each of the following instances: (i) If more than fifty percent (50%) of the full insurable value of the Building is damaged or destroyed, whether or not the Premises are damaged; or (ii) If the Premises or the Building sustains Total Destruction or the Premises is legally declared unsafe or unfit for occupancy during the last twelve (12) months of the Term, in which case notice of termination shall be given as soon as is commercially reasonable.

### **56. SECURITY SERVICES (6.5 SA)**

During the Term (as the same may be extended), County may, at its sole cost and expense, engage its own security personnel to provide security to the Premises and to County's employees, personnel, agents, licensees and/or invitees going to and from the Premises. Such security personnel shall be solely for the benefit of County and shall not be relied on by Lessor. County shall indemnify, defend and hold Lessor harmless from any third-party claim (including reasonable legal defense costs) arising from or in connection with County's security personnel being present at the Premises or Building.

### **57. COMMISSION (6.6 N)**

## Attachment A

County's obligations and responsibilities under this Lease are contingent upon the Lessor paying to County's broker, Jones Lang LaSalle, a commission as set forth in a separate commission agreement. Said commission shall be paid to Jones Lang LaSalle in accordance with the terms of a separate agreement between Lessor and Jones Lang LaSalle.

Should Jones Lang La Salle not receive the above amount within the specified time period, County may deduct any unpaid amount from future Rent.

### 58. NOTICES (6.7 SA)

All written notices pursuant to this Lease shall be addressed as set forth below or as either Party may hereafter designate by written notice and shall be deemed received upon personal delivery, delivery by facsimile machine, electronic mail, or seventy-two (72) hours after deposit in the United States Mail.

To: Lessor

Spectrum Property Owner, LLC  
c/o Birtcher Anderson & Davis  
31920 Del Obispo, Suite 260  
San Juan Capistrano, CA 92675  
Attn: Daniel Karcher

and

Spectrum Property Owner, LLC  
c/o Monday Properties  
667 Madison Avenue, 19<sup>th</sup> Floor  
New York, NY 10065

with a copy to:

Allen Matkins Leck Gamble Mallory &  
Natsis LLP  
Three Embarcadero Center, Floor 12  
San Francisco, California 94111  
Attention: Nathaniel Touboul, Esq.

To: County

County of Orange  
Health Care Agency  
405 West 5<sup>th</sup> Street  
Santa Ana, California 92701  
Attn: HCA/Facilities Services Manager

With a copy to:

County of Orange/CEO Real Estate  
400 W. Civic Center Drive, 5th Floor  
Santa Ana, CA 92701  
Attention: Chief Real Estate Officer

### 59. ATTACHMENTS (6.8 S)

This Lease includes the following, which are attached hereto and made a part hereof:

#### I. EXHIBITS

- Exhibit A - Description of Premises
- Exhibit B - Depiction of Premises
- Exhibit C - Work Space Plan and Pricing Plan
- Exhibit D - Janitorial Specifications
- Exhibit E - Form of Subordination, Attornment and Non-Disturbance Agreement
- Exhibit F - Form of Estoppel Certificate



## **Attachment A**

Exhibit G - Work Acceptance Letter  
Exhibit H - Termination Fee Schedule

### **60. COUNTERPARTS (N)**

This Lease may be executed in one or more electronic or original counterparts, each of which will be deemed an original signature but all of which together will constitute one and the same instrument.

**Attachment A**

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

APPROVED AS TO FORM:

**LESSOR**

OFFICE OF COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

SPECTRUM PROPERTY OWNER, LLC,  
a Delaware limited liability company

By: Lauren Kramer  
Deputy

By: Anthony Westreich, CEO

RECOMMENDED FOR APPROVAL:

HEALTH CARE AGENCY

DocuSigned by:  
By: Anna Peters, Chief of Administration and Finance  
HCA/Director of Administration

COUNTY EXECUTIVE OFFICE:

By: E. Scott Bunn  
Real Estate Manager

SIGNED AND CERTIFIED THAT A  
COPY OF THIS DOCUMENT HAS BEEN  
DELIVERED TO THE CHAIR OF THE BOARD  
PER GC § 25103, RESO. 79-1535

Attest:

**COUNTY**

COUNTY OF ORANGE

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Board of Supervisors  
of Orange County, California

\_\_\_\_\_  
Chairman of the Board of Supervisors  
Orange County, California

**Attachment A**

**EXHIBIT A**

**DESCRIPTION OF PREMISES**

PROJECT NO: CEO/RLS/HCA-023-012  
PROJECT: 23046 Avenida de la Carlota, Laguna Hills

DATE: October 27, 2023  
VERIFIED BY: Scott Burns

All the Premises shown crosshatched on a plot plan marked Exhibit B, attached hereto and made a part hereof, being a portion of the third floor, of that certain building at 23046 Avenida de la Carlota, Suites 350 and 360, in the city of Laguna Hills, County of Orange, State of California, comprising of approximately 7,354 square feet.

**NOT TO BE RECORDED**

**Attachment A**

**EXHIBIT B**

**DEPICTION OF PREMISES  
“Final Space Plan”**



## Attachment A

### EXHIBIT C

#### WORK SPACE PLAN AND PRICING PLAN

#### THE WORK

#### COUNTY IMPROVEMENTS AND PERFORMANCE SPECIFICATIONS

This Work Letter shall supplement the terms and conditions relating to the construction of the Work in the Premises as set forth in Clause 13 (CONSTRUCTION) of the Lease. If any conflict shall arise between this Exhibit C and the Lease, the terms and conditions of the Lease shall prevail. This Work Letter is essentially organized chronologically and addresses the issues of the construction, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Work Letter to Clauses or Sections of “this Lease” or “the Lease” shall mean the relevant portion of Clauses 1 through 60 of the Lease to which this Work Letter is attached as Exhibit C and of which this Work Letter forms a part, and all references in this Work Letter to Sections of “this Work Letter” shall mean the relevant portion of Sections 1 through 6 of this Work Letter. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease.

#### SECTION 1. - CONSTRUCTION DRAWINGS FOR THE WORK

Space Plan. Attached to the Lease as Exhibit B is the final space plan (the “Final Space Plan”).

Final Working Drawings. Lessor and its architect and engineers shall complete the architectural and engineering drawings for the Premises. The final architectural working drawings shall be in a form which is complete to allow subcontractors to bid on the Work and to obtain all applicable permits (collectively, the “**Final Working Drawings**”) and shall submit the same to County for County’s approval, such approval not to be unreasonably withheld, conditioned or delayed. County shall approve or reasonably disapprove any draft of the Final Working Drawings within seven (7) business days after County’s receipt thereof; provided, however, that (i) County shall not be entitled to disapprove any portion, component or aspect of the Final Working Drawings which are consistent with the Final Space Plan unless (a) County agrees to pay for the additional cost (if any) resulting from such change in the Final Space Plan as part of the over-allowance amount pursuant to Section 2 below, and (b) County agrees that any such delays caused by such change(s) shall be deemed a delay caused by the County for all purposes of this Work Letter, Schedule 1 attached hereto and the Lease, and (ii) any disapproval of the Final Working Drawings by County shall be accompanied by a detailed written explanation of the reasons for County’s disapproval. Failure of County to reasonably disapprove any draft of the Final Working Drawings within said seven (7) business day period shall be deemed to constitute County’s approval thereof. This process shall be repeated until the Final Working Drawings have been approved; it being agreed that County’s right to raise objections (following County’s initial objections to Lessor’s first submission of the Final Working Drawings) shall be limited to (a) the revisions made to the previous submission of the Final Working Drawings in order to address County’s prior objections or changes which are derivative of changes resulting from such prior objections and/or (b) revisions to design elements not previously a part of the Final Working Drawings previously submitted to County. The Final Working Drawings, as approved by Lessor and County, may be referred to herein as the “**Approved Working Drawings**.” County shall make no changes or modifications to the Final Space Plan or the Approved Working Drawings without the prior written consent of Lessor, which consent may be withheld in Lessor’s sole discretion if such change or modification would directly or indirectly delay the Substantial Completion of the Work or increase the cost of designing or constructing the Work. Lessor shall promptly submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to allow Contractor as that term is defined in Section 3, below, to commence and fully complete the construction of the Work (the “**Permits**”). County shall cooperate with Lessor in promptly executing permit applications and performing other ministerial acts reasonably necessary to enable

## **Attachment A**

Lessor to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Lessor, provided that Lessor may withhold its consent, in its sole discretion, to any change in the Approved Working Drawings if such change would directly or indirectly delay the Substantial Completion of the Work.

### **SECTION 2. – INTENTIONALLY OMITTED**

### **SECTION 3. - TIME DEADLINES (AS DEFINED IN SCHEDULE 1)**

County shall use its good faith efforts and due diligence to cooperate with the Lessor, its architect, and the engineers to complete all phases of the construction drawings and the permitting process and to receive the Permits, and with Contractor (as defined below in Section 4) as soon as possible after the execution of the Lease, and, in that regard, shall meet with Lessor on a scheduled basis to be determined by Lessor, to discuss the progress in connection with the same. The applicable dates for approval of items, plans and drawings as described in this Section 1, above, and in this Work Letter are set forth and further elaborated upon in Schedule 1 attached hereto. County agrees to comply with the timeline in Schedule 1.

If the Substantial Completion of the Work is actually delayed as a result of any of the following (each, a “County Delay”):

1. County's failure to timely approve any matter requiring County's approval consistent with this Work Letter;
2. County's request for changes, additions or alterations in or to the the Work, the Final Space Plan, the Final Working Drawings and/or the Approved Working Drawings; or
3. County's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the anticipated date of Substantial Completion of the Work, as set forth in the Lease.

then, notwithstanding anything to the contrary set forth in the Lease or this Work Letter and regardless of the actual date of the Substantial Completion of the Work, the date of Substantial Completion of the Work shall be deemed to be the date the Substantial Completion of the Work would have occurred but for the County delay or County delays, as set forth above, had occurred and resulted in an actual delay. In the event that Lessor becomes aware of a County Delay, Lessor shall promptly provide County with written notice and a reasonable opportunity to cure the same.

### **SECTION 4. - ALLOWANCE AMOUNT EXCEEDED**

In the event that after County’s execution of this Lease, any revisions, changes, or substitutions shall be made to (i) the Space Plan, (ii) the Approved Working Drawings (once the same are completed), (iii) the Work, or in the event that County requests revisions, changes, or substitutions which cause the Approved Working Drawings to not be a logical extension of the Space Plan, then any additional costs which arise in connection with such revisions, changes or substitutions shall be paid by County to Lessor within sixty (60) days following receipt of Lessor’s written request therefor or as otherwise provided in the Lease.

### **SECTION 5. - CONTRACTOR’S WARRANTIES AND GUARANTIES**

Lessor shall assign to County (on a non-exclusive basis) all warranties and guaranties by the Contractor who constructs the Work (the “**Contractor**”) relating to the Work and pursuant to said assignment, County hereby waives all claims against Lessor relating to, or arising out of the construction of, the Work. Lessor shall independently retain Contractor, on behalf of County, to construct the Work in accordance with the Approved Working Drawings and Lessor shall supervise the construction by Contractor.

### **SECTION 5. - COUNTY’S COVENANTS**

## Attachment A

County hereby indemnifies, defends and holds harmless Lessor for any loss, claims, damages or delays arising from the negligence, acts or omissions of County, its agents, including, but not limited to any space planner, architect or engineer hired by County in connection with the Work.

### **SECTION 6. - MISCELLANEOUS**

6.1 Freight Elevators. Lessor shall make the freight elevator (if applicable) reasonably available to County in connection with initial decorating, furnishing and moving into the Premises, if applicable.

6.2 County's Representative. County has designated HCA/Facilities Manager a as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Lessor, shall have full authority and responsibility to act on behalf of the County as required in this Work Letter.

6.3 Lessor's Representative. Lessor has designated Darcy Nove [dnove@birtcherandersondavis.com](mailto:dnove@birtcherandersondavis.com) (as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to County, shall have full authority and responsibility to act on behalf of the Lessor as required in this Work Letter.

6.4 Time of the Essence in This Work Letter. Unless otherwise indicated, all references herein to a number of days shall mean and refer to calendar days. In all instances where County is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period, at Lessor's sole option, at the end of such period the item shall automatically be deemed approved or delivered by County and the next succeeding time period shall commence.

6.5 Cooperation by County. County acknowledges that the timing of the completion of the Approved Working Drawings and the Work is of the utmost importance to Lessor. Accordingly, County hereby agrees to fully and diligently cooperate with all reasonable requests by Lessor in connection with or related to the design and construction of the Work, and in connection therewith, shall respond to Lessor's requests for information and/or approvals, except as specifically set forth herein to the contrary, within seven (7) business days following request by Lessor.

6.6 Punch List. Upon Substantial Completion of the Work, Lessor and County shall comply with the terms and conditions of Clause 13E (CONSTRUCTION) of the Lease with respect to preparation of a punch list and completion of such punch list items.

**Attachment A**

SCHEDULE 1 TO WORK LETTER

Estimated Schedule

Mutual Lease Execution	April 9, 2024
Design and Construction Drawings	May 21, 2024 (6 weeks)
Plan Check/Permit Approval	July 2, 2024 (6 weeks)
Construction Commencement: Premises and Building Work	July 3, 2024
Substantial Completion Date	September 25, 2024 (12 weeks)



## **Attachment A**

### **EXHIBIT D**

#### **JANITORIAL SPECIFICATIONS**

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

Janitorial service as required in Clause 19.A (Lessor Services) (REPAIR, MAINTENANCE AND JANITORIAL SERVICES), of this Lease, shall be inclusive of, but not limited to, the services as detailed below:

#### **OFFICE AREAS**

**NIGHTLY:** Sunday through Thursday (County Holidays excepted).

1. Empty and clean all waste receptacles, supply liners for waste receptacles, replace light bulbs and fluorescent tubes, remove waste materials from the Premises and wash receptacles as necessary;
2. Mop all uncarpeted areas;
3. Vacuum all carpeted areas in offices, lobby and corridors;
4. Hand-dust all office furniture, fixtures and all other horizontal surfaces (no more than twice per week);
5. Remove all finger marks and smudges from doors, door frames, around light switches, private entry glass and partitions;
6. Wash, clean and polish water fountain;
7. Spot clean carpet as necessary;
8. Clean sink and wipe down tables and counter areas in all break areas and coffee bars and provide materials and fill all soap and paper towel dispensers.

#### **WEEKLY:**

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

#### **MONTHLY:**

1. Dust all mini-blinds within the Premises;
2. Vacuum high moldings and other areas not reached by nightly or weekly cleaning.

#### **QUARTERLY:**

1. Scrub and buff uncarpeted floors.

#### **SEMI-ANNUALLY:**

1. Clean ceiling light diffusers;
2. Clean interior walls, as needed;

## **Attachment A**

3. All interior windows of the building are to be cleaned once per annum and all exterior windows of the building are to be cleaned semi-annually.

### **RESTROOMS**

#### **NIGHTLY:**

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

#### **MONTHLY:**

1. Machine strip restroom floors and apply finish/sealer where applicable (quarterly, not monthly);
2. Wash all partitions, tile walls, and enamel surfaces;
3. Vacuum all louvers, vents, and dust light fixtures.

### **MISCELLANEOUS SERVICES**

1. Maintain building lobby, corridors, and other public areas in a clean condition;
2. Parking lot is to be cleaned on a monthly basis;
3. Scrub and buff uncarpeted floors as needed (estimated one time per quarter).

### **SUSTAINABILITY**

County seeks to promote sustainability principles into its business operation by promoting responsible use of materials and equipment and encourages Lessor to adopt a similar business philosophy in maintaining the Premises. Some possible sustainability concepts and practices Lessor may promote in its sustainability plan include, but is not limited to the following:

1. Utilizing green suppliers/vendors
2. Recycling and resource recovery
3. Identify and utilize energy efficient products
4. Cost and value appropriately sustainability options

**Attachment A**

**EXHIBIT E**

**FORM OF SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE AGREEMENT**

RECORDING REQUESTED BY & )  
WHEN RECORDED RETURN TO: )  
 )  
East West Bank )  
9300 Flair Drive, 6<sup>th</sup> Floor )  
El Monte, CA 91731 )  
Attn: Loan Servicing )  
 )  
\_\_\_\_\_ )

(Space Above This Line For Recorder’s Use)

**SUBORDINATION AGREEMENT AND  
AGREEMENT OF NON-DISTURBANCE AND ATTORNMENT**

(EWB Form – Rev. 9/14/2016)

This Subordination Agreement and Agreement of Non-Disturbance and Attornment (“Agreement”) is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, among (i) East West Bank (“Lender”), (ii) \_\_\_\_\_ (“Tenant”) and (iii) \_\_\_\_\_ (“Owner”), with reference to the following:

**RECITALS**

A. Lender has made or is proposing to make a loan to the Owner secured or to be secured by a deed of trust (the “Deed of Trust”) on the real property legally described in Exhibit A attached hereto and the improvements thereon (together, the “Property”). The Deed of Trust and any and all other documents evidencing or relating to the Loan shall be referred to as the “Loan Documents”.

B. Tenant has leased or is proposing to lease certain space in the Property (the “Premises”) (the lease and all amendments thereto being referred to as the “Lease”).

C. Lender and Tenant desire to enter into this Agreement under which Tenant subordinates the Lease and its interest in the Property and agrees to attorn to Lender and under which Lender agrees to not disturb Tenant’s possession of the portion of the Property covered by the Lease (the “Premises”) all to the extent set forth herein, and so long as Tenant is not in default under the Lease.

NOW THEREFORE, with reference to the foregoing recitals and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to this Agreement agree as follows:

1. Subordination. The Lease, and the rights, if any, of Tenant in, to and under the Lease and the Premises, are hereby subjected and subordinated to the lien of the Deed of Trust, it being understood and agreed that the foregoing subordination shall apply to any and all increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations of the Deed of Trust, provided that any and all such increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations shall nevertheless be subject to the terms of this Agreement.

2. Tenant Not to Be Disturbed. So long as Tenant is not in default in the payment of rent or of any of the terms, covenants or conditions of the Lease on Tenant’s part to be performed (beyond any period given Tenant in the Lease to cure such default) and Tenant attorns to Lender as provided herein, Tenant’s possession of the Premises shall not be diminished or interfered with by Lender.

3. Tenant to Attorn To Lender. If Lender shall become the owner of the Premises or the Premises shall be sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Premises shall be

## Attachment A

transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Premises, who shall succeed to the rights and duties of the Owner under the Lease. Tenant shall attorn to Lender or any other such owner as its landlord, said attornment to be effective and self-operative without the execution of any further instruments.

4. Notice of Default; Rent Payments to Lender. In the event that Lender notifies Tenant of a default under the Deed of Trust and requests Tenant to pay its rent and all other sums due under the Lease to Lender, Tenant shall pay such sums directly to Lender, or as Lender may otherwise request, without any further consent of Owner.

5. Limitations. Lender (and any successor or assignee of Lender) shall not be (i) liable for any act or omission of Owner or any predecessor-in-interest, (ii) subject to any offsets, counterclaims or defenses which Tenant may have against Owner or any predecessor-in-interest, (iii) liable for any security deposit or payment of rent (for more than one month in advance of the date due under the Lease) made by Tenant to Owner or any predecessor-in-interest, except to the extent actually received by Lender, or (iv) subject to any option to purchase or right of first refusal to purchase the Property stated in the Lease which option or right shall not be enforceable against Lender. If Lender becomes the owner of the Property or the Property is sold to a third party by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Property is conveyed by deed-in-lieu of foreclosure, Tenant agrees that, notwithstanding anything to the contrary contained in the Lease, after such foreclosure sale or conveyance by deed-in-lieu of foreclosure, Lender has no personal liability to Tenant under the Lease and Tenant shall look solely to Owner for satisfaction of any of its remedies for collection of a judgment or other judicial process requiring payment of money. Further, in the event Lender transfers its interest in this Lease to a third party, Lender shall be automatically freed and released, from and after the date of such transfer or conveyance, of all liability for the performance of any covenants and agreements which accrue after the date of such transfer of Lender's interest.

6. Notice and Cure Rights. Tenant shall not terminate or seek to terminate the Lease until Tenant has given written notice, by registered or certified mail, return receipt requested, of said act or omission to Lender, which notice shall be addressed to East West Bank, 9300 Flair Drive, 6<sup>th</sup> Floor, El Monte, CA 91731; and until a period of time equal to the greater of: (a) the time allowed Owner under the Lease or (b) thirty days following such notice has elapsed, during which period Lender has the right, but not the obligation, to remedy such act, omission or other matter. If possession by Lender of the Property is necessary to effect such remedy and would be commercially reasonable, then the period of time for remedying such act or omission shall include a reasonable period of time for Lender to gain possession of the Premises, whether by foreclosure or otherwise.

7. Tenant Representations and Warranties. Tenant hereby represents and warrants that (a) the Lease is solely and exclusively for the Premises and/or the Property identified in Exhibit "A" attached to this Agreement, (b) the Lease is not a "master lease" for any other premises and/or property leased by Tenant and/or Owner, (c) any default under the Lease, and the exercise of Owner's rights and remedies in connection with such default, shall only impact and/or effect Tenant's obligations with respect to the Premises and/or the Property, and (d) any default by Tenant under any other lease with Owner or any other landlord, and the exercise of any such landlord's rights and remedies in connection with such default, shall not affect Tenant's obligations under the Lease.

8. Miscellaneous. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the parties hereto and their representatives, successors and assigns. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. The term "Lender" as used throughout this Agreement includes any successor or assign of Lender and any holder(s) of any interest in the indebtedness secured by the Deed of Trust. This Agreement and the rights and duties of the parties hereunder shall be governed for all purposes by the law of the State of California and the law of the United States applicable to transactions within such state. This Agreement may be executed in multiple counterparts, and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be one and the same instrument with the same signature as if all parties to this Agreement had signed the same signature page.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as of the date first above written.

**Owner:**

**Attachment A**

\_\_\_\_\_

BY: \_\_\_\_\_

Title: \_\_\_\_\_

**Tenant:**

\_\_\_\_\_

BY: \_\_\_\_\_

Title: \_\_\_\_\_

**Lender:**

EAST WEST BANK

BY: \_\_\_\_\_

Title: \_\_\_\_\_

**(ALL SIGNATURES MUST BE ACKNOWLEDGED)**

**Attachment A**

EXHIBIT A  
LEGAL DESCRIPTION

**Attachment A**

**CERTIFICATE OF ACKNOWLEDGMENT**

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.**

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_\_\_ before me

\_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

**WITNESS my hand and official seal.**

Signature \_\_\_\_\_ (Seal)

**Attachment A**

**CERTIFICATE OF ACKNOWLEDGMENT**

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.**

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_\_\_ before me

\_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

**WITNESS my hand and official seal.**

**Signature** \_\_\_\_\_ **(Seal)**



**Attachment A**

**CERTIFICATE OF ACKNOWLEDGMENT**

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.**

STATE OF \_\_\_\_\_ )

) SS

COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_\_\_ before me

\_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

**WITNESS my hand and official seal.**

Signature \_\_\_\_\_ (Seal)

**Attachment A**

**EXHIBIT F**

**ESTOPPEL CERTIFICATE**

TO:

As of the date of this Estoppel Certificate the undersigned, as a "tenant" under that lease dated \_\_\_\_\_, between \_\_\_\_\_ ("Lessor") and the County of Orange, a political subdivision of the State of California ("County"), does hereby acknowledge the following:

1. The aforesaid lease, subject to article 2 below, constitutes the entire agreement between Lessor and County and is in full force and effect.
2. (Check One)
  - The aforesaid lease has not been modified, altered, or amended.
  - The aforesaid lease has been modified pursuant to that document(s) attached hereto.
3. The term of the lease is \_\_\_\_\_ years. The lease commenced on \_\_\_\_\_ and will expire on \_\_\_\_\_.
4. The term of the lease is subject to County's option to terminate/extend as follows:  
\_\_\_\_\_  
\_\_\_\_\_
5. The lease rental rate is \$\_\_\_\_\_ per month, no rent has been paid in advance except as set forth in the lease, and County (in its capacity as "tenant," and not as a governmental agency) has received no notice of a prior assignment, hypothecation, or pledge of the lease from Lessor.
6. County has accepted and is now in possession of the leased premises.
7. The addresses for notices to be sent to County are set forth in Clause \_\_\_\_ (\_\_\_\_\_) of the lease.
8. County has no charge, lien, or claim of offset under this lease against rents or other charges due or to become due and, to the actual knowledge of County, Lessor is not now in default under the lease.

APPROVED AS TO FORM  
OFFICE OF COUNTY COUNSEL

COUNTY  
COUNTY OF ORANGE

By \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Thomas A. Miller, Chief Real Estate Officer  
County Executive Office/Real Estate

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

Certificate Date: \_\_\_\_\_

**Attachment A**

**EXHIBIT G**

**WORK ACCEPTANCE LETTER**

RE: Premises Located at 23046 Avenida de la Carlota Suites 350 & 360, Laguna Hills, CA 92653.

Lessor and County, without limiting any of County's rights and remedies expressly set forth in Exhibit C and this Lease or Lessor's obligations thereunder regarding completion of Lessor's Work in accordance with Clause 13 (CONSTRUCTION), agree and acknowledge that:

*Check all that apply:*

- LESSOR WORK IS COMPLETE, COUNTY ACCEPTS POSSESSION OF THE PREMISES ( WITH NO PUNCH LIST ITEMS):**

The Work to the Premises constructed by Lessor has been completed and accepted by County without any outstanding punch list items. The Premises are in acceptable condition and Lessor delivered in compliance with all of the requirements contained in Exhibit C and Clause 13 (CONSTRUCTION) of the Lease.

- LESSOR WORK IS COMPLETE WITH PUNCH LIST ITEMS OUTSTANDING, COUNTY ACCEPTS POSSESSION OF THE PREMISES:**

The Work to the Premises constructed by Lessor has been SUBSTANTIALLY COMPLETED and accepted by County WITH THE EXCEPTION OF THE FOLLOWING OUTSTANDING PUNCH LIST ITEMS (see itemized list below).

Lessor has twenty-one (21) days following receipt of this Work Acceptance Letter to complete all punch list items.

**Punch List Items Remaining of The Work:  
(Attach additional pages if necessary)**

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**Anticipated Punch List Completion Date:** \_\_\_\_\_

- LESSOR WORK IS NOT COMPLETE, COUNTY REJECTS POSSESSION OF THE PREMISES:**

**Attachment A**

Lessor has not completed the Work per the requirements defined in the Lease specifically in Clause 13 (CONSTRUCTION) and Exhibit C.

The information set forth in this Acknowledgment is true and correct as of the date hereof. This Acknowledgment shall be binding on the Parties and upon the successors and assigns of County.

**Lessor:**

**County/ HCA Facilities Services Manager:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Attachment A**

**EXHIBIT H**

**TERMINATION FEE SCHEDULE**



**HCA (Carlota Towers)**

Space: Suites 350 & 360  
Rentable Square Feet: 7,354 rsf  
Lease Commencement: 10/1/2024  
Lease Expiration: 7/31/2035 (130 months)  
Termination Effective Date: 7/31/2030 (end of 70th month)  
Termination Notice Date: 8/5/2029 - 11/3/2029 (270-360 days prior)  
Termination Fee Due Date: 8/5/2029 - 11/3/2029 (at time of notice)

<b>Termination Penalty Calculation</b>	
FSG Base Rent	\$0
<b>Original Costs</b>	
Turn-key Tenant Improvements (\$60.00 psf)	\$441,240
Commissions (6.0%/3.0% + \$2 psf bonus)	\$155,807
FF&E Allowance (\$20.00 psf)	\$147,080
Test-fit Allowance (\$0.20 psf)	\$1,471
Free Rent (10 months)	\$227,974
<b>Total</b>	<b>\$744,127</b>
<hr/>	
Unamortized Cost @ 6.0%	\$403,372
<hr/>	
<b>Termination Penalty</b>	<b>\$403,372</b>
Per RSF	\$54.85
# Months of Rent	15.3 months